

SA Bullion reduces cost of investing in Krugerrands by 27.5% percent

SA Bullion has announced a 27.5 percent reduction in the cost of investing in one-ounce gold Krugerrand coins with effect from Tuesday 23 November 2010. SA Bullion advises that this has been facilitated by successful client uptake and volume growth in the last two years of trading and anticipated market demand ahead for physical gold which has offered investors a return of approximately 17% per annum annualised for the last 10 years.

According to SA Bullion founding director, Hilton Davies, the total of all entry and exit costs to invest in physical gold have come down from 5.71% (including VAT) to 4.14% (including VAT) and the complete benefit is being passed on to its investors.

He says, 'the transaction charges for investing in The BullionGold Facility have been materially reduced after Rand Refinery and SA Bullion both substantially reduced their upfront charges to provide an even more compelling investment into physical gold, using the most widely circulated gold coin in the world, the one-ounce Krugerrand.

Rand Refinery is the world's largest gold refinery and acts as agent for the Reserve Bank in Krugerrand sales. SA Bullion is South Africa's only licensed investment manager that operates under a special dispensation of the South African Reserve Bank and is exclusively focused on physical gold. The BullionGold Facility is SA Bullion's flagship private-client gold bullion investment service where clients invest in freshly-minted Krugerrands.

According to Clint O'Brien, SA Bullion's director of retail business, 'These transaction charges make the investment product very competitive in the investment management industry. It comes at a time when investors are looking for a complete solution to owning physical gold that provides a cost-effective entry and exit strategy with storage and insurance facilities.

Davies' view is that investors should view Krugerrands as money, a form of

currency – similarly to the way they view cash in the bank. 'They will find gold is a serious competitor to cash in the bank. In good times gold is a commodity and in bad times gold is used as a currency in an investment portfolio'.

He says that we're going into a generational period of bad times for which gold is the ultimate hard currency. The 'bad times' is a period of severe credit contraction following an enormous credit expansion where solvency becomes the key issue. In such times asset prices, banking systems and government finances come under pressure and this ultimately results in deteriorating currencies.'

Since 2000, the price of gold has risen steadily from USD 290.20 an ounce in 2000 to a recent high of USD 1409.80 – earning investors a return of approximately 17% per annum annualised for the last 10 years, despite market turbulence in other investment classes.

As indicated in the graph below, the total return on gold over the last 10 years has been 367.84% in ZAR and 410.19% in USD.

GOLD & PORTFOLIO DIVERSIFICATION

SA Bullion believes that in today's investment market, it is prudent for investors to hold 5 or 10 percent of one's total holdings in gold bullion Krugerrands.

WAYS TO INVEST IN GOLD

As the world's fourth largest producer of gold, South Africa offers the market a number of ways to get into gold via:

- The BullionGold Facility which enables physical, title ownership of one ounce gold Krugerrands
- ABSA NewGold Exchange Traded Fund (ETF) which gives investors exposure to the gold price via shares in the gold market
- Gold bullion bars which attracts 14% VAT
- Gold for jewelry in the form of wire, granules, plate, bangle washers etc
- Industrial gold for technology in aerospace, biomedical, environmental, fuel cells as well as nanotechnology
- Stock-exchange listed shares in gold mining companies

THE KRUGERRAND

According to SA Bullion, the most cost-effective and secure way for serious investors to trade in gold is via the one ounce bullion Krugerrand.

- It is exempt from Value Added Tax (VAT)
- It carries only a small premium on the value of the gold content versus far higher premiums paid numismatic or collectible coins
- Unlike shares, there is no counterparty party risk in holding Krugerrands since the title is individually held
- It is legal tender in South Africa which means it is underwritten by the SA

Reserve Bank

- It was introduced into the market 1970 and today is the world's most widely circulated gold coin
- It is traded internationally with a steady market of buyers and sellers
- The price is easily monitored and set daily using an international standard
- The Krugerrand is minted in 22 carat quality gold for more durability than 24 carat gold

The one-ounce gold Krugerrand is the most widely circulated coin in the world

HOW TO BUY KRUGERRANDS

SA Bullion provides a specialized gold investment product called The BullionGold Facility which enables investors to make lump-sum or recurring monthly premiums into a call account. The BullionGold Facility provides a 24-hour turnkey solution for investors to buy, vault, insure, sell or take delivery of their Gold worldwide.

