

THE INVESTOR'S GUIDE TO GOLD

How To Add Gold To Your Portfolio
To Protect Your Wealth

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NATIONAL GOLD
CONSULTANTS

The Investor's Guide to Gold

How To Add Gold to Your Portfolio To Protect Your Wealth

This step-by-step guide shows you a quick, easy and profitable way to add tangible gold and silver to your portfolio.

Jim Sinclair, former chairman at Tanzanian Gold Corp., once said,

“Gold is no longer an investment. Gold is no longer a portfolio item. Gold is certainly not a trading vehicle. Gold is your lifeline, and I mean that literally.”

While we are going to explain in this guide National Gold Consultants' recommended way to diversify your portfolio with gold and silver, there's more to it. It's about how to protect your wealth from the whims of the economy.

What if you could feel calm and prepared despite doom and gloom in the news?

Imagine not having to worry about the next “storm” that could negatively impact your retirement savings or your legacy.

What if all you needed to do was make gold and silver a small percentage of your portfolio and continue to invest in stocks and real estate, for example, if you chose to?

Think about how much better you'd sleep at night knowing you've built safeguards into your portfolio.

When you add gold and silver to your portfolio the way we recommend, this can be a reality. Many other investors have already done it, and you can too.

Regardless of your current knowledge about tangible assets like gold and silver, with this guide you'll see how simple and beneficial it can be to achieve true diversification in your portfolio.

The question is, how do you start?

You'll get answers you need in this guide.

By the time you're done reading it, you'll know exactly why and how to invest in gold and silver — what to buy, how much to buy, where to store it, and how to sell it.

Remember, millions of others have already done it. Why not you?



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What Is National Gold Consultants?

National Gold Consultants (NGC) is one of the nation's only licensed and bonded gold and silver suppliers, and we are committed to creating portfolio resiliency in a precarious economy. We are focused on financial advisors because we understand the tremendous responsibility of asset management. NGC assists advisors in fulfilling their fiduciary duty, and we believe tangible, precious metals have a place in every portfolio. Above all, we believe responsibility, integrity and knowledge are paramount when placing clients' wealth in gold and silver. Wealth management always comes down to clients.

Precious metals belong in every portfolio, but navigating the purchasing of gold and silver without guidance is dangerous. Whether you are investing your individual retirement account (IRA) or nonqualified funds, NGC and your trusted advisor can assist you in creating resiliency in your investments.

NGC has developed this gold and silver guide to provide valuable information you need to help protect your wealth in all economic seasons. NGC branded the term "wealth insurance" because physical gold and silver create stability in your portfolio.

In this guide, you will discover our recommended way to add gold and silver to your portfolio. We specialize in financial advisor relationships and have carefully cultivated an enduring business model. In an industry fraught with scams, scandals and supply shortages, NGC is accredited by the Better Business Bureau and consistently acts in the best interests of clients and advisors.

NGC – a Smarter Choice for Financial Professionals and Their Clients

- NGC is one of the only licensed, regulated and insured gold and silver firms that exclusively work with financial advisors and insurance agents.
- Over the decades, NGC has built relationships and contracted with more than 1,500 financial professionals throughout the country.
- NGC is bonded through the state of Minnesota, which protects every purchase.
- NGC is a wholesale, not retail, firm.
- NGC is registered to conduct business in all 50 states.
- NGC does not charge any fees for liquidations or required minimum distributions.
- NGC assists financial professionals in fulfilling their fiduciary commitments by educating clients on the best way to invest in precious metals.
- NGC's highly liquid, nonqualified investment model is tailored to protect clients' privacy and purchasing power.

NGC is committed to financial professional support and client satisfaction. With integrity as our standard and acting as a fiduciary as our responsibility, you receive the utmost from NGC, a preferred gold and silver provider.

Let's get started.

The Investor's Guide to Gold

Today, we're experiencing more severe storms than ever before. With annual inflation rates at 8.5%,¹ the ratio of federal debt to gross domestic product (GDP) at 137.2% at the end of 2021,² potential tax increases on the horizon, lingering COVID-19-related issues, Russia's war in Ukraine, and more, how do you add stability and balance to your portfolio while increasing your liquidity and resiliency?

You may hear that diversifying is the answer. However, diversification, as most people know it, which came out of the '60s and '70s, is a bit misleading. True diversification isn't the 60/40 (stocks/bonds) portfolio of years past.

