

GOLD TODAY

BY GRACE STOCKLEY, VICE PRESIDENT OF FIDELITRADE INCORPORATED

UNLIKE EDGAR ALLAN POE'S Gold Bug, today's investors are not bitten by a bug that sends them in search of treasure. Rather, they are searching for an investment that balances their overall portfolio, provides diversification, and protection against inflation, and geopolitical and economic uncertainties.

Prior to the financial crash of 2008, investors typically were strong proponents either for or against the idea of adding precious metals in an investment portfolio. However, after 2008, it became clear that those with gold in their portfolio made out significantly better than those without it. Financial analysts couldn't deny what, in hindsight, was apparently clear – balancing your portfolio with precious metals reduces overall risk. The experience of the "Great Recession" has certainly changed many investors opinions of gold.

People that never considered gold before are now adding it to their 401ks and self-directed IRAs. Some are taking personal delivery and some securely storing it in established, insured depositories. With the influx of new investors, local companies like FidelityTrade Incorporated are not only selling gold, but also educating investors.

Investing in physical precious metals is easier than most investors think. Setting up a precious metals account is fast and easy. Bullion accounts fit all budgets -- individuals can start for as low as \$100 per month in an accumulation plan or invest millions. Transactions settle quickly and payments are made by cash, check, credit card or bank wire. Shipping is fully insured and depository services are inexpensive.

While there is a growing interest in precious metals, the industry, as a whole, is tackling some key issues.

For example, FidelityTrade and the Precious Metals Association of North America (PMANA) are fighting in Washington to make capital gains tax treatment fairer for precious metals investors. Investments on equity investments are taxed at the maximum rate of 20%, while precious metals are taxed at the collectible rate of 28%. (This rate difference is one reason investors are increasingly placing their precious metals investments in tax advantaged IRAs.) Because of recent testimony submitted to congress, legislators are now aware of the disparity and unfairness of the existing tax law.

Another issue facing precious metals investors is the growing problem of counterfeit bullion. Due to improving technology, better counterfeits are being produced at a greater pace than ever before. Organizations like the PMANA and the Industry for Tangible Assets (ICTA) have dedicated significant resources to address this issue. They are working in areas such as international trade agreements, intellectual property rights, customs and border patrol, and stricter enforcement and penalties, both at the local






and national levels. Again, local businesses, FidelityTrade and Delaware Depository have invested substantial resources to identify and intercept counterfeits, ensuring that investors are protected.

The state of Delaware, its representatives, and industry groups are committed to raising awareness of these issues and creating positive changes that will protect investors, and improve the way precious metals are viewed and traded. FidelityTrade is educating investors directly and providing expert speakers to


investment and other groups.

Gold has been considered a store of value and a medium of exchange for over 5,000 years. There's no doubt it will continue for another 5,000. ■



Chip Rankin
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**Bob Smith is
Right, By My Side**

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