

THE POWERFUL CASE FOR SILVER

Presented by



SchiffGOLD

*THE MONETARY BENEFITS OF GOLD
PAIRED WITH THE INDUSTRIAL
UPSIDE OF COMMODITY METALS.*



INVESTORS TODAY FACE A WORLD OF ENDLESS MONEY-PRINTING AND SOVEREIGN DEBT DEFAULTS.

THE POWERFUL CASE FOR SILVER

Assets that used to be considered safe havens are now among the most risky. Paper promises aren't good enough anymore. Investors want personal possession of physical assets with inherent value.

For more than a decade, gold has stolen the media limelight as the premier safe-haven investment. Investors attracted by gold's strong fundamentals are rushing to buy the yellow metal at bargain rates and reap the reward when gold rises again. But this singular focus can blind investors to profit opportunities in other precious metals.

In this report, we will make the investment case for silver — a metal with the monetary benefits of gold paired with the industrial upside of other commodity metals.

Fortunately, the best reasons for buying physical silver are also the easiest to understand:

1 Silver is the everyman's gold. With a growing number of countries such as China and Russia seeking to limit their exposure to the dollar and even set up alternative payments systems that would undermine the greenback as the world reserve currency, investors all around the world are considering the prospect of de-dollarization and already imagining a day when the dollar will be worthless. Throughout history, whenever the value of fiat currencies became unreliable, governments and citizens turned to the stability of precious metals to transact day-to-day business. But gold's high value-to-weight makes it impractical for daily transactions. On the other hand, silver serves as a very convenient medium of exchange.

2 Silver is a valuable industrial material. Because silver conducts heat and electricity better than any metal on earth, more than half of annual global silver production is destined for industrial use. Silver is expected to play an important role in the "green energy" revolution and is an important element in solar energy production. According to a Silver Institute report, the boom in green technology will consume over 1.5 billion ounces of silver through the year 2030. Couple with surging demand for the metal in electronics manufacturing and biomedical applications, global demand for silver is projected to surge in the coming years.

3 Silver is undervalued relative to gold. Back when paper currencies were actually backed by precious metals, the historic ratio of the value of an ounce of silver to an ounce of gold was about 16:1. Recently, that ratio has stood around 80:1. Given today's gold prices, if silver were to realign with its historic ratio it would be worth over \$75 per ounce! If you think gold has yet to find its ceiling, there is good reason to believe silver's rally will be even more dramatic.



A USEFUL GUIDE:

THE POWERFUL CASE FOR SILVER



At SchiffGold, we believe that investing in gold and silver should be simple and painless.

We've developed this special report so you can confidently understand:

- ▶ *Why professional investors are buying as much silver as gold in terms of value – and much more in terms of weight.*
- ▶ *Which physical silver products are truly investment-grade and which are known rip-offs.*
- ▶ *How to purchase physical silver at very low prices.*

Even if you already understand the importance of protecting your wealth with precious metals, this report will serve as a great educational tool to share with friends and loved ones, so they can also prepare for the future.

Sincerely,

A handwritten signature in black ink that reads "Peter Schiff".

Chairman
SchiffGold

SILVER: THE PEOPLE'S METAL

THE POWERFUL CASE FOR SILVER

Precious metals can grow your wealth. More importantly, they allow you to protect your existing wealth. That's a fundamental difference between real money and fiat money.

Central banks destroy the value of fiat money by printing more and more and more of it. On the other hand, real money cannot be manipulated. Its value is intrinsic. Since silver and gold are scarce resources, the marketplace determines their underlying value – not political calculations or central planning manipulation. As a result, in times of great economic turmoil, silver and gold tend to maintain their purchasing power, while fiat money can potentially become worthless.

We've seen the results of hyper-inflation first-hand in Venezuela over

the last few years.

Gold is a convenient medium for protecting large stores of wealth. A small volume of gold is worth a lot in trade. But don't make the mistake of investing gold alone. Due to its high value-to-weight, gold bullion can be impractical for daily transactions. You'll probably have a hard time buying a gallon of milk with a 1-ounce gold coin.

