



PHYSICAL GOLD LTD

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Physical Gold

Press release

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UK investors switching to silver

Precious metal dealer, Physical Gold, has seen investors switching from gold to silver since the start of the year, with numbers increasing around 10% each month. [Physical Gold](#) say there are several reasons why this is happening.

Gold disappoints:

Many investors have been disappointed that, despite the deepening Greek crisis, gold is in fact down 8% in Sterling terms this year. This frustration has motivated them to lock in their profits and move some of their holding sideways into silver. Similarly, some of those who first invested into gold within the past two years have run scared and decided to cut losses by switching over their holding to silver.

Silver undervalued:

When analysing the price performance of the two metals since the beginning of 2014, it becomes clear that silver is extremely undervalued versus gold. In Sterling terms, gold has fallen a relatively modest 4.7% while silver has plummeted 21.3% in the same period. Clearly this suggests that silver would present the greater opportunity for upside from the current point, and this seems to be the major motivation in clients switching.

Diversifying:

Another clear motivation to move some gold into silver is the desire to further diversify your holding. While gold does provide a hedge to traditional paper markets, holding both gold and silver, further diversifies your precious metals holding. While silver is a less developed market with slightly bigger risks it still provides, like gold, the safe haven status without any counterparty risk - the very factors which appealed to gold clients in the first place.

Daniel Fisher, Director at Physical Gold Ltd, said: “For those who have held gold for several years, their holding still represents a healthy profit despite its price correction over the past two years. We always recommend newcomers to start with gold before venturing down the list of metals, which explains why we’re now seeing some of our longer term holders switching.

“There’s the feeling that silver can perform well when global economies are good and bad as (unlike gold) it has so many industrial uses. So if the economic backdrop improves, demand should increase for technology that uses silver, pushing up prices in the metal. In other words, if investors feel that some economies are picking up while others flounder, owning both metals will cover all bases.

“A previous stumbling block to owning physical silver in the UK is that while investment gold is VAT exempt in the UK, investment silver is not. So until recently clients wishing to hold actual silver bars or coins would be 20% down before even starting. We’ve offered a solution to our clients - to own silver bars in an allocated and segregated vault offshore thus avoiding the VAT hurdle. I think this has helped many of our clients in choosing to hold both metals now.”

-ENDS-

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Notes to editors

About Physical Gold Ltd

Established in 2008, Physical Gold www.physicalgold.com is one of the UK’s leading gold investment specialists, focussing on a number of tax efficient and cost effective ways of buying solid gold and silver. As members of the British Numismatic Trade Association (BNTA), Physical Gold is approved with more than 25 SIPP providers. It works with many of the UK’s IFAs to help bring gold investment to the UK public.

Physical Gold is able to source gold and silver at the best possible rates, maximising any returns for its clients. As well as Pension Gold, Physical Gold offer Tax Free Gold Coins which can be bought outside of a pension but still benefit from being VAT exempt and Capital Gains Tax free. Focussing on bespoke solutions for its clients, Physical Gold has developed complimentary solutions over the years including Gold Savings (monthly plan) and VAT Free Silver Investment.