

A Beginner's Guide To

Stacking Precious Metals

vol.1



**SILVER BAR
STACKER**

www.silverbarstacker.com

A Beginner's Guide To Stacking Precious Metals

Precious metals have been an investment vehicle and a proven store of value for thousands of years. While there are a wide variety of metals on the periodic table of elements that have wide industrial applications, fewer are considered *precious* metals. While we are also collectors and investors in less widely accepted industrial metals such as platinum, palladium, and copper, this book will primarily focus on the two most commonly regarded monetary metals: gold and silver.

In this book, we will cover the following topics regarding precious metals investment/collecting:

- 1) Is Stacking Right For You?
- 2) Stacking Strategies
- 3) Metal Types
- 4) Product Types
- 5) Securing Your Stack

Is Stacking Right For You?

“Stacking” is what members in the precious metals community refer to as preserving value in the form of physical precious metals. Some individuals who hyperfocus on maximizing value with their precious metals purchases refer to themselves as “Pure Stackers”. For these individuals, having an average purchase price as close to or below the spot price means everything.

Other individuals are less focused on price and weight and are more interested in protecting their investment by purchasing precious metals with multiple layers of value (such as numismatic pieces, legal tender coins, modern and vintage collectibles, limited mintage pieces, serialized pieces, and more). While individuals do, indeed, have a more secure investment with more layers of value, they also need to pay a higher premium for such features. Such individuals who focus on more collectible precious metals pieces are referred to as “Collectors”.

Most precious metals investors are hybrid stackers and collectors and we fall into this camp as well.

Are you a stacker or a collector? Well, before we can answer that, we must first find out if you are either of them at all! For some individuals, precious metals stacking is simply not the right fit. For others, it may simply not be an option. However, many individuals jump to the conclusion that stacking precious metals is not for them because it's too difficult or because they do not have the capital needed to begin a personal physical precious metals portfolio. We are here to clear up any misconceptions you may have so you can decide if preserving the value that you have personally created in the form of precious metals is the right decision for you!

Is Precious Metals Stacking Right For You?

This is an important question and one that each individual will answer differently. A few questions you can start asking yourself are the following: Do you believe it's important to have an emergency fund or to "save for a rainy day"? If so, do you struggle with maintaining such a fund or even building one in the first place? Do you love spending money or saving money or preserving value? Do you want to diversify your investments?

If you answered yes to any of these questions, then Precious Metals Stacking may be for you, but be sure to read through this entire eBook and do your own personal research before taking the plunge! There is a lot to learn both before and after you begin your stacking journey, so be an informed stacker!

Is Stacking Even A Viable Option?

You're now intrigued. You might be interested in reading on to see what the big deal is about this shiny gold and silver stuff anyways. And it's super expensive already and you've probably already missed the boat, so would you even be able to afford an amount that would make you rich? How much do you need to buy to eventually get rich? What if you only save a couple hundred bucks every month after all your bills – is it even worth it to buy physical precious metals at that point? What about if you only save a couple bucks every month? What if you have more bills coming in than money and you just lost your job and you have a few thousand in credit card debt as well – should you just max out the credit card and stack precious metals anyways?

These are all questions you may be wondering and confused about and, the truth is, each individual will answer each of these questions differently as well. While we cannot provide financial advice, we would like to share our personal mindset behind the purpose of precious metals stacking and what it takes to be able to do it, in our view, successfully.

The first misconception that we would like to address has to do with "getting rich" off of precious metals stacking. This mindset is quite misaligned with what we believe the true purpose of precious metals stacking is. We at Silver Bar Stacker believe the purpose of stacking precious metals is crystal clear: *to preserve value that you have been able to create.*

Each and every individual has talents and skills. When individuals use these talents or skills, they create value and can sometimes exchange that value for something else of value (in many cases, paper currency or, in the case of America, the United States Dollar). This is generally the type of value we receive for the skills/talents we use to accomplish things. Many individuals simply pay for their bills and other ongoing liabilities with this paper currency and “stack” cash either physically or digitally in their bank account. Others may convert some or all of this cash into other assets such as stocks, cryptocurrency, commodities, rental properties, etc. while others may convert some of the cash into other liabilities such as cars or vacation properties or alcoholic beverages.

