The Importance of Having a Proper Storage Strategy

If precious metals are not held in an appropriate form, jurisdiction and storage facility, they become vulnerable to a number of risks, including theft, seizure, excessive taxation, or political interference.

With many governments constrained by past mistakes and high debts, the incentive to appropriate and restrict private capital should not be underestimated. The time to address this is before events unfold.

Shifting geopolitical alliances add complexity to long-term planning, but can also create opportunities to modify and reduce exposures. As the future is unknown, a bullion storage strategy must be developed to enable flexibility for rapid and significant adjustments. There is no one-size fits all approach, and an optimal strategy is one that is unique to a specific individual or family, taking into consideration their existing jurisdictional footprint and other factors and must be constantly monitored.

Importantly, diversification in location, provider and storage format is important when bullion holdings grow above a certain size. How you store is an active strategic decision where the costs of failure can be very high.

As is often the case there is no perfect solution and selecting different locations or providers creates trade-offs. Once these are understood they can be combined and considered in light of objectives or circumstances and be optimised to minimise cost, maximise flexibility and improve safety.

Vaultonomics provides tailored and holistic bullion storage selection advisory and research to individuals and families worldwide, with a focus on navigating complex cross-border circumstances and unique risk profiles.

Our storage selection research involves consideration of over 450 factors to develop a detailed picture of which storage options best suit a specific individual or family. This includes evaluating jurisdictions and storage facilities to ensure alignment with specific goals and global footprints. These inputs are continually reviewed in order to remain responsive to changing conditions and ensure you can make informed decisions.

Based on this analysis, we help you construct a comprehensive matrix that incorporates the important factors, actively monitors emerging threats, and forms the foundation for a tailored management strategy.

Some of the key considerations underpinning our analysis include:

- Jurisdiction (tax, law, regulation, disclosure, political/geopolitical trajectory)
- Practicality and operational considerations for example ease of access
- Geopolitical and geographic factors
- Storage facility ownership and management
- Storage fees, services and support
- Security
- Flexibility
- Logistical optionality
- Insurance
- Other considerations unique to our clients

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We consider the following types of storage across multiple international locations:

- Home storage
- Bank safety deposit and custody services
- Non-bank safety deposit facilities
- Vaults and other facilities
- National mints

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Important risk warning - NOT INVESTEMENT, TAX or LEGAL ADVICE

This free document is produced to be thought provoking and help readers ask the right questions with respect to how and where to hold precious metals.

It **does not constitute investment tax or legal advice and is not a solicitation to participate in any investment or activity.** Opinions and views expressed are based on private research, publicly available resources and our own knowledge. It is intended for educational purposes only and is subject to change without notice.

All content should be considered with reference to individual circumstances/suitability and no opinions should be considered in isolation.

Past performances, outcomes or forecasts are not reliable indicators of future events. Investment in precious metals involves many risks and investors may not achieve their objectives or even the return of initial capital**. Independent professional investment, taxation and legal advice should be sought before making all investment decisions including where and how to store bullion** and it is important to never invest more than you can afford to lose.

Overseas assets are denominated in currencies that differ from the home currency and movements in exchange rates may increase or decrease returns. Taxation may impact capital gains on bullion and local laws and regulations vary. Different structures or arrangements to hold and buy bullion have variant tax implications depending on the jurisdiction of the investor and the location. Some structures limit the jurisdiction or type of investor who can invest and **advice should be sought before selecting any investment vehicles, undertaking any movements of bullion or changes to storage arrangements**. Regulations, laws and taxation are constantly changing potentially impacting the appropriatness of past decisions and existing arrangements.

In most jurisdictions physical bullion is Not Regulated as a financial asset by the FCA, FINMA, SEC or any other regulatory body and consequently investors do not usually have access to compensation schemes like the Financial Ombudsman Service or the Financial Services Compensation Scheme etc. Different jurisdictions are subject to varying levels of regulation and protections. **Independent advice should always be taken before investing, moving or changing storage arrangements.**

Best efforts have been taken to ensure that the contents of this note are accurate, relevant and up to date at the time of issue but unintended errors may occasionally arise and we do not warrant its completeness or accuracy.

Vaultonomics is a private unregulated undertaking that focuses on providing bespoke research and due diligence to specific entities or individuals on the storage and logistics of bullion holdings. Nothing in this note should be taken as automatically relevant to anyone and Vaultonomics does not hold itself out to be a financially regulated entity or to offer advice to the general public.

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