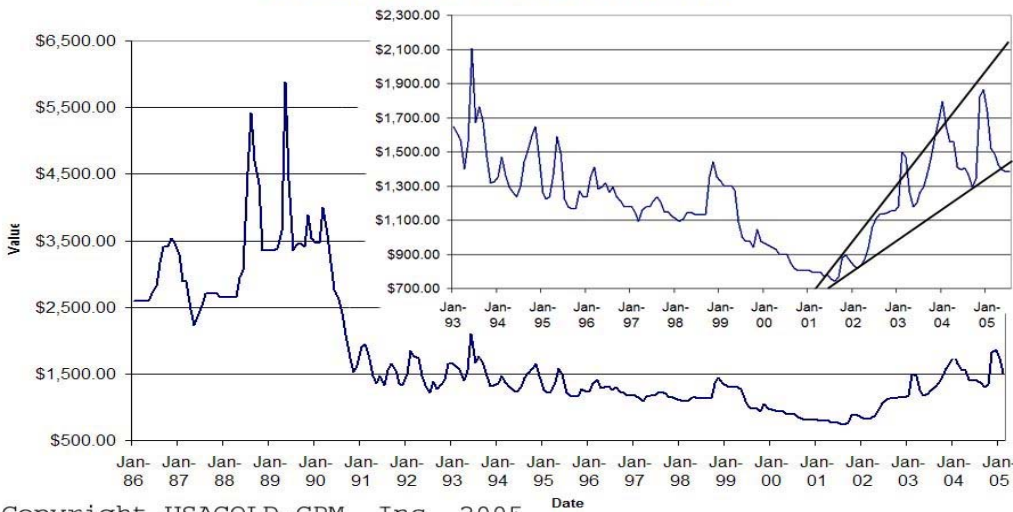
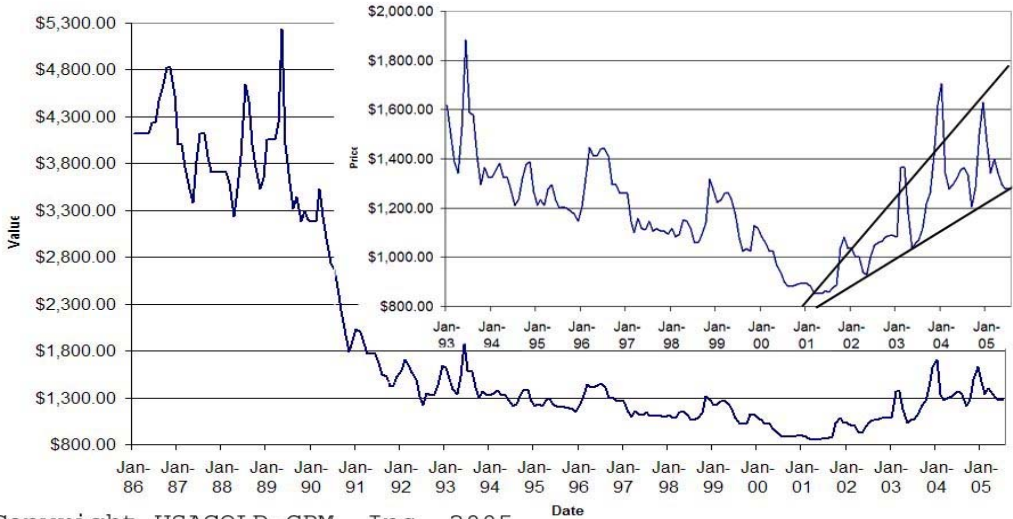


\$20 Liberty MS 64 Price History



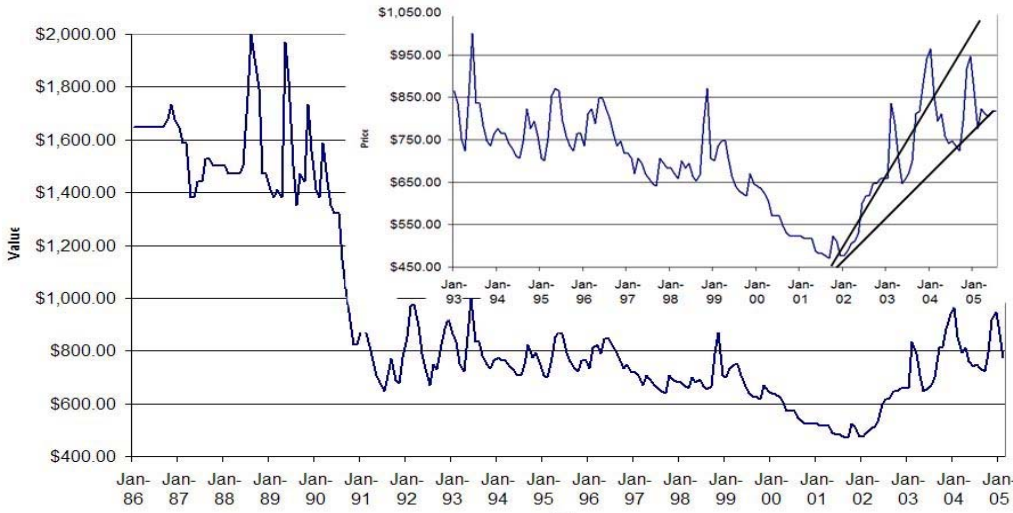
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\$20 St. Gauden MS65 Price History