Physical Precious Metals are another type of asset where one can choose to store the value that they have created. Historically, it has proven to be a more stable asset than paper currency as it tends to hold its’ purchasing power better over the long-term. Especially in the current economic environment, paper currency is printed at an alarming rate and is no longer backed by any sort of tangible asset.

Funnily enough, our paper currency used to be backed by physical gold and silver until we were taken off of those standards, so gold and silver are inherently recognized as monetary metals even to this day, an idea that is further supported by many major countries who each issue their own gold and silver legal tender coins.

After all is said and done, it is important to note that physical precious metals are not really meant to “make you rich” nor would history really support that fact. What history does support is that gold and silver have been a far better store of value than other comparable more volatile assets.

Now that we have established that the purpose of stacking precious metals is to preserve value rather than to get rich, we can also conclude that you can be a precious metals stacker by stacking any amount of precious metals. Since the goal is not to get rich but to preserve as much value as possible, it is clear that any individual can start their stacking journey at any point with any amount of value that they have generated.

Whether you are able to save thousands, hundreds, dozens, or no extra dollars at the end of each month, you can still be a precious metals stacker! It is you who ultimately needs to define your stacking strategy and so if you are committed to being a savvy saver, then read on to consider various stacking strategies!

**"Self Discipline and Persistence in Stacking
Precious Metals Comes After You Truly
Understand Your Basic Needs in Life."**

Silver Bar Stacker

Stacking Strategies

So, you think stacking precious metals might be right for you? Well, if it is, then where do you start? What is the foolproof stacking strategy? Surprise, surprise, you guessed it. There isn't one and it differs for each individual! What we can say for sure is that your stacking strategy is likely something that will constantly evolve as you mature as a precious metals stacker. Rarely does an individual's stacking strategy remain consistent and that is likely for the best because strategies should change around stacking depending on your personal circumstances and your personal circumstances are constantly changing!

For us, personally, we started off our stacking journey utilizing a strategy we do not at all regret and the reason we don't regret it is because it allowed us to make a lot of beginner mistakes inexpensively! We began stacking precious metals by focusing primarily on bulk generic bullion. For us, initially, the larger the bar and the closer it was to spot, the better. We obsessed about getting a great value and would consider ourselves to have been "pure stackers".

Slowly, over time, we began gaining an interest in more collectible, higher-premium pieces and also started educating ourselves more about them. It wasn't until we had done our proper research that we began purchasing and investing in these more collectible pieces and truly accepted that we were a hybrid stacker/collector and not just one or the other. Rarer, more collectible pieces carry higher premiums and higher risk and their prices are also more highly volatile.

This is why we believe it was a blessing in disguise that we started off our stacking journey stacking pure generics. Buying close to spot and selling close to spot meant that less losses were incurred on premiums when trading in and out.

Generally speaking, most big bullion stores will offer competitive prices near or slightly above spot price/melt value of the precious metals you are selling them. However, when buying those same pieces, premiums can vary greatly. Collectible pieces can sometimes be double the spot price or even more! Yet, unless you are selling on the peer to peer market to a buyer in a more limited buyer pool, it can be difficult to recover the premiums paid on niche items, especially those which are not high in demand or highly sought after.

We believe it is a good idea for new stackers to have a healthy balance for their stack. A nice base layer of generic bullion can be helpful as an "emergency fund" within your stack as it is extremely liquid and often a piece you have no sentimental attachment to.

With that said, it is also important to stack what you personally enjoy stacking. Stacking for pleasure is very much a thing. Others want to diversify their stack and hold a wide variety of items such as government-minted bullion, foreign bullion, private mint bullion, different metal types, bars, rounds, large denomination, small denomination, and even fractional bullion. The list goes on for what you can collect and stack!