Imagine that a major currency collapse occurs tomorrow. Suddenly, the prices of basic necessities skyrocket. People don't have enough fiat cash to buy the food, shelter or fuel they need to meet their immediate needs. In this scenario, you'll want to have gold, no question. But you'll also want to have silver on hand to use as a medium of exchange. Spending a couple of ounces of silver

on a bag of groceries is not only easy, it's how people have traded for thousands of years.

To this day, the affordability and historical value of silver make it a valuable alternative currency in every corner of the world. If you take any message away from this report, it should be:

*Store your wealth with gold,
spend it with silver.*

Silver Has Always Been Money

Silver has functioned as circulating currency for thousands of years. It's been less than 50 years since President Nixon unpegged the US dollar from the gold standard. Just six years before that, US dimes and quarters still contained 90% silver. In silver's long and illustrious history, five decades represents a very thin slice of time.

Today, the silver in a pre-1965 Mercury dime is worth about \$1.18, while a silver quarter of the same vintage can fetch around \$3. And that's with silver prices at a relatively low level. Imagine if your change jar were filled with those little gems instead of today's coins made from low-value base metals!

They call these old coins "junk silver," but they clearly aren't junk. In fact, bags of so-called junk silver coins are a very popular investment product. Collectors call them "junk" because they aren't in pristine mint »

Silver Barter Bags

Mixed bags of pre-1965 US dimes, quarters, and half-dollars are known as "junk silver." These popular products are a very good means of barter, but with the recent surge in demand they have become expensive and hard to find.

SchiffGold now offers 250-ounce bags of privately minted fractional silver rounds, called **Silver Barter Bags**. They are among the most cost-effective ways to buy silver. The rounds in our Silver Barter Bags are just as useful in barter and even more pure than junk coins.



**Click Here
to watch Peter Schiff demonstrate
the Silver Barter Bag**

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condition. Nevertheless, these coins are full of valuable silver and simple to identify. Most importantly, you can easily spend these silver coins, even if you just need to complete a small transaction. This makes junk silver extremely useful assets in a financial crisis.

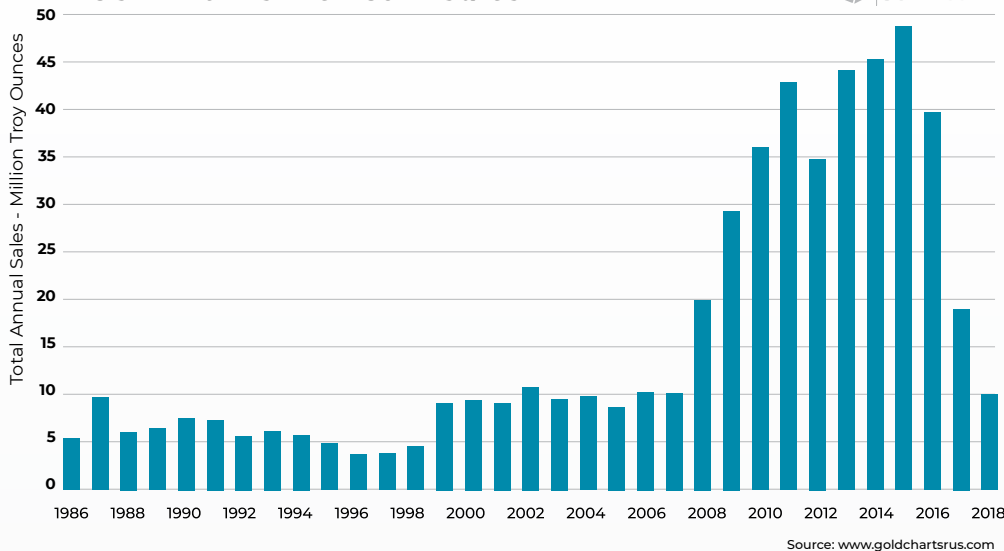
Record Silver Sales at US Mint

Silver coins are no longer issued for general circulation, but this hasn't stopped investors from buying newly minted silver bullion coins at record rates. Look at the sales figures of the United States Mint, the largest producer of silver and gold bullion coins in the world, in the chart above.

