



## *The Power of Collateralized Financing*

Purchasing Gold and Silver using collateralized financing uses the same logic found in real estate. Most investors would typically place a down payment on a property and finance the balance. In this way, you only have to put up a fraction of the asset's value while maintaining ownership over the asset. The principle of "other people's money" also allows investors to secure cash against the value of their bullion product without the need to liquidate.

The following shows a comparison between outright ownership vs. collateral financing based on a purchase of 5000 ounces of Silver at a price of \$15.00

$$5000 \text{ ounces} \times \$15 = \$75,000 \text{ USD}$$

### **Outright Ownership (Investment \$75,000USD)**

**\$75,000** would be the original outlay for the investment.

**\$75,000** would be the profit should Silver reach \$30/ounce (5000oz X \$15)

**100%** is the return on investment.

*Therefore, a \$75,000 USD outlay with a \$15.00 move in price equals 100% ROI*

### **Collaterally Financed at 25% (Investment \$18,750 USD)**

**\$18,750** would be the original outlay for the investment

**\$75,000** would be the profit should Silver reach \$30/ounce (5000oz X \$15)

**300%** is the return on investment.

*Therefore, an \$18,750 USD outlay with a \$15.00 move in price equals 300% ROI*

#### Risk Statement

\*This is an approximate example, using gross figures, which does not take into consideration account fees, finance charges commissions, or any subsequent buying and selling which may or may not increase your overall profit/loss. Please speak with an account representative to get a full understanding of how these fees may impact your overall return. The customer chooses whether to pay in full or to finance the purchase, but must pay in full if he/she wishes to take delivery of the metals. Please be advised that as with all speculative investments, purchasing precious metals involves a risk of loss that should be carefully evaluated prior to investing any funds. All documents and risk disclosures should be carefully reviewed prior to opening an account with Guild Hall Wealth Management Inc.