So, what should be added to the mix?

Add 'Wealth Insurance' to Reduce Risk

Unfortunately, we are in an environment of high volatility in the stock market, combined with low interest rates and rising inflation, which is a threat to pre-retirees and retirees. In fact, according to Ryan Long, president of National Gold Consultants, "The financial Armageddon for the retiree is a low-interest-rate environment and high inflation. It just doesn't work."

What can work is adding "wealth insurance" in the form of physical gold and silver to your portfolio.

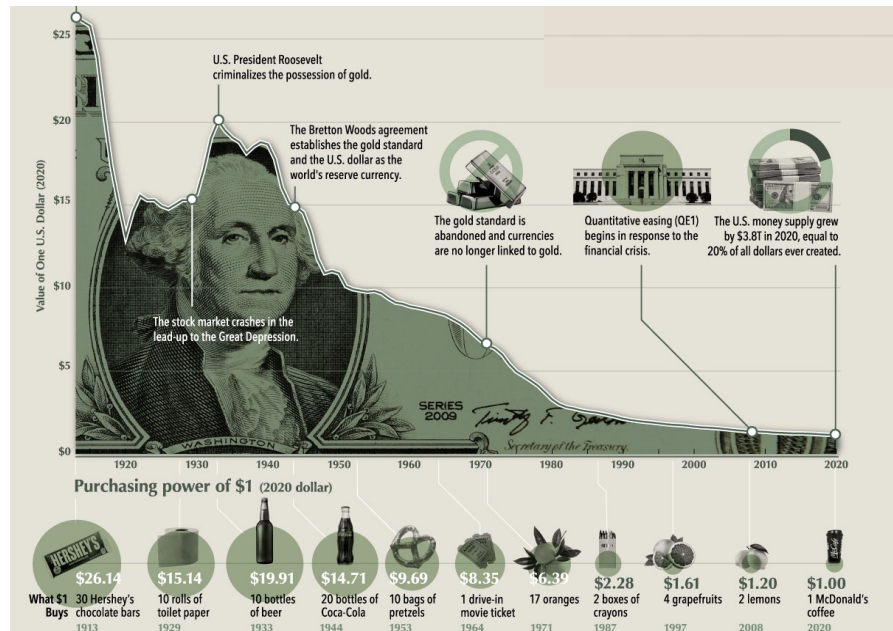
Here's why.

This current economy leaves hard-earned savings vulnerable to being wiped out or the money you've saved potentially worth less by the time you are ready to retire. That's the risk that's been mounting since our government abandoned the gold standard in 1971 and began using the fiat system.

With the gold standard, our dollar was backed by a physical commodity (gold), whereas with the fiat system, there is no accountability. As a result, the government has been able to seemingly print money out of thin air — heightened over the past couple of years by more than \$3 trillion³ in government assistance during the pandemic.

To better understand the gold standard in comparison to the fiat system, think of it like a debit card versus a credit card. With a debit card, you must have money in the bank to cover what you're spending — that's essentially how it worked on the gold standard. On the other hand, with a credit card, you can continue to charge on your card without any means to pay it back, which is like the fiat system. That's a problem because it's resulted in \$30 trillion⁴ in government debt that will likely catch up to us in the form of higher taxes.

In the meantime, the dollar is losing value. A combination of factors — including inflation and quantitative easing (increasing the money supply like we saw during the pandemic), among other factors — lead to the depreciation of the dollar. Since 1913, the U.S. dollar has lost 97%⁵



Visual Capitalist - Purchasing Power of the U.S. Dollar Over Time

Source: Bureau of Labor Statistics - Consumer Price Index, Morris County Library of Historic Prices

of its value and counting, which means it takes increasingly more money to buy the same goods and services — something we're all familiar with these days. And it leaves many wondering what will happen to the retirement lifestyle they've been saving for or the legacy they've been building.

But there is a glimmer of hope.

Adding "wealth insurance" to the portfolio, in the form of physical gold and silver, acts as a counterbalance due to their uniquely inverse relationship with the stock market, the U.S. dollar and real estate. Because gold and silver are tangible assets governed by supply and demand rather than the U.S. economy, they also hold their value regardless of what's going on in the world.

To demonstrate that, let's look at how well silver preserves purchasing power.

If you wanted to buy a Ford Mustang in 1964, you would have paid \$2,398.⁶

In 2022, a Mach 1 Mustang would cost you about \$62,100. You'd need a lot more dollars!

