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THE MONEYCHANGER™

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## Ten Commandments for Buying Gold and Silver

- I. **Always take delivery.**
- II. **Never buy premium if you can avoid it.**
- III. **Buy bullion for business, [numismatics](#) for fun.**
- IV. **Buy silver first, then gold.**
- V. **Buy small gold first, then large.**
- VI. **Never buy exotic coins or modern rarities or anything you don't understand.**
- VII. **[Know your dealer.](#)**
- VIII. **What governments can't find, they can't steal.**
- IX. **Never swap bullion coins for U.S. \$20 gold pieces.**
- X. **Never break the law.**

### FOUR BULLION PORTFOLIOS

Please note that our recommendations vary depending on your concerns and the market. If you want to invest in gold and silver to protect your assets and have something easily divisible and spend-able to hedge currency depreciation or collapse, then:

- **If you have \$5,000 or less to spend**  
At least half in silver (either US 90% silver coin or 1oz. Silver Rounds) and half in British Sovereigns, French 20 Francs, Mexican Pesos (10, 5, 2.5 or 2) or some other inexpensive, fractional gold coin.
- **For \$10,000 buy**  
Two-thirds US 90% silver coin or 1oz. Silver Rounds, with the balance divided between a fractional coin like British Sovereigns, French 20 Francs, Mexican Pesos (10, 5, 2.5, or 2) AND Krugerrands, Austrian 100 Coronas or Mexican 50 Pesos.
- **For \$25,000 buy**  
Two-thirds US 90% silver coin or 1oz. Silver Rounds; half of the remaining third in Sovereigns, French 20 Francs, or 1/4 oz. American Eagles; and the balance in one oz. Krugerrands, Austrian 100 Coronas, Mexican 50 Pesos, or American Eagles.
- **For \$75,000 buy**  
Two-thirds US 90% silver coin or 1oz. Silver Rounds; \$5,000 worth of Sovereigns, 20 Francs, or 1/4 Eagles; the balance in Krugerrands, American Eagles, Mexican 50 Pesos or Austrian 100 Coronas. (For over \$75,000 simply do multiples of this portfolio.)

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### QUESTIONS & ANSWERS

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FROM THE MONEYCHANGER STORE

**SilverGold App**

Calculate payments between fiat currencies, silver and gold.

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FREE!

If you want to invest in precious metals to simply protect your assets and don't think you'll ever need to actually barter with them, then:

- **If you have \$5,000 or less to spend**  
Half in US 90% silver coin or 1oz. Silver Rounds, half in one ounce Krugerrands or American Eagles, Austrian 100 Coronas, or Mexican 50 Pesos.
- **For \$5,000 through \$25,000**  
Put at least half of your money in US 90% silver coin or 1oz. Silver Rounds; the rest in one ounce Krugerrands or American Eagles, or in Austrian 100 Coronas or Mexican 50 Pesos.
- **For \$75,000**  
Get bags of US 90% silver or 1oz. Silver Rounds for 2/3 of your order; the balance in Krugerrands, American Eagles, 100 Coronas, or 50 Pesos. (For over \$75,000 simply do multiples of this portfolio.)

## OTHER FREQUENTLY ASKED QUESTIONS

### ► What is US 90% silver coin and why do you recommend it?

90% silver coin is quarters, dimes, and half-dollars minted before 1965. (90% silver coin does *not* include silver dollars.) Everyone knows that 4 quarters = 1 dollar. In the same way, 4 quarters minted before 1965 = 1 face value dollar. A face value dollar is how we sell 90% silver coin. So, when you ask for the price of 90% silver we will say it costs, for example, \$25.00 per face value dollar. A face value dollar is either 10 dimes, four quarters, or two half-dollars. A face value dollar contains .715 ounces of silver. The standard trading unit for 90% silver coin is a “bag” of \$1,000.00 face value, containing 715 troy ounces. You can purchase any portion of a bag that you wish. We recommend 90% silver coin simply because it is often the cheapest, most divisible, most widely recognised and traded form of silver.

