

Bullion VAULT



BUYING REAL GOLD & SILVER

Perth Mint Bullion Unallocated Account - v - Exchange Traded Funds (ETF's)

Gold has been money forever, since at least 4000 BC. The reason for gold's perennial role is the fact that its physical qualities make it a perfect choice. Rarity, durability, divisibility, transportability and its general desirability as a thing of beauty and store of value, means that gold will always have a monetary role.

Physical gold and silver do have some drawbacks in this modern world of computers and 'bytes' though. It can be lost or stolen, and it is not always convenient to find someone to turn bullion into cash.

In very recent times, electronic means of buying gold and silver have come into existence in the form of Exchange Traded Funds (ETF's). ETF's are like stocks and, unlike physical bullion, their shares are traded on the major stock exchanges. ETF's however, are not shares in a company, but they are shares in an asset - gold or silver, or any other sort of asset.

When you buy a share in a gold or silver ETF, like StreetTracks Gold Shares or iShares Silver Trust, you are buying "just under" a fixed amount of metal being 1/10th of an ounce of gold or 10 ounces of silver. We say just under, because each year a small portion of the bullion that your share has bought, is sold off to pay your fees. It is only a small amount of 0.4% or 0.5% but it happens. One Australian ETF is Gold Bullion Securities Ltd ("GBSL").

It is important to understand that when you buy ETF shares, YOU are not buying any physical bullion. The value of your ETF shares will however closely track the price of the physical metal which the ETF company has bought. Some ETF's, like Australia's GBSL, have even borrowed part of their gold (it is not even owned by them) and they calculate profit and loss on derivative hedging. What this all means, is that when you want to sell your shares, you will **NOT** receive any physical bullion in return and all you will receive is paper money or electronic bytes - unless you are dealing in wholesale quantities, where physical redemption may be possible.

This may not seem important right now, but remember that the true value in physical gold and silver, is that they will come to your rescue when you are confronted with extreme and unexpected events, and if those events lead to a flight from paper currencies, then it would be very beneficial to have the option to take delivery of physical bullion, instead of paper currency or computer entries!

The Bullion Vault LLC, Perth Mint Bullion investment, works in an entirely different way to an ETF. The Perth Mint Bullion unallocated account, which is held by Bullion Express Limited as agent for Bullion Vault LLC, **IS** an investment in physical metal, being a fixed amount of ounces of gold or silver held at the Perth Mint in the unallocated account, and there are no storage fees or deductions charged by the Perth Mint on unallocated accounts.

When you wish to redeem your Bullion Vault LLC investment, you have the option to redeem in cash at the prevailing bullion price or to **take physical delivery of bullion (gold or silver)** or even to take a mixture of cash and physical bullion. All you will have to do if you require physical delivery, is pay the fabrication and delivery costs (or have them deducted from your investment amount), and you will have your Bullion Express delivered to your door.

The bottom line is ... treat ETF's as stocks, which is what they are, not as physical bullion that you can hold onto, if the financial system starts to falter.

THE COMPLETE BULLION VAULT LLC TERMS AND CONDITIONS ARE DOWNLOADABLE FOR VIEWING AT:
http://www.bullionexpress.com/buy_bullion_here/bullion_vault_pmd.php

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