

Physical Precious Metals vs. ETFs

Why many wealth-preservation-focused investors prefer direct ownership over paper exposure

For clients seeking lasting wealth protection, the difference between owning precious metals outright and holding a paper proxy can be significant. ETFs simply provide indirect market exposure through shares in a trust, but physical gold and silver provide direct ownership, discretion, and independence from counter-party risk and derivatives.

Why physical ownership appeals to discerning investors:

<p>Direct ownership A tangible asset held by the investor- not merely shares that track metals prices.</p>	<p>Reduced structural risk No reliance on custodians, subcustodians and legal layers that make up ETF structures.</p>
<p>Control and access Direct possession, privacy, and ease of liquidation.</p>	<p>Diversification Physical possession provides investors a safe haven as paper assets fail or falter.</p>

Questions worth asking before choosing an ETF:

- How many parties stand between the client and the underlying metal, and what rights exist if markets are disrupted?
- Can an investor redeem shares for physical metals? If so, what is the minimum redemption allowed, usually 400 ounces of gold and 1,000 ounces of silver.
- How might annual fund expenses, tracking differences, or liquidity stress influence long-term outcomes?

Educational Series

Bottom line: Physical precious metals provide a safer alternative than ETF's by providing direct ownership, independence, and reduction in risk.