

Safety in Gold

My Top 4 Strategies for Successful Gold Investing



By Jeff D. Opdyke

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Table of Contents

Safety in Gold: My Top 4 Strategies for Successful Gold Investing	2
My Favorite Way to Play Gold	3
The Gold Investment You Must Avoid	5
How to Play Gold Mining Stocks... and Why You Should	5
How to Own Physical Gold	7
Investing in Collectible Coins	7
The Risk of Coins and Bullion.....	8
Bullion Storage: The Easy Solution to Physical Ownership	8
The Wrap Up.....	10

Safety in Gold

My Top 4 Strategies for Successful Gold Investing

1967 was a pivotal year for the global financial system. It was the beginning of the end of national currencies backed by gold...

Nixon ended the gold standard in 1971, but the seeds of this momentous decision were sown years earlier, as US government spending soared during Johnson's "Great Society" initiatives.

Around the world, central banks recognized that the dollar had become overvalued because of the growing levels of US debt. It was clear that a great monetary reset was on the cards.

Central banks wanted insurance, so they started buying up gold in vast amounts.

That year, 1967, set a new record for gold purchases by central banks... a record that held until 2022.

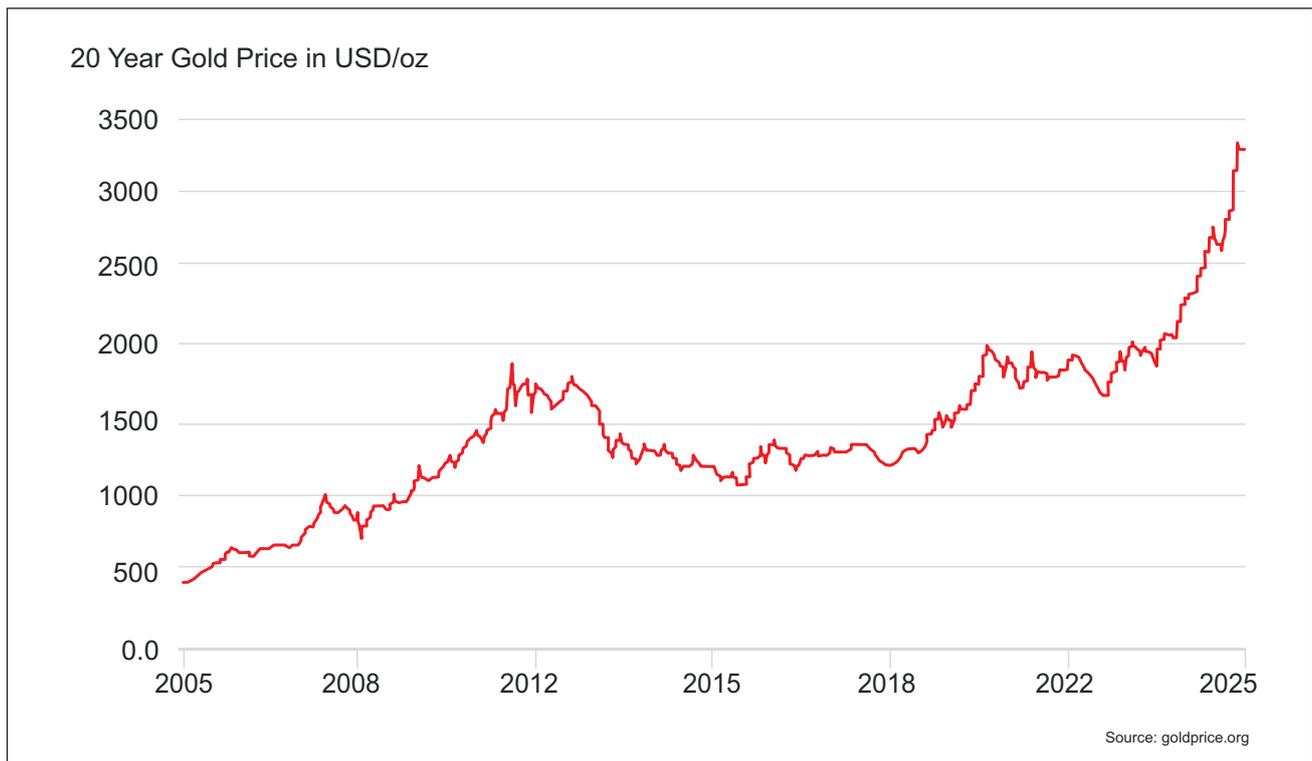
That year, central banks across the globe added a massive 1,136 tons of gold to their reserves. And record levels of gold buying have continued since...