Beginning with the financial crisis of 2008, we see an obvious surge in silver sales. As the value of their 401(K)s evaporated, investors rushed to buy something of real value. Since then, demand has continued to grow by leaps and bounds as more and more people lose faith in the Federal Reserve's inflationary, easy-money policies.

In 2013, we saw an all-time record high in US Mint silver bullion sales. This new record of more than 42.6 million ounces of silver vastly exceeded 2012 silver sales by 26%. In 2014, the US Mint hit another record year of silver sales of just over 44 million ounces. The

US Mint - Silver Coin Sales



record-breaking trend continued in 2015 with 47 million ounces sold. Sales began dropping off in 2016 as investors got caught up in the euphoria of the stock market bubble, but will almost certainly rev back up with the inevitable onset of the next financial crisis.

Surviving an International Currency War

The United States is not the only place silver sales are flourishing. An escalating international currency war is driving citizens around the world to precious metals as an alternative to collapsing paper currencies.

Just look at China, where silver demand grew by 9% in 2014, continuing an explosion in silver sales

that began with the full liberalization of the Chinese silver market in 2009. And in India, more people are buying silver from bullion shops because they cannot afford gold but still want an inflation-proof asset. India consumed 160.6 million ounces of silver in 2016, accounting for 16% of global silver demand.

These high sales aren't surprising when you consider that citizens in emerging markets like China and India are among the first and hardest hit by a currency war. During a currency war, countries devalue their own currencies in an attempt to stimulate domestic business by promoting foreign exports. While a cheap currency might allow a country to export more of its goods, it also tends to destroy the purchasing power of the citizens. Incomes and »

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budgets of the poor are already very tight in emerging markets, so people have little choice but to abandon the local currency and put their savings into something of real value, like silver and gold.

The Rise of Barter

When local currencies lose value, barter becomes commonplace.

As the inflation rate approached 1 million percent (You read that right: 1,000,000%) Venezuelans were forced to turn to barter just to survive. As a 2018 Reuters report put it, "The rise of barter exchange, amid hyperinflation and a dearth of cash, is a reflection of how the once-prosperous country is reverting to the most rudimentary of mechanisms of commercial exchange."

Barter also spread through

several European countries after irresponsible government spending led to debt crises and bailouts.

In 2012, Spain saw a noticeable increase in barter exchanges, as Spaniards sought alternative ways to do business with each other in an economy on the verge of a major debt crisis. Greeks also became fluent in barter and alternative means of trade when their financial system effectively collapsed in 2010.

Greeks had their access to cash severely restricted during the economic turmoil. It got so bad, a robust barter economy developed out of sheer necessity, as everyday Greeks had to find ways to cope with cash withdrawal limits and currency shortages.

Indians also turned to precious metals barter when their government

launched a demonetization scheme. The idea was to push Indians into putting their hoarded cash in the bank – thus bringing it "out of the shadows." The demonetization policy resulted in severe cash shortages in some areas of the country. Many Indians skirted the government scheme by using their black money to buy gold and silver. When everything else collapsed, precious metals were there to save the day.

Honest Money Is Safe Money

During the 2013 Cypriot banking crisis, depositors lost between 30 – 100% of their holdings over €100K. In the wake of the crisis, interest in alternative currencies shot up. It's not hard to imagine Cypriots trading in silver when their banks were closed for almost two weeks. Imagine if your bank took a holiday for a week or two – your physical precious metals holdings would serve as your ultimate safety net.

Everywhere you look in the world, people are either already bartering for everyday necessities or are buying more silver to be prepared for an emergency. Countries like Argentina that have strict regulations on gold, will likely see a renewed interest in silver, following in the footsteps of China and India.

While gold has been the money of kings for ages, the fallout of an international currency war will help to re-establish silver as the currency of the people. ■

The CombiBar

If you prefer to barter with gold, don't miss our latest product, the unique **CombiBar** from **Valcambi Suisse Mint**. Each 50-gram gold CombiBar easily breaks into 1-gram bars without any metal loss, just like a bar of chocolate. Fractional (less than 1-ounce) gold products typically carry very high premiums. 1-gram gold bars can sell for as much as 30% over spot. Valcambi CombiBars offer the best of both worlds: a reasonably priced gold bullion product that is still easily divisible for barter transactions.