What is most important is not what you stack or how much you stack, but simply how and why you stack. Every individual is at a different point in life and is dealing with different life circumstances and those circumstances are ever-changing. Stacking strategies change along with those circumstances. The important part is to come up with a strategy and stay disciplined by sticking to it.

Stacking precious metals can be looked at as a test of willpower in a number of different ways. Of course, stacking precious metals tests one's ability to preserve value. However, the rabbit hole of interesting collectible pieces that one can collect can seem truly endless and so it is also a test of one's willpower to stay disciplined and stick to their original stacking strategy.

Addiction and obsession over a hobby is very much a thing and it is important to be mindful that overdoing any one thing can be detrimental. Always stay balanced and reflect back on the purpose of stacking precious metals and focus on the benefit that it can provide you and your family versus the alternatives!



Metal Types

- **Gold (Au)**

Gold, the infamous yellow precious metal, has been acknowledged as a monetary metal dating back thousands of years in history and was used both in international trade between

nations and as a traditional commerce unit. Gold bullion transcends language and cultural barriers and its value is consistent across the globe. Gold is looked at today as a stable hedge against inflation. Gold in its pure form comes in nuggets or grains which can then be refined down into the more commercially viable form of bars, coins, rounds, and the like.

Only about 10% of gold produced is used for industrial purposes. A vast majority of the gold that is mined every year is utilized for investment purposes (40%) and jewelry (50%). In that sense, the metal, itself, has great inherent value simply for what it is.

- **Silver (Ag)**

Silver is a white and lustrous precious metal that is often looked at as a cheaper alternative to gold and more accessible to the masses. After gold, it is the most widely recognized monetary metal in existence. Just like gold, silver has been utilized for everything from international trade to legal tender/currency for sovereign nations.

However, unlike gold, the investment demand for mined silver only amounts to about 25%. Another 25% of the annual silver supply is dedicated to silverware and jewelry. However, silver is much more utilized than gold for industrial purposes. While only 10% of the total gold supply is utilized for industrial purposes, roughly 50% of the total silver supply is.

Silver is used in everything from electronics, glass coatings in mirrors and windows, solar energy, alloys and solders, batteries, clothing, automobile switches, electroplating, pharmaceuticals, nanotechnology, wound dressings, medical equipment, hospital surface coatings, musical instruments, engine bearings, superconductors, RFID technologies, DVDs and CDs, Dentistry, Photography, Chemical Production, Water Purification, and more. Despite its heavy industrial application, silver is still widely regarded as a precious metal.

- **Platinum (Pt)**

Platinum is one of the rarer elements in the Earth's crust and it naturally occurs in some nickel and copper ores along with some native deposits, primarily in South Africa, which accounts for roughly 80% of the world's entire production. Platinum is extremely nonreactive and, as such, is highly resistant to corrosion, even at extremely high temperatures. As a heavy metal, it leads to health problems upon exposure to its salts. However, due to its corrosion resistance, metallic platinum has not been linked to adverse health effects.

While platinum is a popular alternative choice for a small number of investors and collectors, its supply is primarily utilized for a narrow range of industrial purposes such as catalytic converters, laboratory equipment, electrical contacts and electrodes, platinum resistance thermometers, dentistry equipment, and jewelry.

- **Palladium (Pd)**

Palladium is one of six metals that form a group of metals referred to as the platinum group metals. Aside from Palladium, the other metals that fall into the same group are Platinum, Rhodium, Ruthenium, Iridium, and Osmium. All of these metals have similar chemical properties, but palladium has the lowest melting point and is the least dense of them all.

Surprisingly, more than half the supply of palladium (and, for that matter, platinum) is used in catalytic converters. In our eyes, this narrow scope of use makes both platinum and palladium less promising than gold and silver with respect to the sustainability of their long-term industrial usage, especially in a political environment where electric cars (which do not require catalytic converters) are being phased in and gasoline powered cars are being phased out.