On the other hand, if you had \$2,398 worth of silver in 1964, today that silver would be enough to buy you a Mustang with plenty of high-end features because that \$2,398 worth of silver would now be worth approximately \$83,000!⁷

Know Your 'Why'

The urgent problem is that many people don't understand gold and silver and are made to believe they're more complicated than they really are. But it can be simple. Before you and your advisor decide whether gold and silver are right for you, it helps to also consider your answers to three important questions:

1. How will you solve the problem of rising costs combined with the low interest rates you earn on safe investments?
2. Will you be able to maintain your lifestyle when the stock market and real estate bubbles burst?
3. Are you concerned about unbridled government spending and growing national debt?

Depending on your answers to these questions, your advisor may recommend allocating a percentage of your portfolio to gold and silver.

But why would you want to add these tangible assets to your portfolio? The three major reasons to do so are:

1. True diversification and noncorrelation with other asset classes.
2. An inflation hedge to help maintain your buying power over time.
3. Peace of mind that comes with the ability to continue your current lifestyle.

From a strictly economic point of view, buying gold in a major inflation and holding it probably **presents the least risk of capital loss of any investment or speculation.**

- *Henry Hazlitt*

Former American journalist who wrote about business and economics for publications like The Wall Street Journal and The New York Times.

When you and your financial advisor work with a legitimate gold and silver dealer like National Gold Consultants — the only licensed and bonded gold and silver supplier that is also state regulated — you can feel confident you've made the right decision in protecting your wealth by allocating a portion of your portfolio to gold and silver.

Now you know *why* you want to diversify with gold and silver, but you might also wonder *what type of* gold and silver you should buy.

What (and What Not) to Buy

Gold and silver are available for purchase in different forms. For nonqualified funds, National Gold Consultants recommends taking physical receipt of general circulation, pre-1933 American coins. The reason why is because they ensure the most privacy, liquidity and authenticity.

The government has stated that coins minted prior to 1933 do not have to be reported. That doesn't mean any taxable income or capital gains don't have to be reported, but if, for example, gold were being confiscated for some reason, no one has to know you have those gold coins.

You may be aware that gold and silver are also available as collectibles, bars or paper shares. Why aren't we suggesting those? While there is nothing inherently wrong with these options, there are a few reasons why they are not ideal for the purposes of protecting your wealth.

Collectible coins: Subject to someone else's opinion of what they're worth, i.e., not what you'd likely want to base your legacy on.

Bars: Easily counterfeited, and it's difficult to liquidate "pieces" of them, which defeats the purpose, as liquidity is one of the key benefits of owning gold and silver.

Paper shares (exchange-traded funds (ETFs)/mutual funds): Highly volatile because they are trading in the market and therefore don't accomplish the goal of having assets uncorrelated with the market. Plus, they are highly leveraged — similar to how airlines sell more seats than are available. Paper shares aren't held in your possession but instead are essentially an IOU.

While there's something to be said for having tangible assets in your possession, where would you store all that gold? The truth is hundreds of thousands of dollars' worth of gold and silver coins could be stored in a few shoeboxes in the back of a closet.

While physical possession is acceptable for nonqualified funds, it's not an option for qualified funds. IRA dollars held in gold or silver must be kept in a depository through a trust custodian. The financial advisors who partner with National Gold Consultants work exclusively with Delaware Depository and Gold Star Trust for these services. The recommendation for qualified money is regular bullion from the Canadian Mint in one-ounce gold Canadian maple leaf coins — for their performance and liquidity.

Now that we've answered the question of what and what not to buy when diversifying your portfolio with gold and silver to protect your wealth, we'll discuss *how much* to add.



The Seesaw Effect

How much gold and silver to add to a portfolio is a common question.

Bottom line, you need to know what amount makes the most sense for what you're trying to accomplish. Your advisor can help guide you through the decision-making process. As Long puts it, "The advisor's role is to lead their clients through determining proper allocations."



What it's important to remember about this approach to adding gold and silver to your portfolio is that gold and silver are NOT the be-all and end-all. In fact, that would be contrary to what you're trying to achieve, since the objective is to diversify.