### ► What about silver rounds, what are those?

Silver rounds are simply one ounce, 99.9% pure silver coins minted in the United States. They are made by various private refineries and are *not* just round “blanks” of silver. They all have varying pictures because the companies that mint them have varying production runs using different designs. Regardless of the picture on their front and back, all silver rounds we sell state clearly on their face, “1oz. silver, 99.9% pure (or .999 fine).” We sometimes recommend silver rounds instead of 90% silver coin because premiums (not our commission—the premium is the percentage over the spot price that you pay for a coin) on both coins fluctuate for a variety of reasons. Since we consider it our duty to sell you liquid coins for the best price, sometimes our recommendations change.

### ► Why do you recommend gold coins like Krugerrands, Austrian 100 Coronas, and Mexican 50 Pesos, and what are they?

We recommend these foreign coins because they cost less per ounce and give you more gold for your money than the American Eagle gold coin series (which is minted in the United States today). All of these coins are well known in the industry and any dealer will readily buy them. The 22 karat South African Krugerrand gold coin contains exactly one troy ounce of fine (pure) gold. The American Eagle copied the Krugerrand's specifications, and is minted to exactly the same weight and fineness. The Austrian 100 Coronas is an official re-strike from the Austrian mint. It is 20 karat (90% pure) and

contains exactly 0.9802 troy ounce fine gold. The Mexican 50 Peso is an official re-strike from the 400-year old Mexico City mint. A 20 karat coin, it contains exactly 1.2057 troy ounce of fine gold. These three coins take turns as the cheapest on our price sheet.

- ▶ What about the purity of the Krugerrand, Eagle, 50 Peso, and Austrian 100 Coronae? Will they be worth less later since they're not 24 karat?

Purity is largely irrelevant among gold and silver dealers. Coins and bars are bought and sold based on their weight, not their purity. Unless you're going to melt the coins down, it's just not an issue and doesn't affect the price.

- ▶ Why do you recommend older-issue, foreign fractional gold coins instead of modern issues or American Eagle fractionals?

Modern issues like American Eagles, Maple Leaves, Philharmonics, and Nuggets include half, quarter, and tenth ounce coins: the smaller the coin, the higher the cost per ounce. With the smallest coins, premiums over the gold content approach 15%. That makes no economic sense because gold is gold. British sovereigns (containing 0.2354 troy ounce fine gold), French 20 francs (0.1867 oz.), Swiss 20 francs (0.1867 oz.), German 20 marks (0.2304 oz.), Netherlands 10 guilders (0.1947 oz.), the whole series of Mexican peso coins, and a number of other gold coins offer lower cost per ounce and good liquidity. Not recommended are gold coins so infrequently seen in this country that you will suffer a big discount when you sell them, such as Iranian pahlavis (0.2354 oz.) or Saudi guineas (0.2354 oz.). If you can't sell them, they're not a bargain.

- ▶ Nowhere in your recommendations do I see anything about pure gold coins like the Canadian Maple Leaf or Austrian Philharmonic. Why not?

Gold is one of the softest and most ductile metals. Pure gold coins scratch and scar very easily unless handled with extreme care. Throughout history gold coins have generally been alloyed with copper or silver, hardening them to withstand circulation. Customers often unwittingly damage pure gold coins and therefore receive up to 5% less for them when they sell. In our opinion the purity of 24 karat gold confers no benefit and in fact often creates drawbacks.

- ▶ What is reported when I buy or sell gold or silver?

Everything is exempt from reporting **when you buy** gold or silver, unless you pay more than \$10,000 in cash. Even then it's not your gold or silver purchase that must be reported, only the cash transaction. Contrary to the scare stories, very few things are reportable **when you sell**. Under 26 CFR 1.6045-1 and Rev.Proc. 92-103, dealers need only report customer sales of 25 or more (but not fewer) Krugerrands, Maple Leaves, or Mexican Onzas, five bag lots (\$5,000 face value) of US 90% silver coin, kilo gold bars, 100 oz. gold bars, 1,000 oz. silver bars, or 50 oz. or 100 oz. of platinum. If you sell lots smaller than these, the dealer reports nothing.

- ▶ What about government gold confiscation?

We expect it more likely for you to be abducted by aliens than for the Federal Government to attempt gold confiscation. First, gold no longer forms a significant part of the monetary reserves in this country, as it did in 1934 and therefore, confiscation makes no sense. Second, the folks who tell you about government confiscation are generally trying to sell you overpriced coins that will line their pockets and empty yours. For more information, read our article on [numismatics](#).

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