



PORTFOLIO
WEALTH
GLOBAL

Special Report



Investing Essentials Series

Part 4

Crisis Hedges

Investing Essentials

Part 4: Crisis Hedges

Preparing a Plan B

In the movies, the superhero doesn't have Plan B. That's not a good example to teach the children who are watching. I'd rather show them that James Bond has multiple strategies and can protect himself if something goes wrong. That won't sell movies, but it will save you from financial disaster.



In Germany, during the early '20s, hyperinflation broke out. The effect was so severe that fear allowed Adolf Hitler to rise to power. Crisis is a really powerful motivator for change. There was one soldier who came back from the war (WW1) and understood that the government is in a lot of trouble. Not bothered by his friends who were preoccupied with excuses, anger, and frustration, he turned his attention to the accumulation of gold coins and silver coins. He worked 2 jobs and immediately converted his income to coins. By the time hyperinflation broke out, he had 35 gold coins and 18 silver coins.

That doesn't sound like much, but this man was able to buy 8 buildings in prime real estate areas of Berlin with this tiny position. He became a landlord when the economy finally got back to normal. His investment led to the equivalent of \$18,000 per month in today's terms.

He kept a steady reserve of 6% of his net worth in gold at all times, and in WW2 was able to purchase twice the amount he bought during WW1.

By 1950, he was collecting what is now \$43,000 per month.

Still, he kept 6% of his net worth in gold, which he left to his son and daughter, along with 24 buildings in downtown Berlin, currently worth over €10MM.

Gold as a Store of Wealth (and Wealth-BUILDER)

This is the great lesson, because 90% of the time, gold is a store of wealth, and 10% of the time, gold and silver can make you rich.

What scares the team at WRG the most is mass psychology during a crisis.

The under-developed and developing worlds are living in what Americans and Europeans would call a constant state of crisis.

These countries and their populations suffer much more frequently from power shortages, water contaminations, political turmoil, civil unrest, currency fluctuations, high unemployment, and a general state of uncertainty.

This has not been the case for Europeans and Americans. Since the '50s, the economic conditions have mostly been favorable, and downturns, recessions, and business cycles have transpired naturally, largely without severe consequences.

Sure, some events were extraordinary, but the free market was efficient and government intervention speeded the recoveries by delaying the much needed long-term systematic restructuring. By implementing various centralized economic policies, the U.S. and Europe have up until now avoided the major changes that are required to clear out the debt levels assumed by politicians on both continents. This is a cause for concern to us all, because the public isn't accustomed to dealing with crisis situations and are mostly unprepared. Even if you are prepared personally, it will be a very challenging time for you.

We believe the reason for the worsening of the crisis will be from mass panic. In other words, not having gone through crises in their entire lifetimes will be to the detriment of the general public. Most likely, the people at large will demand government to apply policies in an attempt to solve issues.

2016 is much different than 1929. The economy is much more efficient and life as a whole is much more advanced, so a crisis doesn't mean a 1929 repeat, but mass psychology can absolutely entice havoc. That is our main concern.

Protecting Yourself from Crises

WRG is a wealth research firm, so we don't proclaim ourselves to be survival experts and we can't suggest lifestyle changes like buying guns, relocating, growing your own food, and the like, but we can give you a heads-up and let you know that there is a theme that is common with every crisis in history:

1. **Crises don't happen most of the time.** When they do, the general public is mostly unprepared.
2. Geographic diversification lowers your exposure to the risks of the national crisis. For instance, if some of your assets and funds are in Canada or England, then a dollar crisis will affect you less, and might even cause your assets to gain in value, as demand for them could soar.
3. Precious metals are the most reliable catastrophe hedges in human history.

When it comes to protecting wealth, they are absolutely essential. They have worked time and time again, from the days of the Roman Empire to the Weimer Republic, and they will protect the wise today as well.

Self-Sustainment through Crises

If you are looking for a fuller and more comprehensive solution, you surely should research ways of self-sustaining.

The thing about crises is that they cause a narrow point of view and a lack of creativity in their first stage. That increases herd mentality, so most people wait for an original thinker to find a solution. The pressure on the individual at times like these is outside their comfort zone, and desperate acts are common. The thing about

gold and silver is that they exist outside of the credit system. I just love that fact about them. The precious metals are truly MONEY. That means that others will accept them anytime, anywhere. The leverage this gives you as the owner is immense during times of peril.

Gold and silver companies become genuinely important to the overall economy, and shareholders see sensational gains. The challenge would be to find a seller, and that is the reason to accumulate ahead of time, in anticipation of such an event. You **MUST** be smarter than the rest, and have conviction that you are making the right move.

Our company has made it our mission to alert our subscribers when we find -- among the many thousands of mining stocks -- the ones that can dominate the industry and are currently largely unknown. This is the source of those life-changing gains you hear about of 10-50 times the original investment. Even 1-2 speculations that work out are impactful and can mean the equivalent of a decade of salaries.

Make sure you are humble enough to admit that a crisis is spontaneous and can happen at any time for innumerable reasons that and **YOU MUST BE PREPARED** at all times.

This is logical, and is what the rich have always done to protect themselves. It is insurance with an upside. WRG is ready for the crisis. Take our lead.

Disclaimer

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