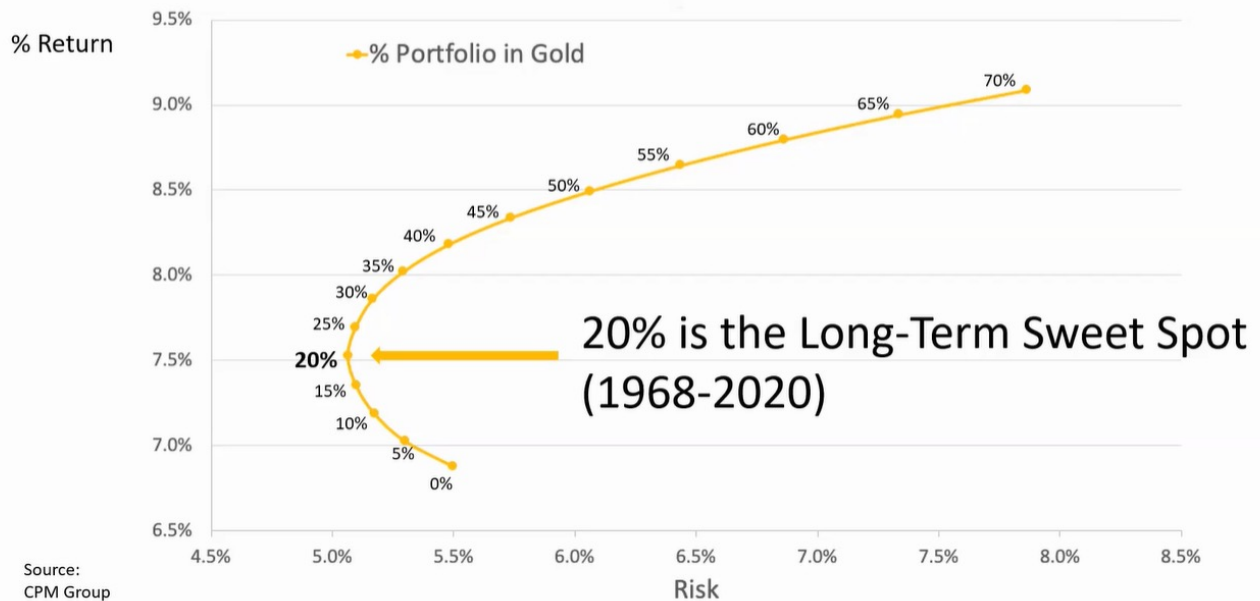
The idea is to strike the right balance between the portion of your portfolio allocated to gold and silver and the portion allocated to dollar-based assets (stocks, bonds, annuities, Social Security, real estate, etc.) — as if each was on the opposite end of a seesaw.

We know that gold and silver generally move in a direction opposite that of the stock market and real estate market over time, so it's not a matter of either/or. What makes more sense is to have both.

So how much should you allocate to gold and silver?

Enough to make a difference.

To achieve that desired counterbalance, a target allocation of 10% to 20% of total net worth is recommended, depending on each individual situation. Twenty percent has been shown to be the sweet spot between the greatest potential return and the least amount of risk, according to CPM Group, a global leader in precious metals research.



How much of a difference would a 10% or a 20% allocation to gold and silver make? Let's compare 10% of the portfolio to 20% with a hypothetical example of what commonly occurred between 2008 and 2011.

10% Allocation	20% Allocation
<ul style="list-style-type: none"> 90% of the portfolio declined 40% (\$900K down to 540K) \$100K (10%) in gold/silver increased to \$445K 	<ul style="list-style-type: none"> 80% on the portfolio declined 40% (\$800K down to \$480K) \$200K (20%) in gold/silver increased to \$910K
Total portfolio: \$985,000	Total portfolio: \$1,390,000
Gain/Loss: \$15,000 = 1.5%	Gain/Loss: \$390,000 = 39%

Having 10% in gold/silver would have helped significantly reduce the portfolio loss in this scenario. This would have helped many people sleep better at night.

Imagine watching the news and hearing about the bear market but knowing you have gold and silver in your portfolio to help ease your concerns. Things happening in the U.S. economy or around the world can't destroy your wealth if it's protected.

Just look at how a 20% allocation to gold/silver could have played out in our hypothetical example. This person would have actually come out ahead financially — even with other assets down by 40%.

This inverse relationship between gold/silver and dollar-based assets is what can ease distress over fluctuations in the stock market or real estate market. Let's take a closer look at that.

