

## 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:

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

### 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?

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