KEY FEATURES OF THE BULLIONGOLD FACILITY

- Direct title-ownership of physical gold
- The bullion Krugerrand is legal tender and attracts no VAT
- Acquisition and disposal of Gold is provided at wholesale market rates
- Secure vaulting is provided cost effectively at the world's largest gold refiner
- All gold holdings are



The rising price of Gold: 2000 – 2010: Source: www.kitco.com

Since 1913
ASSUPOL
L · I · F · E

An Authorised Financial Services & Credit Provider

Assupol Life would like to thank you and show our appreciation to our financial advisers.

We are thankful for:

- Your commitment,
- Your diligence,
- Your passion,
- Your honesty, and
- That you care about us!

Thank you for the sterling job you do!
Assupol Life wishes you a blessed Festive Season and a 2011 filled with prosperity and success!

0860 103 091 www.assupol.co.za

Long-term bull market in gold is not over yet, say investment gurus

Richard Russell, famous market analyst and writer of the Dow Theory Letters, is one of the investment world's doyens and long-time mentor for Dr Prieur du Plessis, chairman of Plexus Asset Management and author of the Investment Postcards blog.

"Russell's knowledge of the history of the market is truly unmatched. At the age of 86, he is one of the few men able to speak firsthand about the Great Depression and how similar today's economy feels," says Du Plessis.

"Like any investor, Russell was not always right with his market forecasts," says Du Plessis. "While he was dead wrong on equity markets for most of the bull market since March last year, he was one of the few commentators who were spot on with their predictions of the great bull market in gold right from the starting blocks in 2001."

The gold price in US dollars has risen from USD250 at the start of 2001 to USD1341 as at 16 November 2010. "This represents an incredible return of 392% (or 17,4% on an annual

basis)," says Du Plessis. "Had you invested in global equities, as represented by the MSCI World Index, over the same period and reinvested dividends, your investment would have shown a paltry return of 25%, or 2,3% annualised."

He says while Russell was wrong about two strong equity bull markets during this period, from March 2003 to October 2007 and again from March 2009 to date, it is doubtful whether anyone got the timing in and out of the market exactly right. "On the other hand, long term investors who heeded Russell's advice to steer clear of the equity market and rather put their bets on gold are smiling all the way."

Russell believes the bull market in gold still has a considerable way to go. His view is based on his distrust of what he calls the "fiat" dollar. He believes the US Federal Reserve's strategy of printing dollars to get the economy out of trouble will have disastrous consequences for the dollar and eventually the US economy. He considers gold as one of the few "currencies" that will retain their value.

insured through Lloyds of London

- Large supply of bullion Krugerrands guaranteed
- Flexibility – clients can cash in or receive physical delivery of their Gold
- Perfect liquidity is assured at time of redemption
- The BullionGold Facility is a Shariah Compliant Product
- Approved to receive non-

resident investments

- Transparency through on-line access for clients and advisors

The BullionGold Facility is available within South Africa through accredited Financial Advisors, internationally through SA Bullion alliance partners or directly from SA Bullion.

The BullionGold Facility - Gold Bullion Pricing and Investment Charges

INVESTMENT AMOUNTS					GOLD BULLION PRICING		INVESTMENT CHARGES	
Contribution	SA Resident		Non Resident		Buy	Gold Price LBMA PM (Fix) ⁽¹⁾	Description	SA Bullion Fee
	Minimum	Maximum	Minimum	Maximum		R	Initial Investment Fee ⁽³⁾	1.00%
Lump Sum	R10 000	None	R350 000	None	Sell	Refining & Minting Premium ⁽²⁾	Annual Administration Fee ⁽⁴⁾	2% pa
Recurring Debit order	R500pm	R50 000pm	N/A	N/A		Spot Gold Price		