A Closer Look at Gold and Silver's Inverse Relationship to the Stock Market

Most people are familiar with the S&P 500, so it can be helpful to see the S&P 500 compared with gold and silver. During three recent declines in the S&P 500, pre-1933 silver dollars rose in value.

Dates of S&P 500's Recent Decline	S&P 500	Pre-1933 Silver Dollar
DOT-COM CRASH 3/27/2000 - 10/9/2002	-49.01%	58.35%
HOUSING MARKET CRASH 10/9/2007 - 4/28/2011	-56.88%	504.02%
2020 COVID FLASH CRASH 2/19/2020 - 3/23/2020	-33.93%	22.7%



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A blend of gold and silver also fared well during the largest declines of the S&P 500.

Dates of S&P 500's Largest Declines	S&P 500	Pre-1933 Gold/Silver Blend
Sept 21, 1976 – Mar 6, 1978	-19.42%	53.80%
Apr 1, 1987 – Apr 1, 1988	-56.88%	504.02%
Jul 16, 1990 – Oct 11, 1990	-33.93%	22.7%
Mar 27, 2000 – Oct 9, 2002	-49.01%	47.76%
Oct 9, 2007 – Apr 28, 2011	-56.88%	489.30%

Source: National Gold Consultants historical price guides; London Fix historical price data

Looking at a snapshot in time from 2000 to 2022, gold would have outpaced the S&P 500 in cumulative return.

S&P 500 vs. Gold

Physical gold and silver historically counter-balance three main economic puzzle pieces: the equity markets, housing market and U.S. dollar. The graph below shows how gold and the S&P 500 would have performed with a \$10,000 investment since the year 2000.



YEAR	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22
S&P500	-16%	-24%	37%	5%	6%	13%	-6%	-41%	35%	21%	2%	12%	20%	15%	-9%	22%	16%	2%	19%	47%	12%
GOLD	12%	17%	13%	11%	27%	22%	43%	-3%	18%	27%	27%	-11%	-17%	-9%	2%	1%	5%	0%	20%	5%	14%

CUMULATIVE RETURN 2000-2022	
S&P 500	258%
GOLD	555%

The point here is not that you should take money out of stocks and put it all in gold and silver. You could look at other time periods and see that gold and/or silver was down while the S&P 500 was up. The fact that they switch places is exactly why it can be wise to participate in both.

When it comes to the question of whether you should buy gold, silver, or both and/or in what combination, your financial advisor can help you determine what makes sense. Just like any financial product, what's right for you depends on your specific situation. So, seek the guidance of a trusted financial advisor before making any decision.

A Closer Look at Gold and Silver's Inverse Relationship to the Real Estate Market

Look at what would happen if a hypothetical client, we'll call him John, were to time the real estate market perfectly while holding gold. As you can see, John is in a cycle of selling real estate to buy gold and then selling gold to buy real estate, going back and forth over the years.

During the years highlighted here, throughout the various presidential eras, the real estate market has ebbed and flowed. The inverse relationship between gold and real estate allows John to break even or, in other words, protect his wealth — regardless of the markets constantly moving up and down.

This paints a compelling picture. And while it won't necessarily work this perfectly because we don't live in a perfect world, it is realistic when you think about what happens with gold versus real estate over the long term — they balance each other out.

If you're curious about whether you would be able to sell your gold or have the ability to liquidate your gold as needed, the answer is yes. National Gold Consultants is always looking to buy back gold and silver. Because these precious metals are in high demand and there is limited supply, you would be able to sell some or all if you wanted or needed to.

Think Insurance, Not Investment

If you've listened to or read the news headlines on gold, your view of it may have been tarnished. However, one of the problems with listening to "talking heads" is that they are speaking about gold or silver as an investment. But when discussing gold and silver with your financial advisor, think about it more like insurance rather than primarily as an investment.



1970
Richard Nixon

1 House Sells House and **\$25,000 =**
= \$25,000 Buys Gold **700 oz. Gold**



1980
Jimmy Carter

700 oz. Gold Sells Gold and **\$730,000 =**
= \$730,000 Buys Houses **12 Houses**



2000
Bill Clinton

12 Houses Sells Houses and **\$2.4M =**
= \$2.4M Buys Gold **9,600 oz. Gold**



2008
George W. Bush

9,600 oz. Gold = \$18M Sells Gold and **\$18M =**
= \$18M Buys Houses **83 Houses**



2020
Donald Trump

83 Houses Sells Houses **\$30M =**
= \$30M and Buys Gold **21,175 oz. Gold**



2021
Joe Biden

John is sitting with **21,175 oz.**
of gold worth **\$40M.**



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While capital appreciation is a nice benefit, it's secondary. Instead, gold and silver are better positioned as "wealth insurance." It's there to protect you if everything else in the economy were to fall apart. It's a long-term strategy to protect your desired lifestyle should other assets drop in value.

