

# PHYSICAL GOLD VS. GOLD ETFS

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Gold has been trusted for thousands of years to preserve wealth, especially in times of crisis. But **not all gold investments are created equal**. While Gold ETFs offer convenience, they come with exposure to taxes, third parties, and digital systems that may not hold up when you need protection most. In contrast, physical gold offers direct ownership, privacy, and security that no paper asset can match.

## Physical Gold vs ETFs:

**Physical Gold:** Includes tangible assets such as gold coins, bars, and others. When you invest in physical gold, you own the actual metal itself, which you can hold in your hand and store securely.

**Gold ETFs:** A financial instrument that tracks the price of gold and can be bought and sold on stock exchanges. While it offers exposure to gold's price movements, you do not own the physical metal.



## Why Savvy Investors Choose What They Can Hold:

- 1. Privacy:** Physical gold can often be bought and sold without triggering IRS reporting, especially in smaller, non-reportable quantities. There's no 1099 form and no brokerage oversight—you maintain full privacy. Gold ETFs, however, are always tracked. Every sale is reported to the IRS via a 1099-B, and long-term gains are taxed at up to 28% under the collectibles rate.
- 2. Access/Control:** Physical gold is yours to hold—no broker, no internet, no trading window required. Gold ETFs rely on digital systems and market hours, making access vulnerable in a crisis.
- 3. Counterparty Risk:** With physical gold, there's none. You own the asset directly—no intermediaries. ETFs involve risk tied to fund managers, custodians, and brokerage solvency.
- 4. Value Potential:** Physical gold offers more than just spot price growth—investment-grade coins and rare bullion can command significant premiums based on scarcity, condition, and market demand. Gold ETFs are tied strictly to the spot price, with no opportunity to benefit from numismatic or collectible upside.

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## The Bottom Line:

ETFs can play a valuable role for many investors, offering similar inflation protection as physical gold. However, they also carry unique risks and limitations. **Physical gold is a possession, not a promise**—providing tangible security that no paper asset can match. For long-term wealth preservation, a balanced approach that includes both physical gold and ETFs is often the strongest strategy.