Another thing one should be aware of regarding palladium is that while it is a metal with low toxicity as conventionally measured, recent research suggests that it may contain high toxicity if measured on a longer timeframe. High doses of palladium could be poisonous and tests on rodents suggest it may be carcinogenic, though until the recent research cited above, no clear evidence indicated that the element harms humans.

- **Copper (Cu)**

Copper is a metal with very high thermal and electrical conductivity and so it is commonly used as a conductor of heat and electricity, as a building material, and as an element of various metal alloys such as sterling silver. Its use dates back to 8000 BC because it is one of the few metals known as a native metal that has always occurred in nature in directly usable metallic form.

Generally speaking, the price of copper is very volatile and it is also largely regarded as an industrial metal and utilized as such. Copper bullion has only recently begun to gain traction as a popular alternative physical investment. Much like with Silver (which has a low unit price compared to gold), where premiums can seem undigestible, the same goes for Copper.

Copper is generally priced by the pound, but when purchasing copper bullion for investment purposes, it is often sold by the ounce. These small denomination pieces of copper, much like fractional silver, tend to carry very high premiums due to their collectible nature. Larger bulk copper bars tend to carry much more reasonable premiums compared to smaller denomination copper bars and rounds. This is a concept that is consistent across all metal types.

Product Types

Bars



Stacking Gold, Silver, Platinum, Palladium, or Copper bars, generally speaking, is the most cost-effective and convenient way to stack precious metals with a few exceptions. The rule of thumb is that a larger weight class will generally result in a lower premium above the spot price. This concept of being able to acquire a better price for a larger order is not foreign to most of us and so it is something that one should keep in mind if getting the best value for their money is of importance.

Bars tend to carry the lowest premiums because they are readily available in sizes as high as 1000oz+. Premiums tend to be more reasonable for generic products in the 100oz, 1kg, 100g, 50oz, 20oz, and even occasionally as low as the 10oz and 5oz class. 1oz and Fractional bars tend to carry higher premiums and, in comparison to 1oz rounds, 1oz bars can sometimes carry a slight premium or be more desirable.

In addition to there being many cost-effective options with various bar sizes, bars also tend to be more convenient from a storage perspective. Larger bars can easily be stacked on top of one another and smaller 1oz bars can be placed in custom plastic tubes or monster boxes much like rounds. This makes the storage of bars extremely simple.

Rounds



Rounds are one of the cheapest options especially when stacking small denomination silver of the 1oz variety. Generic 1oz Rounds tend to sometimes demand a slightly lower premium than Generic 1oz Bars, though some bullion dealers will treat them identically. Larger-sized rounds do exist but are far less common than larger-sized bars. Larger rounds, especially those larger than 2oz are often looked at as more collectible and, as such, tend to carry higher premiums.

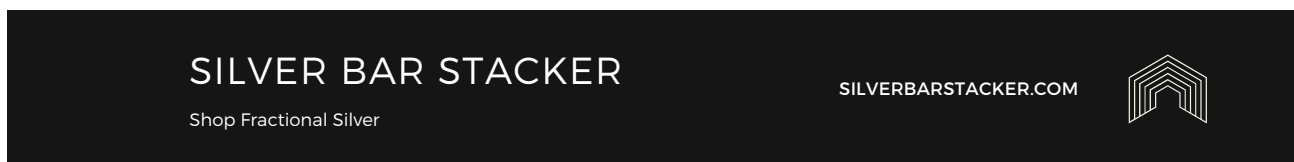
Coins



Unlike rounds and bars, coins refer specifically to a piece (usually shaped like a round but sometimes shaped like a bar or another unique shape) that is recognized by a sovereign nation as legal tender. Most but not all of the larger countries we think of issue their own legal tender coin(s) every year. The US Mint, for example, issues the American Eagle and Buffalo's. The Royal Canadian Mint issues the Canadian Maple Leaf Coins. There's also the Mexican Libertad, South African Krugerrand, and more! What makes coins unique is that they contain an added layer of value being a nation's actual legal tender. Not only can one rely on the melt value of the gold, silver, platinum, or palladium, but there is a face value that is associated with every coin. So, in addition to the melt value of the metal, one can also rely on the face value of the coin (so long as they believe in the value of the fiat currency of that particular nation).