If gold and silver happen to be down, in most cases that means your investments are doing well. Some people wait until their investments aren't doing well to seek safety, but by then, it may be too late. Much like you want to buy home insurance before a hurricane hits or life insurance before you pass away, you want to add gold and silver to your portfolio before the market drops or the real estate market goes bust.

Frequently Asked Questions

Unfortunately, we've seen too many people miss out on the benefits of adding gold and silver to their portfolio because they had unanswered questions.

It's completely normal to have questions about using gold and silver to protect your wealth and your lifestyle. Working with advisors and clients over the years has revealed five key questions that come up time and again. After reading this guide, you now have solid answers to these common questions.

Question 1: Why should I buy gold and silver? **Question 2:** What do I buy?
Question 3: How much should I buy? **Question 4:** Where do I store it?
Question 5: How do I sell it?

Other FAQs

Nonqualified Pre-1933 Gold and Silver

Question: How do I sell?

Answer: When the time comes to liquidate, NGC will remain available for clients to execute their individual exit strategies.

Question: Is there a fee to liquidate?

Answer: No. It is a service offered free of charge.

Question: How long will it take to get my product?

Answer: Typical transactions undergo a seven-business-day clearing process, and products are shipped afterward.

Question: How will my products be shipped?

Answer: All packages are shipped via FedEx

Question: Will the package be safe and discreet while in transit?

Answer: Yes. Each package is insured by NGC until it is signed for by the recipient. Only the recipient is able to sign for the package. If the recipient is not available, the package is returned to a local FedEx office to be retrieved by the intended recipient. The return address on the box is labeled as "Custom Tile and Granite" to account for the weight of the boxes so no FedEx employee handling the box will have an indicator of its true contents.



Question: How can I track my pre-1933 coin value?

Answer: There is not a perfect answer to this question because just as the spot price fluctuates throughout the day, so do the supply and the demand, which ultimately set the price of these coins. Because NGC offers to buy back these coins at our cost of acquisition, we cannot create a formula to reflect current values only related to the spot price. Typically, as the spot price rises, so does the demand, which increases the value. In times of supply shortages, the price can dramatically increase, and in times of ample supply, the price will decrease.

Question: How long should I hold it?

Answer: Depending on when you purchased, the average hold is typically two to five years.

Qualified IRA Gold and Silver

Question: Where is the product stored?

Answer: All IRA accounts are stored at the Delaware Depository.

Question: Can I have a home-stored gold and silver IRA?

Answer: No. The IRS has ruled that all qualified IRA metals must be held by a third party unrelated to the account holder. If you have a home-stored IRA, it would be prudent to have a conversation about it immediately.

Question: Who will send me the paperwork related to the account?

Answer: The custodian is GoldStar Trust Company. They produce semiannual statements that are mailed directly to you, and they are able to process required minimum distributions, liquidations and any other needs through NGC.

If you have questions that we haven't answered, please reach out to your financial advisor. Make sure you get the information you need to take advantage of this opportunity to combat some of the storms we're facing in today's economy.

The Gold and Silver Lining

Unfortunately, many people are struggling for answers to how they protect their retirement savings and their legacy from economic risks. While none of us want to face financial difficulties, the good news is you've discovered the information in this guide.

If you're looking for a way to hedge inflation as well as a way to protect your wealth in the event of a market correction, gold and silver may be exactly what you're looking for. Now's the time to start a conversation with your financial advisor about adding these physical assets to your portfolio.

Remember: Time is of the essence. Demand is increasing; uncertain times cause people to look for safeguards. Gold is one of the oldest, most reliable means of protection. But once it's gone, it's gone. Contact your trusted advisor to discuss this important financial decision today.

National Gold Consultants (NGC) specializes in advisor-based investing. NGC works with both RIA firms and independent agents to provide training and assistance so they can knowledgeably and easily act in the best interest of their clients to diversify portfolios with tangible assets.

National Gold Consultants is headquartered in Buffalo, Minnesota.

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