

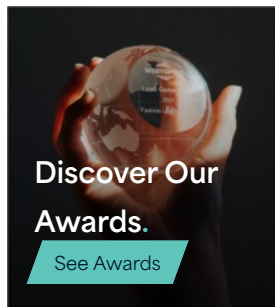
U.S. Money Reserve Insights on Risk: How Purchasing Physical Gold Compares to Buying ETFs and Other Precious Metals-Related Assets

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If you're interested in incorporating gold into your portfolio, purchasing a gold exchange-traded fund (ETF) or purchasing physical gold coins and bars are two potential options.

ETFs are a type of financial derivative in which people who contribute to a fund that buys and sells stocks or other assets hold shares of the ETF's asset pool.

ETFs are traded on a national stock exchange at market prices. As the demand for them varies during the day, their prices can change; they can potentially be either higher or lower than the fund's net asset value per share, which is calculated at the end of the day, according to the Securities and Exchange Commission.



Consumers can't sell or buy ETF shares directly; these can only be bought and sold via market transactions. Often, ETF sponsors have a contractual relationship with one or more financial institutions that essentially act as brokers and are permitted to purchase and redeem shares directly from the ETF in large groupings.

The SEC advises consumers to examine an ETF's summary and full prospectus to ensure that they understand if the overall goal, approach, costs, and other elements align with their objectives.

ETFs may be passively managed, for instance, and focus on earning a predetermined return that's equivalent to a market index, or they might be actively managed – involving assets that are bought or sold in accordance with a certain intent.

ETFs and Physical Gold Assets

A portfolio holder may choose to purchase an ETF for many reasons.

These funds, like physical gold, can provide an opportunity to incorporate in a portfolio an asset with a track record that suggests it may help buffer against volatility.

[ETFs may be a way to engage with the gold market](#) for a lower initial price than purchasing physical gold would involve. According to CBS News, while ETF prices can vary, high-quality funds can trade for less than \$100 a share – and a number of mining-focused gold ETFs pay dividends, which could make them a viable choice if receiving income is one of your goals.

However, “gold” ETFs also have their drawbacks. For example, ETFs that focus their efforts on companies that mine gold could be affected if operational or other issues within the organizations reduce the companies' profitability. That may not be as much of a concern if you choose to purchase ETFs that center on physical gold, but as market-traded funds, ETFs are still vulnerable to many of the same factors that impact the price of other paper assets like stocks.

So while ETFs may allow you some level of entry into the gold market, they do not provide the same benefits as physical gold ownership. This is because you're not purchasing gold when you buy into an ETF; you, in tandem with other parties, are essentially allocating funds toward an entity that's contributing to gold-related assets such as mining stocks. Then, when you redeem your portion of the overall ETF pool, you receive the monetary equivalent of what the portion is worth at that time.

Owning physical gold coins and bars, including Gold American Eagle coins and those that possess the required precious metal fineness of at least 0.995 to be included in a self-directed individual retirement account (IRA), can provide additional benefits and tax advantages not found with ETFs.

While gold assets held in an IRA must be stored remotely in an IRS-approved facility, you have complete control over which assets and how much of those assets are to

be held within your portfolio. Through your IRA custodian, you can sell or purchase additional coins and bars as you desire.

“Some precious metals companies have suggested customers can purchase gold, take possession of it, and still receive the tax benefits associated with an IRA – and that’s simply not true,” says U.S. Money Reserve President Philip N. Diehl, who was the 35th Director of the U.S. Mint. “Any gold held within an IRA must be stored in a licensed depository. After you reach retirement age, you can take possession of the gold when you’re ready to.”

When you choose to begin taking distributions from your gold-backed IRA, you can opt to have your custodian sell your gold assets or have those assets sent to you – at which point you then have the option of holding on to the assets, selling them for a profit, or bequeathing them to future generations.

A Tangible Portfolio Option

A number of U.S. Money Reserve reviews shared online indicate that some portfolio holders appreciate being able to physically own gold assets.

In one of the U.S. Money Reserve reviews on the Better Business Bureau website, for instance, a portfolio holder explains, “I wanted to secure my finances as a retired person who will not be earning more, so I turned from the stock market to coins.”

Rich D., in another one of the U.S. Money Reserve Reviews on the Better Business Bureau website, says he reviewed three companies before turning his savings into gold with U.S. Money Reserve’s assistance.

“U.S. Money Reserve made me feel very confident about my choice,” Rich writes. “As our country and the world [seem] to be in such turmoil, I knew I had to make a different choice with my savings to protect it. Gold, I found, is the way.”

James E. was able to move funds from a preexisting IRA into a self-directed IRA.

“Within one day, I had my IRA transferred and backed by gold,” he says in a U.S. Money Reserve review posted on Google. “What a relief.”

In one of the U.S. Money Reserve Reviews that have been shared on Google, Ron K. thanks the company for helping him purchase physical precious metals assets.

“The coins were even better than described,” Ron says. “The price was amazing, and I would definitely recommend the U.S. Money Reserve to anyone.”

If you’re interested in learning more about the role precious metals like gold can play in your portfolio, U.S. Money Reserve’s website has a wealth of helpful resources, such as their Gold IRA Beginner’s Guide, market news updates, and videos on topics like how gold prices are determined.

You can also call 1-888-708-0458 and speak with a U.S.-based Account Executive, who can answer questions you

may have about purchasing precious metals and navigating the process that's involved in setting up and funding a gold-backed IRA.

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