Most coins tend to carry significant premiums nowadays, so there is a cost to this additional added layer of value. Some look at the face value as an insignificant layer of value because they do not believe the melt value of the metal would likely ever fall below the face value of the coin – we tend to agree with this sentiment.

Fractional



Fractional Bullion refers to any bullion under the 1oz denomination. When it comes to gold, fractional bars, rounds, and coins can be a very popular choice due to the high unit cost of gold. For many individuals, being able to purchase a full ounce of gold in one purchase can seem daunting or even impossible. The convenience of smaller denomination pieces, however, will result in a higher premium over spot. Additionally, smaller pieces can sometimes be seen as more collectible and so this collectability and “cuteness” can result in extremely high premiums, especially when it comes to fractional bullion of the silver variety. With that said, the convenience of the divisibility of fractional bullion cannot be understated and some individuals are willing to overlook the premiums for this convenience.

Securing Your Stack

Before you go out and make your first precious metals purchase, it's important to make sure you're prepared to store it! There are multiple options you can consider to secure your stack and you should carefully consider these options before you begin stacking and come up with a plan. We will cover some of the options we consider when determining how to secure physical precious metals. This is something that each individual needs to determine on their own after considering their own circumstances.



Bank Safety Deposit Box or Secured Storage

Some individuals simply take the route of giving up full custody of their physical precious metals to the bank or a private secured storage facility. Banks will often offer safety deposit boxes to their customers on a first come, first served basis and usually for a monthly or annual fee. There are also private entities who offer vaulting services for a fee.

For individuals who do not hold large amounts of precious metals (and even for those that do), this option may not be cost-effective. For others, the convenience and peace of mind might make it worth it. Even still, despite the cost associated with a safety deposit box, there is an issue with accessibility. When utilizing a safety deposit box or secured storage facility to store your precious metals, your assets will not be readily available to you in the same way they would be if the precious metals were in your personal possession. In an emergency, your assets may not be accessible at all.

Additionally, a concern some share regarding safety deposit boxes are their distrust for banks or other third-party entities. Especially in a situation where the bank or private company may be experiencing financial hardships, the security of one's assets may be easily compromised when being held with a third party out of one's control.

Home Storage

It is important to invest in a high quality safe if you plan to keep any significant amount of precious metals on-site at home. We highly recommend staying away from generic safes that are readily available online or at big box stores. Instead, you should purchase a high quality safe from a trusted dealer that specializes in home security. Ideally, a TL-15 or TL-30 Rated Safe if at all possible or, at the very least, a safe that is burglar proof, fireproof, and bolted to the floor.

All criminals, despite their specialization, are looking to exploit vulnerabilities. Think about the vulnerabilities in your own home that could be exploited. Do you have a communal door that you sometimes leave open and unlocked? Be sure to address all potential vulnerabilities in your home!

In addition to securing your home barriers with good locks/doors and multiple layers of obstacles, take preventative measures to secure your assets! For example, what does your social media look like? Are you showing yourself regularly away from home? Are you giving people any indication on what they may find in your home? Be mindful about what you are sharing with the general public!

Be sure to secure the interior of your residence with as many layers of protection as the exterior! Ensure your safe is not readily visible and an intruder would need to go through multiple barriers to access or even find your assets. Consider displaying decoy's (i.e. a dummy safe). Consider installing a security system (or a pet dog) that monitors the interior and exterior barriers of your home.

Conclusion

We hope this eBook offers clarity around precious metals stacking and helps make you a more informed silver bar stacker! Be sure to share this book with anyone who is just beginning their stacking journey as knowledge is power!

**SILVER
BAR STACKER**

TAKE UP TO

**70%
OFF**

**DURING OUR
GRAND OPENING
SALE!**

LET'S SALE-EBRATE!