There's only one reason for central banks buying up gold in such vast quantities—they're concerned about a new monetary reset centered on the world's reserve currency, the US dollar.

Traditionally, central banks have held their reserves in US dollars since it's the currency of global trade. But over the past two decades, as US debt levels have skyrocketed, countries have been diversifying away from the dollar.

The International Monetary Fund reported that the dollar's share of global currency reserves was 71% in 1999. Now, the figure stands at less than 59%, a massive drop.

Meanwhile, gold has risen in value by more than 500% over the past two decades.



This is only the beginning...

Gold has been the source of financial repair that governments (including Uncle Sam) have turned to every time a monetary crisis has erupted across history.

Every. Single. Time.

Central banks aren't in the business of buying gold just because they've got nothing better to do with their money. I mean, right now they could be loading up on US dollars and Treasury bonds (supposedly a risk-free investment).

Instead, just as they shunned dollars for gold in 1967, they're shunning dollars for gold again today... and at a pace not seen since the last monetary reset.

All of this leads to one conclusion... Own gold.

In the decade to 2023, gold traded in a range between \$1,100 and just under \$2,100 per ounce. Then in 2024 and 2025 it's taken off like a rocket, reaching \$3,500 in 2025.

Based on all the dots I've collected over the years, I now see gold going on a huge run to \$10,000 or more, likely by 2027 or 2028.

To be clear, gold is a high-risk investment since it is a volatile commodity. You have to be prepared for the short-term whipsaws that can happen. But longer term, over years, gold has preserved wealth against inflation and crises.

That is why I recommend everyone own some level of gold in their portfolios. How much depends on your tolerance for risk.

Personally, I've put more than 20% of my largest, multi-six-figure retirement account into gold. Separately, I also own physical gold in the form of bullion and collectible coins, and I own exposure to global gold mining giants.

I'm not suggesting you follow my lead—20% might be extreme for some people. But at the very least I would recommend 5% to 10% of a portfolio be invested in gold.

There are a number of ways to own gold.

You can own physical bullion... collectible coins... and stock market investments in the form of physical gold funds and mining stocks.

I would advise diversifying your gold investments across these areas, as I have done in my personal portfolio.

Here are my favorite ways to own gold across each of those categories... as well as the one gold investment you need to avoid.

My Favorite Way to Play Gold

Let's start with the easiest way to own exposure to gold: ETFs, or exchange-traded funds.

ETFs trade like shares on a stock exchange. These funds typically hold physical bars of gold or sometimes notes that denote ownership of gold in some form. As such, ETFs represent, on paper, some fractional quantity of physical gold. They are, then, "paper gold."

You can easily purchase ETFs in a standard brokerage account or through an investment account such as an IRA. Many 401(k)s also offer a gold ETF or at least access to a so-called brokerage window that allows you to buy and sell traditional investments such as stocks and ETFs

in your 401(k) account rather than picking from whatever narrower selection of mutual funds your employer allows.

The gold ETF I recommend is **Sprott Physical Gold Trust (PHYS)**.

As its name implies, Sprott owns physical gold as its only asset.

Sprott's gold is fully allocated and unencumbered, meaning the trust owns physical gold bars held in Sprott's name and never loaned or borrowed. Basically, the gold just sits inside a vault and leaves only whenever investors sell their shares of the trust.

That vault is deep underground at the Royal Canadian Mint, Canada's federal mint. Moreover, there is no sub-custodian between the bars of gold in that vault and the unit holders—me and you. The upshot is that even if Sprott tumbled into bankruptcy, the gold in the vault goes to the investors who hold shares in the trust.

Sprott Physical Gold Trust is precisely the kind of gold asset I want in my portfolio: real gold, owned outright, stored in a globally secure location backed by one of the most respectable world governments (Canada), not subject to any custodial shenanigans, and easily traded at a moment's notice.

It's the next best thing to owning physical coins and bullion at home, but without the risk of theft or loss in a natural disaster. (Disclosure: I own Sprott Physical Gold Trust in one of my brokerage accounts. I have owned these shares for years, and I have zero intention of parting with them anytime soon.)

The cost of owning the Sprott trust is 0.45% per year, meaning every \$10,000 in PHYS costs just \$45 annually.

Moreover, ETF holders have the ability to request delivery of physical metal (for a fee) assuming they have the equivalent of a so-called London Good Delivery bar—basically 400 ounces. Now, most of us aren't going to have 400 ounces of gold, but the delivery option simply underscores the fact that Sprott unit holders own the underlying gold, not a claim on a trust.

