

# Beware of Investing In Gold

Deceptive pitches for investments often misrepresent or leave out facts in order to promote fantastic profits with little risk. No investment is risk-free and a high rate of return means greater risk. Before investing, get written information such as a prospectus or annual report. Beware if a salesperson:

- Encourages you to borrow money or cash in retirement funds to invest;
- Pressures you to invest immediately;
- Promises quick profits;
- Says that the disclosure documents required by Federal law are just a formality;
- Tells you to write false information on your account form;
- Sends material with typos or misspellings or not printed on letterhead;
- Does not send your money promptly;
- Offers to share inside information; or
- Uses words like "guarantee", "high return", "limited offer", or "as safe as a CD".
- Uses the phrase, "this investment is IRA-approved."
- Claims that "off-shore investments are tax-free and confidential."

## Investing in Gold

Many financial experts recommend buying gold as part of a balanced portfolio. Some suggest buying only a small amount because values can fluctuate; others recommend heavier investments.

There are a number of ways to invest in gold; common ones include bullion, certificates, and coins. Most people depend on an investment advisor or company to help them choose. Make sure the person or company you choose is licensed with your state securities administrator.

Also, be aware that the U.S. Mint's American Eagle Gold Bullion Coins are the only gold coins guaranteed by the U.S. government in terms of purity, weight, and content. They're available from precious metal or collectible coin dealers, certain banks, and brokerage houses. If you're considering investing in gold, do your homework first. Check with the [U.S. Mint](#).

The [Federal Trade Commission](#) is another useful source for information on protecting yourself against scam artists touting coins and precious metals as safe investments to hedge against bad economic times.