



LIQUID.
SOLID.
GOLD.



WORLD GOLD COUNCIL



Solid Value For Uncertain Times

We live in times of tumultuous change. Borders shift. Businesses collapse. Wars flare up. Amid all this global turmoil, gold stands firm. Through centuries of war and peace, feast and famine, gold has always been a consistent store of value and a trusted medium of exchange.

Paper assets can soar, or sink so low they become worthless. But gold has intrinsic value. In 5,000 years, no one has ever said of gold, "It's not worth the paper it's printed on." Buy gold and you own something solid.

As solid as gold is, it is also extremely liquid. Bullion coins make gold convenient to hold and easy to acquire. Gold bullion coins are traded throughout the world on a daily basis as an integral part of the international gold business, so they always have a ready market.

History In The Palm Of Your Hand

Fascination with gold is as old as history. Gold was - and is - prized for its rarity and beauty, and for over 5,000 years it has been used as money. Entire civilizations have flourished and disappeared, yet gold has endured.

One of the earliest records of using gold as money dates from 560 BC, when King Croesus created a coin emblazoned with his own image. This seemingly simple act changed the world of commerce as gold became currency, a medium of economic exchange with a definite value, replacing barter and other commodities. So when you hold gold in your hand, you're not just connecting to a long history, you're holding a piece of the future as well.

The Choice For Enduring Value

As a medium of exchange, the value of gold has always been strong.

Through hard times and times of plenty, gold endures. Significantly, governments hold one-third of all the gold in existence. In today's economy, gold remains a strong financial foundation. Quite simply, gold is money.

It's liquid. Bullion coins are an excellent way to own and hold gold. These coins are legal tender in

their country of origin - fully backed by the government that mints them. And gold can easily be converted to cash at any time without worries about penalties. Bullion coins do not require assaying. Their weight and purity are precisely controlled and standardized, allowing you to buy with confidence and sell with ease.

The gold market is one of the most efficient in existence, with international trading centers providing continuous communication, 24 hours a day. As a result, you can buy or sell anywhere, any time, at a price reflecting the worldwide balance of supply and demand prevailing at the moment.

It's solid. Gold bullion is an asset which does not depend upon any government's promise to repay.

Over the long run, gold has retained its purchasing power. For example, the cost of living in the US, as measured by the Consumer Price Index (CPI), more than doubled from 1975-1992, that is, the purchasing power of the dollar was cut by more than half. In contrast, the price of gold outpaced the CPI over the same period - meaning that gold increased its purchasing power.





For gold, that principle has held true not merely in theory but in historical fact.

Gold Is Easy To Buy

Gold is easy to buy, sell and store. It is available at coin and precious metals dealers and selected banks and brokerage firms across the US and around the world.

Gold is available in many forms. Popular gold bullion coins include the American Eagle, the Australian

Kangaroo Nugget, the Austrian Philharmonic, the Canadian Maple Leaf, the Mexican Libertad, the South African Krugerrand and



Gold is often purchased as a hedge against inflation.

Bullion coins let you physically possess gold in an easily negotiable, internationally-honored form and their price is determined by their actual gold content, plus a small premium. Gold is tangible. Real.

A Secure Foundation For A Balanced Portfolio

Whether your investment approach is conservative or aggressive, gold can play a vital role in your portfolio. In fact, many experts urge investors to keep at least 5-10 percent of their total assets in gold.

The factors that determine the price of gold are mainly independent of those that determine the price of other financial assets, such as stocks and bonds. When the stock market crashed on October 19, 1987, gold edged up even as stocks experienced their greatest loss in history. When you buy gold, you can help offset market fluctuations and reduce the volatility of your total portfolio.

Gold can also play an important role in your retirement planning. American Eagle gold bullion coins are eligible for inclusion in your tax-deferred retirement (IRA) account.

Where you put your money is up to you. But remember, sometimes paper assets aren't worth the paper they're printed on. But gold is always worth its weight.

Supply And Demand Fundamentals


The supply of gold is limited by nature itself. Gold is scarce - so scarce that all the gold ever mined (approximately 110,000 metric tons) would fit into a cube measuring just 20 yards on each side. And this supply is growing by less than two percent annually. Competing for this limited supply are jewelry manufacturers, industrial and medical users, national governments (including central banks) and private investors. In recent years, jewelry demand *alone* has exceeded Western mine production.