One point to note: Sprott is characterized for tax purposes in the US as a "PFIC" (pronounced: pee-fick), a Passive Foreign Investment Company. These have special tax designations and, potentially, tax advantages.

In terms of tax advantages, long-term capital gains tied to precious metals are normally taxed at a 28% rate applied to collectibles. As a PFIC, however, long-term cap-gains rates are 15% to 20%, depending on a taxpayer's income level.

To qualify for the lower capital-gains rate, a US taxpayer must make what's known as a "Qualifying Electing Fund" election each year when they file their taxes. That's accomplished with IRS Form 8621. It's not complicated. I point it out so that you know. But of course, you should consult your tax pro about your specific situation.

MY RECOMMENDATION: Buy Sprott Physical Gold Trust (Symbol: PHYS) .

Risk Profile: Higher Risk. (What does this mean? Before you act, read a full breakdown of my five-level risk assessment scale by clicking [here](#).)

Stop/Exit: 55% Trailing Stop-Loss.

The Gold Investment You Must Avoid

The most popular and largest gold ETF is known simply as GLD, the ticker symbol for the SPDR Gold Trust.

I advise investors to avoid this ETF for one simple reason: Unlike the Sprott trust, GLD is not fully allocated and unencumbered. That leads to something called “counter-party risk.”

GLD uses a system of custodians and sub-custodians to source and hold gold, a practice that is common among many ETFs.

Yet custodial banks do fail. Sub-custodians fail. And in some cases, there are no written agreements in place, limiting an ETF’s ability to recoup much of anything. Moreover, custodial insurance doesn’t cover the full value of the metal.

Then there’s the fact that gold is being borrowed and moved around as part of lending agreements.

Imagine a scenario in which a major crisis occurs—a Western currency collapses... the US plunges into a debt spiral... a political event threatens major, national boundaries and civil or global war...

In such a moment, gold prices would very likely soar to unimagined levels. And all those lending agreements start to unravel as lenders call in their gold. But some lenders are borrowers, too—they’ve borrowed gold and turned around to loan it all.

In a demand crisis, agreements are going to collapse, and all hell unleashes in the gold/silver ETF market. An ETF no longer owns what it thinks it owns, and it cannot make good on its promises, and the price for that ETF collapses even as gold prices are racing higher.

For these reasons, I would rather avoid that possibility by owning an ETF such as Sprott Physical Gold (PHYS), rather than an option like GLD.

How to Play Gold Mining Stocks... and Why You Should

Gold mining companies large and small are listed on stock exchanges around the world. They’re easy and convenient to buy, no different than buying exchange-traded funds through a brokerage account.

These are leveraged, if highly volatile, plays on gold prices.

Here’s how that works: A goldminer’s biggest cost structure is the fortune spent on licensing and building a mine—a process that can take a decade or longer. Once a mine is operational, rising gold prices represent windfall profits. They flow to the bottom line, largely unimpeded by anything except additional taxes and royalty payments.

As such, historically, gold prices cause gold miners’ profits to soar, which results in soaring share prices and ever-fatter dividend payments. You can see the trend in the chart below with the annual earnings at Barrick Gold, one of the world’s largest gold miners...



Barrick's earnings (in blue) followed gold prices like a shadow, as you can see in the chart above.

The stock followed suit, rising to more than \$43 per share in the 2011 peak from the mid-teens in 2005. The same trend is underway again today.

After bottoming out at just under \$6 in 2015, Barrick's share price moved to more than \$27 by the fall of 2020, when gold was again peaking. As I write this, the shares are in the \$18 range and have seen a 22% increase in 2025 as gold regularly hit new all-time highs.

To be clear, I'm not suggesting you run out and own Barrick Gold. I'm using the stock only to illustrate the degree to which gold prices steer gold miner profits and, ultimately, their share price.

For most investors, the safer way to own gold miners is through an ETF focused on mining stocks.

The mining industry is naturally risky. You face political jurisdiction risk, environmental activism risk, corporate risk, geologic risk... a lot of risks. Because of those risks, it's safer to own numerous miners so that the risks are spread across the many miners. That will limit any potential damage that will occur in your portfolio if you hold just a single mining stock or two.

The gold-mining ETF I recommend is **iShares MSCI Global Gold Miners ETF (RING)**.

