

BY THE MORGAN REPORT

# TEN RULES FOR SILVER INVESTING



[www.TheMorganReport.com](http://www.TheMorganReport.com)

- 1 WHEN ALL ELSE FAILS,  
THERE IS SILVER.
- 2 START SMALL- KEEP IT  
SIMPLE
- 3 BOOST THE BUYING POWER  
OF YOUR DOLLARS WITH  
MINING SHARES
- 4 DOLLAR - COST AVERAGE  
TO LOWER YOUR COSTS -  
AND INCREASE YOUR  
DISCIPLINE
- 5 DO NOT GET A RAW DEAL  
FROM YOUR DEALER
- 6 WHAT'S YOURS IS YOURS -  
SO KEEP IT THAT WAY
- 7 SILVER SPECULATION'S LIKE  
COUGH SYRUP- GOOD IN  
SMALL DOSES, BUT TOO  
MUCH CAN MAKE YOUR  
PORTFOLIO SICK.
- 8 A LITTLE INFORMATION  
CAN MEAN A LOT MORE  
DOLLARS
- 9 COLLECTING SILVER IS AN  
ART- BUT NOT REALLY AN  
INVESTMENT
- 10 MORE THAN 10 PERCENT IS  
TOO MUCH OF A GOOD  
THING

# INTRODUCTION

These rules are based on "The Global-Investor Book of Investing Rules: Invaluable Advice from 150 Master Investors" by Philip Jenks and Stephen Eckett, which includes tactics, strategies and insights relied on by 150 of the world's most respected financial experts are revealed in a concise, digestible form.

In order to be a successful precious metals investor, it's imperative that you stay current with what is happening in the market and with the most current investment strategies. One way to stay in touch is to read The Morgan Report newsletter. You can subscribe by [clicking here](#).

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## RULE #1

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# WHEN ALL ELSE FAILS, THERE IS SILVER

No one likes to be a prophet of doom, but the simple truth is that silver is the world's money of last resort. Should a severe economic collapse occur, leaving paper assets worthless, silver will be primary currency for purchase of goods and services. (Gold will be a store of major wealth, but will be priced too high for day-to-day use.) Thus, every investor should own some physical silver-and store a portion of it where it's accessible in an emergency.

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## RULE #2

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# START SMALL- KEEP IT SIMPLE

Too many investors, upon deciding to beef up the metals portion of their portfolio, buy too much physical silver at once-and in the wrong forms.

Beginning metals investors should concentrate on pure bullion bars or coins, in smaller sizes, looking to pay a minimum premium over the actual metal value. Avoid commemorative coins, decorative items, jewelry and other collectibles, all of which carry large premiums and have limited resale markets.

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## RULE #3

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# **BOOST THE BUYING POWER OF YOUR DOLLARS WITH MINING SHARES**

If you are a typical investor, you cannot expect to be an expert on silver and the silver market- but you can invest in the people who are. Once you have established a core holding of physical silver, leverage both your knowledge and your buying power by purchasing the stocks of mining companies. These shares are highly responsive to changes in silver prices, frequently producing much higher percentage returns than the metal itself.

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## RULE #4

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# **DOLLAR COST AVERAGE TO LOWER YOUR COSTS AND INCREASE YOUR DISCIPLIN**

Dollar-cost averaging is an ideal way to implement Rule 2. By making same-dollar purchases at regular time intervals, you wind up buying more metal when prices are low and less when they are high. This approach helps you develop discipline, erasing the “trader” mentality that infects many market participants and instead fostering an “investment” philosophy. Dollar-cost averaging also eases some of the sting when prices move against you, allowing you to view the downturn as an improved buying opportunity rather than a disappointing loss.

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## RULE #5

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# DO NOT GET A RAW DEAL FROM YOUR DEALER

Because of the specialized nature of the physical metals markets, selection of a well established dealer with a quality reputation is essential. A good dealer will provide timely execution of your trades at fair prices with reasonable fees. Note, as well, that the lowest price is not necessarily the best price. In the past, some dealers who squeezed their price margins too low in order to attract clients were unable to make delivery, leaving those clients holding the bag.

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## RULE #6

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# WHAT'S YOURS IS YOURS – SO KEEP IT THAT WAY

While it is wise to keep some of your silver where you can get to it easily, it is also important to keep the bulk of your metal in a safe place- especially as you holdings increase. However, if you establish an account with a brokerage warehouse or other public storage facility, you should make sure your holdings are kept segregated and that you can inspect them when you wish.

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## RULE #7

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**SILVER SPECULATION'S  
LIKE COUGH SYRUP-  
GOOD IN SMALL DOSES,  
BUT TOO MUCH CAN  
MAKE YOUR PORTFOLIO  
SICK.**

Depending on your individual goals and our personal tolerance for risk, a small portion of the assets you commit to silver can be used for speculation, perhaps in futures contracts or options on futures. Never forget, however, that this type of trading is speculation, NOT investment.

