

United States Silver Coinage

Prior to 1965, United State coinage (dime, quarters and half-dollars) was manufactured from an alloy of 90% silver and 10% copper. From 1965 to 1969, U.S. Kennedy half-dollars were made of a 40% silver alloy.

Today, investors are finding silver coinage especially appealing for a number of reasons. Due to melting, the supply of these coins has been greatly reduced during the past three decades and an increase in demand could push their price higher. As U.S. legal tender, they are widely recognized and, therefore, easily bought and sold. But, perhaps the most compelling reason for investor interest is the potential for unlimited profit while the downside risk is limited to a pre-determined amount.

The potential for profit on a silver bag is theoretically unlimited because, in rising markets, the value is determined by the silver content. If the price of silver increases dramatically, then a bag's value will also increase dramatically. However, if the price of silver falls, then a bag will be valued at its legal face value amount of \$1,000.

40% Silver Coinage

- ✓ U.S. legal tender Kennedy half-dollars minted from 1965 through 1970. Also known as "Silver Clad" half dollars.
- ✓
- ✓ Prices are normally quoted for bags containing \$1,000 face value (i.e., 2,000 coins). However, bags containing \$750, \$500, \$250 and \$100 are also available.
- ✓
- ✓ Each \$1,000 face value bag weighs approximately 51 pounds and contains approximately 295 troy ounces of silver.

90% Silver Coinage

- ✓ 90% Silver bags contain dimes, quarters, and halves dated 1964 and earlier, swept up from circulation after the change to clad coinage in 1965.
- ✓
- ✓ Prices are normally quoted for bags containing \$1,000 face value. However, bags containing \$750, \$500, \$250 and \$100 are also available.
- ✓
- ✓ Each \$1,000 face value bag weighs approximately 55 pounds and contains approximately 715 troy ounces of silver.

Investment Advantages:

- ✓ Bags carry a low premium relative to their bullion value.
- ✓ Risk is limited – Regardless of the silver price, as legal tender, these coins will always be worth their face value.
- ✓ Since the 1960's, millions of coins have been melted, exported and refined, thereby reducing the supply.
- ✓ As legal tender, U.S. silver coinage is widely recognized and traded.

Investment Disadvantages:

- ✓ Silver bags are less liquid than some other forms of silver bullion
- ✓ In an extreme price run-up, the premium, as a percentage of value, tends to decrease.