This ETF owns all the major miners: Newmont, Barrick Gold, Wheaton Precious Metal, Kinross Gold, etc. These are the global blue chips. As gold prices rise, they will rise as well because miners have built in leverage that will supercharge your investment.

MY RECOMMENDATION: Buy iShares MSCI Global Gold Miners ETF (RING) up to \$40.

Risk Profile: Higher Risk. (What does this mean? Before you act, read a full breakdown of my five-level risk assessment scale by clicking [here](#).)

Stop/Exit: 55% Trailing Stop-Loss.

If you want some more info on riskier gold-stock plays right now, check out my 2025 "Year of Gold" *Global Intelligence* report, [right here](#).

How to Own Physical Gold

The purest way to play gold is by owning physical bars and coins. No institution or investment fund stands between you and your metals.

There are several ways to accomplish this, each with its own set of pros and cons. Let's start with bullion and collectable coins.

These are two different things, though they can seem similar if not identical.

Bullion is bars, coins, and ingots that are minted specifically to be a store of value. They're generally a pure form of the metal and stamped with their weight and fineness (the gold content). For instance, a gold Canadian Maple Leaf, one of the world's widely owned bullion coins, will note on its face a weight of between one gram and one ounce, and denote that it is 9999 fine, meaning it's as pure as gold can get.

Bullion is sold based on the "spot price" of gold, the ever-fluctuating market price you see quoted in the news or on investment websites. To that spot price, dealers will add an upcharge that varies from one seller to the next.

By and large, you'll find the best prices on gold bars minted by refiners such as Valcambi, PAMP Suisse, and others. These are just basic gold bars, unaffiliated with national treasuries such as the US Mint, the Royal Canadian Mint, Britain's Royal Mint, and others. These bars range in size from one gram to one kilo (about 35 ounces).

You can buy bullion all over the internet these days.

Many of the popular sites include [Apmex.com](https://www.apmex.com), [JMBullion.com](https://www.jmbullion.com), [BullionExchanges.com](https://www.bullionexchanges.com), and [BostonBullion.com](https://www.bostonbullion.com). I will tell you to shop around. Every dealer prices their gold differently, even when it's the same product.

Investing in Collectible Coins

Collectable coins are a bit different in that they are not bullion minted as a store of value, but instead were formerly used in trade, just like today's pocket change. That was back in a time when gold and silver were regularly fashioned into money for consumers to use to make purchases, or for nations and businesses to use in large quantities to fund trade.

Such coins go back thousands of years.

For instance, I own a Sri Lankan gold coin that dates to the 10th century, and an Alexander the Great silver coin from about 320 BC that still looks like it was minted yesterday. I also own gold Austrian ducats, gold Mexican pesos, and gold Dutch guilders that are all from the early 20th century.

Some of these coins are only valued for their gold content, plus a bit of numismatic value. Others are entirely valued on their rarity, such as the Genghis Kahn gold coin I own from 1222 that is one of less than 300 known to exist.

You will find these coins all over the internet, but be careful—many are fake, particularly on sites such as eBay. Your best bet is to buy them through sites such as Apmex, respected coin dealers, or auction sites such as [Heritage Auctions](https://www.heritageauctions.com).

At Apmex and others you will find raw coins... at auction sites you will generally find graded coins, those that have been professionally graded by respected services such as PCGS and NGC (and beware of grading companies that are not either of those two... others garner far less respect in the industry).

You will generally pay more for graded coins, particularly those with high grades.

Depending on the coin, “high grade” is usually Mint State 65 to Mint State 70 (the highest score). Those coins regularly carry high numismatic value. Many common, graded coins in the low-60s are essentially regarded as bullion and typically trade at a 12% to 15% premium to the underlying gold content. Raw gold coins will sell at slightly smaller premiums.

The Best Collectible Gold Coins to Invest in Today

- Type One gold dollar. (1849-1854)
- Type Three gold dollar. (1856-1889)
- \$2.5 Liberty Head gold. (1940-1907)
- \$2.5 Indian Head gold. (1908-1929)
- \$3 Indian Princess gold. (1854-1889)
- \$5 Liberty Head gold. (1839-1908)
- \$10 Liberty Head gold, one of the most collectible coins in the world. (1838 to 1907)
- \$10 Indian Head, again one of the most popular coins and designed by Augustus Saint-Gaudens, one of the most renowned coin makers. (1907 to 1933)
- \$20 Liberty, hugely popular. (1850 to 1907)
- \$20 Saint-Gaudens, by far one of the most famous coins in the world. (1907 to 1933)

The Risk of Coins and Bullion

The risk with bullion and coins, of course, is that you will have to personally store your metals. If you keep the metals at home, that exposes you to theft, loss, disaster, etc.