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## RULE #8

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# **A LITTLE INFORMATION CAN MEAN A LOT MORE DOLLARS**

You do not need to be a student of the silver market to profit from your metals investments. However, you will greatly increase your chances of success-and the size of your potential profits-if you understand the fundamental factors that drive silver prices and pay regular attention to current supply and demand considerations.

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## RULE #9

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# COLLECTING SILVER IS AN ART- BUT NOT REALLY AN INVESTMENT

Owning fine silver items- including rare coins – can provide great enjoyment and personal satisfaction. Like paintings and other artworks, they are beautiful and often quite valuable-and, if you are astute at buying and selling, they can generate large profits. In spite of this, however, always view such holdings as collectibles, NOT as investments. When you need your silver-or simply want to cash in- you do not want to have difficulty selling or be forced to forfeit a large aesthetic premium, both of which are likely with silver rarities.

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## RULE #10

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# **MORE THAN 10 PERCENT IS TOO MUCH OF A GOOD THING**

No matter how good the market looks-or how worried you are about the future of civilized society-you must always remember that silver should make up only a small portion of a well-diversified portfolio. I recommend committing no more than 10 percent of the average portfolio to silver-regardless of how strong you feel about the potential of the metals markets.

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## PORTFOLIO ALLOCATION IS IMPORTANT

The final decision is yours and yours alone. What is so interesting is something we reported in The Morgan Report some time ago about proper portfolio allocation. A fifteen percent allocation to actual physical metal was shown be necessary even during the best of times according to Ibbotson Associates of Chicago Illinois.

As stated in this well researched and extremely expensive report, "Of the seven asset classes, the precious metals class is the only one with a negative average correlation to the other asset classes. It is worth noting, excluding cash, precious metals are the only asset class with a positive correlation coefficient with inflation, which is further evidence that precious metals act as a hedge against inflation."

## JOIN THE MORGAN REPORT

**We truly enjoyed bringing you this series on the  
ten rules of silver.**

David Morgan has followed the precious metals markets daily for more than forty years. Much of his Web site, [www.themorganreport.com](http://www.themorganreport.com), is devoted to education about precious metals.

**[Discover The Morgan Report Today!](#)**

# HELPFUL RESOURCES



## PRECIOUS METALS SAVINGS

Website: [PreciousMetalsSavingsProgram.com](http://PreciousMetalsSavingsProgram.com)

Starting your own precious metals savings program is an easy way to **automatically save in gold and silver**. This makes it easy to maintain a disciplined program for increasing your ownership of history's most proven stores of value.

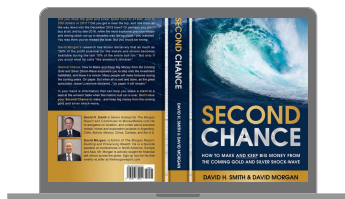
**GET MORE DETAILS HERE!**

## THE SILVER MANIFESTO

Website: [TheSilverManifesto.com](http://TheSilverManifesto.com)

Are YOU tired of the Silver Manipulators? After the most vicious debate in the history of our country, Republicans and Democrats finally agreed on what to do about the debt disaster of our nation: Absolutely Nothing.

**LEARN MORE AND GET BOOK HERE**



## SECOND CHANCE

Website: [TheBookSecondChance.com](http://TheBookSecondChance.com)

How To Make And Keep Big Money From The Coming Gold And Silver Shock-Wave. You may think you've missed the biggest leg up in precious metals and miners. But you would be wrong.

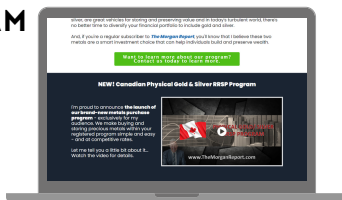
**LEARN MORE AND GET BOOK HERE**

## GOLD/ SILVER RRSP PROGRAM

Website: [www.themorganreport.com/rrsp/physical-gold-silver-rrsp-program](http://www.themorganreport.com/rrsp/physical-gold-silver-rrsp-program)

**YOU CAN** own physical gold and silver in your registered savings plan! Holding physical gold and silver in your registered savings plans has never been easier. Don't miss out on an important investment opportunity.

**LEARN MORE HERE**





# THE GLOBAL INVESTOR BOOK OF INVESTING RULES

## INVESTING RULES

*As printed in The Book of Investing Rules pages 301-303*

Note: Under the current economic conditions, I feel 20-25% is more appropriate than the original 10 percent per the book global-investor book of investing rules pages 301-303. At the time the book was published the economic conditions were more stable but now that the world is in a war environment the higher allocation is necessary!