As economists since Adam Smith have agreed, heavy demand and short supply tend to drive prices upward.



Washington Monument towers over 20 yard gold cube.





the United Kingdom's Britannia. These coins can be purchased in a variety of denominations.

In addition to the popular one ounce size, bullion coins are available from 1/20 of an ounce to 1 kilogram. You can buy other physical forms of gold including bars and wafers, ranging in size from one gram to 400 ounces.

As with any investment, it is always advisable to check the terms, procedures and prices of the dealer. Prospective investors should consult their personal financial advisors regarding tax laws or other circumstances.

Owning Gold - Your Choices

Once you purchase gold, there are several ways to "hold" it. You can take physical delivery (possession) or you can choose from the following types of storage programs.

Statement Accounts: With a statement account, your broker or banker holds title to your gold. Statement accounts allow you to buy and sell gold over the phone and they give you complete records for tax and management purposes.

Accumulation Plans: Under this plan, you purchase gold by investing a fixed dollar amount at regular intervals (i.e., once a month). This allows you to benefit from dollar cost averaging –

a strategy which can make your cost lower than the average price per ounce because

you automatically acquire more gold at lower prices and less gold at higher prices over a period of time.

A Practical Choice For Savings And Gifts

Because bullion coins are available in different sizes, you don't need to be wealthy to buy gold. For savings, gold coins continue to be a wise choice. Gold can be more secure over the long-run than stocks, bonds, treasury notes, real estate or other investments. In many cultures, gold is regarded as a family treasure to be passed on to one's children and children's children.

As a gift, gold bullion coins are always appropriate. They will be appreciated as much for their intrinsic value as for their mystical appeal and beauty. For birthdays, graduations, weddings, holidays or any other occasion, gold coins offer a unique





gift-giving alternative. They are affordable, yet precious.

Buying Gold - The Right Time To Buy

Private investors today are faced with a bewildering number of options when it comes to finding the right home for their money. Advice on how, when and where to invest is available from hundreds of different sources. Most financial advisors would agree, however, that an investment portfolio should be diversified.

"Is now the right time to buy?" With gold, the answer is always the same: Yes. Of course, there's no guarantee that the price of gold will be higher as soon as tomorrow. Gold is an investment for the long-run. The right time to buy gold is when you understand what it is and what it can do for your portfolio.

Glossary Of Gold Terms

Assay: To test a metal for purity.

Bid/Ask: Bid (or buy) is the price a dealer will pay for gold bullion coins. Ask (or sell) is the selling price offered by a dealer. (See **Spread**.)

Bullion: Uncoined gold usually in the form of bars, wafers or ingots.

Bullion Coin: A legal tender coin whose market price depends on its gold content, rather than its rarity or face value.

Cash Price: Price required for immediate settlement since most gold purchases are cash transactions. Also known as "spot price."

Face Value: The nominal value given to legal tender coin or currency (i.e., a 1oz. gold American Eagle has a face value of \$50).

Four Nines: Gold with a fineness of 999.9 - the purest gold available.

Karat: Unit of fineness, scaled from one to 24. 24 karat gold (or pure gold) has at least 999 parts pure gold per thousand; 18 karat has 750, etc.

Legal Tender: The coin or currency which the monetary authority of a country declares to be universally acceptable therein as a medium of exchange; acceptable in the discharge of debts.

Liquidity: The quality of being readily convertible into cash.

"London Fix": Twice-daily bidding session in London of the five major gold traders, at which the price is fixed or set. The London Fix is the basis for many gold contracts worldwide.

Numismatic: Coins which are valued for their rarity, condition and beauty beyond the value of their gold content. Generally, premiums for numismatic coins are higher than for bullion coins.

Premium: In gold coinage, the amount by which the market value of a gold coin exceeds the actual spot value of its gold content. Part of the premium is recovered by the seller at resale.

Spread: Represents the difference between Bid and Ask prices.

Troy Ounce: A unit of weight, equal to about 1.1 avoirdupois (ordinary) ounces. The word *ounce* when applied to gold, always refers to troy ounces.