To mitigate that, you might consider a bank safe-deposit box, though that comes with risks, too. In the event of gold confiscation or some other reason, the government could force banks to shut down for a period of time to open and inspect all safe-deposit boxes and take possession of all precious metals. (To be clear, I am not predicting that. I’m just laying out a potential risk factor since it has happened before, when Roosevelt ordered the confiscation of gold in 1933.)

For me, where to store gold and silver is about diversification and mitigating risks. I have some gold in a bank safe-deposit box, and some elsewhere. Though I don’t expect the bank will ever forcibly breach my safe-deposit box, who knows what norms are shattered in a crisis. As such, I want to know I have other gold and silver I can get at, if need be.

Bullion Storage: The Easy Solution to Physical Ownership

One way to deal with the storage issue is to own physical gold and silver without ever taking possession of your metals.

Again, there are several ways to accomplish this. Some are onshore in the US, others are offshore in highly safe and regulated destinations such as London, Vienna, and Singapore.

Which is best depends on your level of comfort in having some of your assets offshore.

I'll start with **EverBank**.

EverBank is a US-based bank that operates a metals investment program through which you can own gold and silver allocated specifically to you and held in your name with a third-party repository. Or, you can own an unallocated portion of a large pool of gold or silver, which EverBank also stores for you. The allocated pool imposes an annual fee to cover storage costs of 1.5% (gold) and 2.5% (silver). The unallocated pool imposes no storage fees.

The primary difference between allocated and unallocated accounts is that with allocated metal, you can request that EverBank deliver your gold or silver to you (for a fee). Unallocated gold is not deliverable. You would have to sell the metal in your account and take delivery of dollars.

Through Dallas-based **JM Bullion**, you can arrange for TDS Vaults, a well-respected metals-storage firm, to store your metal in highly secure locations in Las Vegas, New York, Toronto, Zurich, or Singapore.

Or you can go directly offshore yourself, as I have.

The **Royal Mint** in London, the **Austrian Mint** in Vienna, and the Australia's **Perth Mint**, among others, all offer the opportunity to buy gold and silver and then to store the metal in the mint's own vaults. You will pay a fee for this, of course. The Royal Mint, for instance, charges about \$40 per quarter for up to \$7,000 in metal value kept in its vaults. Prices go up from there.

Another option is to contract with a bullion dealer that also offers storage services.

One example is **BullionStar** in Singapore, a highly regulated market. Through its website, you can buy the metals you want, in whatever form you want—coins, bars, ingots—and BullionStar will store them for you in either Singapore or New Zealand. It will also provide you a photo of your metals and the purchase contract.

When you're ready to sell, you can execute a trade quickly and efficiently, and you can direct the proceeds to your bank account. The storage fee is between 0.09% and 0.59% per year, depending on what you own.

The primary question I hear when I mention offshore storage at the various conferences I speak at is: "Why do I care about storing my metals offshore when I can safely store them in the US?"

My answer: Political and financial-system diversification.

Investing and saving are on some level about managing foreseeable risks.

Though the US is historically a stable economy, that doesn't mean it is a risk-free economy. Recent political cycles demonstrated some of the very real risks that populate America today. Moreover, the country's current financial situation is, if not a house of cards then a house made of ill-fitting Legos. In a dollar or debt crisis, there is no telling what Uncle Sam will do to shore up the currency. In 1933, that meant confiscating gold.

If Uncle Sam decided to try that again amid a homegrown financial crisis, I'd want my metals in a jurisdiction where our debt-addled Uncle has no authority. In essence, I see the storage of gold and silver overseas as a bit of prudence. It might never be an issue... until it is an issue.

The Wrap Up

Gold will always be a volatile asset to own. Over short periods, it trades on emotion—fear and greed—tied to whatever the news of the day is or what the financial perceptions of that moment are.

Over longer periods, it trades with the economic and financial fundamentals of America's debt situation. And right now, there's not a lot to say that's positive about Uncle Sam's debt.

As the last two decades have demonstrated, gold investors and central banks have a keen eye on American debt, concerned that ever-rising levels of indebtedness will, at some point, cause a debilitating crisis for the US dollar.

Once the crisis becomes apparent, buying gold at that point will be substantially more expensive than it is today. Which is why I recommend you fortify your financial defenses by adding gold to your portfolio now.