



INVESTMENT U RESEARCH REPORT

Silver Investing...

Plus 5 ways to pocket a “double” as industry pushes demand to new highs

By the Investment U Research Team

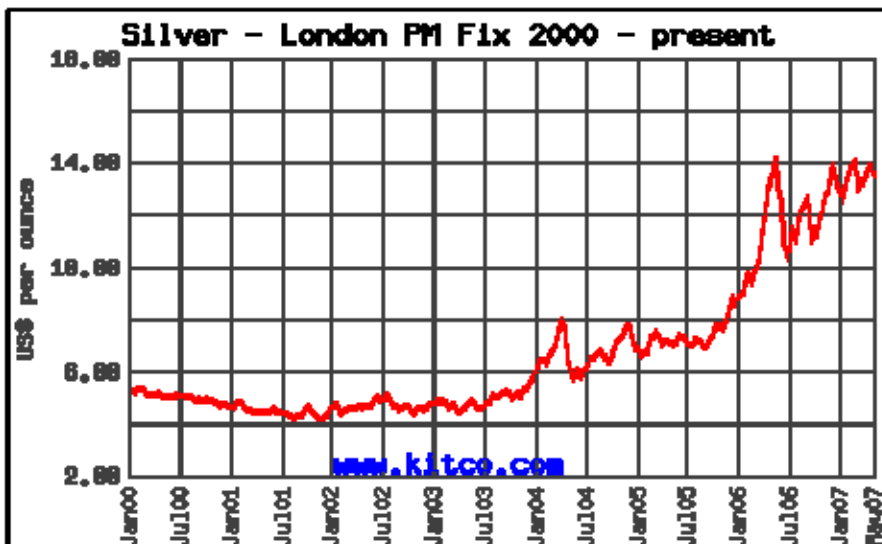
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Dear Reader,

During the bear market of March 2000 to October 2002, stocks took their biggest plunge since the Great Depression. The Nasdaq lost nearly three-quarters of its value.

Gold's done pretty well since 2001. It gained 143% in six short years. But it still doesn't hold its shine against silver.

The “white” metal has jumped an outstanding 169% in the same time. If you haven't considered silver as an investment, consider that it's beaten Nestle, Exxon, Walgreen's and even Microsoft – combined.



And our analysis shows this is just the start of what could be the most profitable metals run since 1980...

The reason is simple: The supply of silver is running out fast. Above-ground supplies have reached new lows every year for the past 17 years. In all, there are about only 200 million ounces of above-ground silver available. Newly mined silver, and even silver recovered from scrap, just can't keep up with the market demand.

China announced two years ago that its supply of silver is depleted. And that means it will import to meet that demand. When a country that big imports anything, its ripple effect can hit like a tsunami.

The chasm between silver's supply and demand is likely to drive up the price even higher in the coming months. And yet silver has two more strong drivers of price appreciation:

1. **Silver thrives amidst world chaos.** When silver exploded from \$11.11 to \$20.66 per ounce in 1980, oil prices were skyrocketing, U.S. racked up an extraordinary debt, and Washington D.C. was clouded with political uncertainty. And let's not forget that precious metals gained value during the Great Depression.
2. **Rock beats paper currency.** As always, commodities are hedges against rising inflation and the dollar's decline. And both are happening now. So by holding onto silver, you're doubling up on its benefits.

5 Ways to Invest in Silver

1. One avenue is **investing in silver mining companies**, such as Silver Wheaton (AMEX: SLW), Sterling Mining (Nasdaq: SRLM) and Mines Management (AMEX: MGN). Rarely does the value of a commodity and stock move in tandem. In the case, though, silver's increased value will bank well for Silver Wheaton. However, even if silver prices are soaring, one bad boardroom decision or a catastrophe such as a flood or explosion in the mine can topple the value of an individual stock. This extra element of uncertainty makes this option too risky for novice investors.
2. Last April, another silver opportunity emerged, in the form of an Exchange-Traded Fund (ETF). The **iShares Silver Trust** (AMEX: SLV) is backed by more than 130 million ounces of silver, totaling \$1.8 billion in assets. It's important to note, however, that its Net Asset Value (NAV) factors in the trust's expenses and liabilities. So while the price of the ETF is significantly correlated to the price of silver, it's not a pure play on the metal.
3. **Silver coins** are perhaps the version we're most familiar with, and reasonably so. Coins are available to purchase in small and large quantities, and storage usually doesn't take more than a safe in your home, if that. Austin Coin Collectors has a nice selection of new and vintage silver dollars made of 99.9% silver. Northwest Territorial Mint has silver coins and bars (up to 1000 ounces). Bags of 90% silver coins (pre 1965) are also available. And some silver coins can be worth more than their meltdown value because of their rarity, grade, quality and popularity. For example, the 1965 Silver Dime is worth upwards of \$9,000. Its value isn't affected by the price of silver. Common collector coins are.
4. Another way is to purchase silver bullion via the **Perth Mint Certificates Program** (PMCP). In doing so, your silver is stored with a government guarantee at the Perth Mint warehouse in Western Australia. And you'll get a certificate that shows how much of the metal is being held for you. Your profits here are directly correlated to silver prices, but the mint does charge storage and insurance fees.
5. The best choice for silver investing is through an [EverBank Metals Select Account](#), in which you can buy silver (and gold) at just 1% above the market price. In "unallocated" accounts, your purchased metal is pooled with that of other investors like you, which eliminates storage and maintenance costs. "Allocated" accounts allow you to purchase your own silver and gold — bars and coins — with a custodial fee. Both types of accounts can be set up 24/7 online. We should point out that the publisher of *Investment U* has a marketing relationship with EverBank, but that's because its products are best in show.

Whichever your avenue, now is the time to buy silver, all things considered. Not only will it hedge your portfolio against inflation and a weak U.S. dollar, its demand-driven surge will add some icing to the cake.

Good Investing,

Investment U

P.S. To learn more about EverBank's Metals Select Accounts, [visit the website here](#).

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