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\$20 Liberty MS63 Price History



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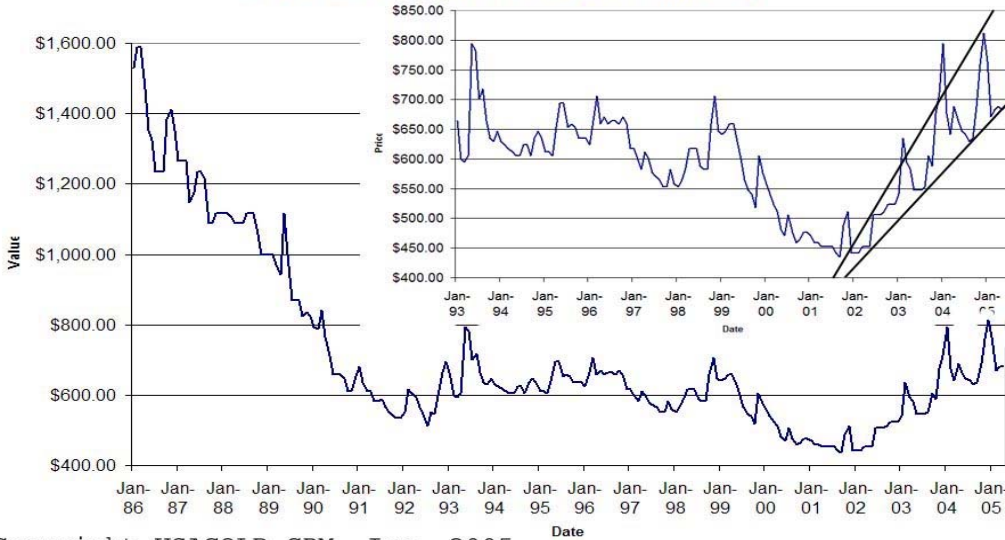
same period. The most notable and consistent feature of these charts is the divergence of these trend lines.

The bottom trend line very nearly tracks the gold bullion price, which has been in a bullish up-trend since 2001. Even though these coins are known for their profit potential above and beyond movements in the price of gold, it is important to note that their core value is still driven by the gold market.

Note also the strong volatility (a good thing) represented by the steeper slope of the upper trend line. This divergence is likely caused by a combination of two factors. First, as demand for gold has steadily increased in the past three years, the premium on each coin (the value the coin carries above the spot price of gold) has shown more dramatic fluctuations, resulting in higher highs. As long as the lower trend line remains in tact, it offers a solid base supporting the more dramatic and profitable upside volatility. In the past whenever the price has fallen to the bottom trend line, it signaled a buying opportunity. As you can see, the price has once again dipped into the buy zone.

A second, and equally intriguing explanation of the steeper upper trend line is that the premiums are expanding on top of a rising gold price, producing a compounding effect. To better explain, a premium of 2 times the price of gold is only \$600 on a \$300 price of gold, whereas it's \$800 on a \$400 price of gold. Working under the assumption of a rising gold price, the premium volatility could become even more dramatic in the future as the price of gold rises and more capital finds its way to this area of the gold market.

\$20 St. Gauden MS63 Price History



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Downside risk in these coins is divided into two categories: Premium risk, and the risk associated with the price of gold. By purchasing at a level where the premium is at or near an all time low, the premium exposure is virtually eliminated. That said, a purchase of semi-numismatic \$20 gold pieces assumes only slightly more risk than a basic bullion investment. In other words, this research has uncovered an opportunity to realize increased upside potential without adding substantially more risk than that of gold itself.

It is our recommendation that you pursue this opportunity utilizing both or either of the methods listed below.

- 1. OUTRIGHT PURCHASE** – With the prices on all five of our featured coins hovering near the support zone, we believe now is another excellent opportunity to add these coins to your holdings.
- 2. TRADE YOUR BULLION OR PRE-1933 EUROPEAN HOLDINGS** – With this recommendation, we walk you through a swap strategy whereby you trade your existing holdings in either bullion or pre-1933 gold coins to position yourself in this market when premiums are low. This strategy has been remarkably successful in enhancing the overall profitability and growth potential of our client's portfolios since its inception over a decade ago. For more details, contact your broker.

Please contact our account representatives today to discuss how the recommendations made in this advisory can work for you.

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Since 1973

The graded \$20 gold piece market works well for those looking to increase the risk-reward factor in their gold holdings. It is not a replacement for gold ownership, but a further diversification within one's overall portfolio. We recommend a three to five year minimum holding period for these items though strong returns in shorter period of time should be noted in the accompanying charts.

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Written and researched by Jonathan Kosares.

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