Click Here
to watch Peter Schiff's special
presentation on CombiBars

When people think of silver, they often picture fancy tableware, jewelry, and runner-up sports medals. Some technically-minded folks may think of photographic paper and film, which were the main industrial uses of silver in the 20th century. But the world has changed a lot in the new millennium, and with it, the uses of silver.

Silver's unique chemical properties make it indispensable in all sorts of modern applications, so demand is no longer supported by just one or two industries. In the first decade of the 21st century, industrial demand for silver expanded dramatically. Industrial demand for silver rose 4% to 599 million ounces in 2017. In spite of a recent volatility in the global economy, this demand is forecast to increase in the coming years. In fact, silver has features that can weather both good and bad economic cycles, with more uses being discovered every year.

Electronics

Of all the metals on earth, silver conducts heat and electricity the best. This makes silver ideal for use in high-performance electronics. From computers to cellphones, silver is the solder that holds our modern lifestyles together. The white metal is also increasingly used in cutting-edge technologies like solid-state lighting

(SSL), radio-frequency identification chips (RFID), and hyper-efficient batteries.

If you've ever stopped at an LED traffic light, you were looking at SSL. Meanwhile, RFID chips are what allow giant retailers to deliver goods at such low prices. Companies like Walmart and Amazon tag their items to track at the warehouse and trigger security alarms at the store. The use of silver-zinc batteries is also expanding, as the number of small electronics that require lightweight, efficient "button batteries" grows.

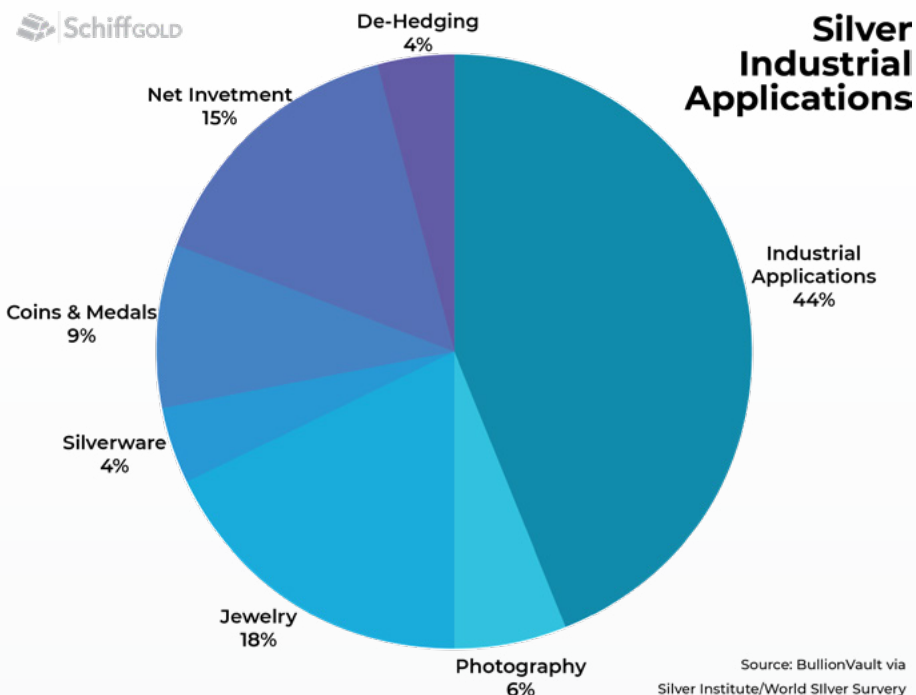
GREEN ENERGY

Green technologies are projected to consume over 1.5 billion ounces of

silver over the next twelve years.

Strong growth of new energy vehicles (NEVs) and continued investment in solar photovoltaic energy should further boost global industrial demand for silver over the next decade and beyond.

Silver is a key component in solar panel production. The cost of installing and providing solar photovoltaic (PV) systems has fallen rapidly relative to other electrical energy sources over the past two decades. China, in particular, continues to rapidly increase solar energy production. In its 13th Five-Year Plan, Beijing aims to triple its solar capacity by 2020. Last year »

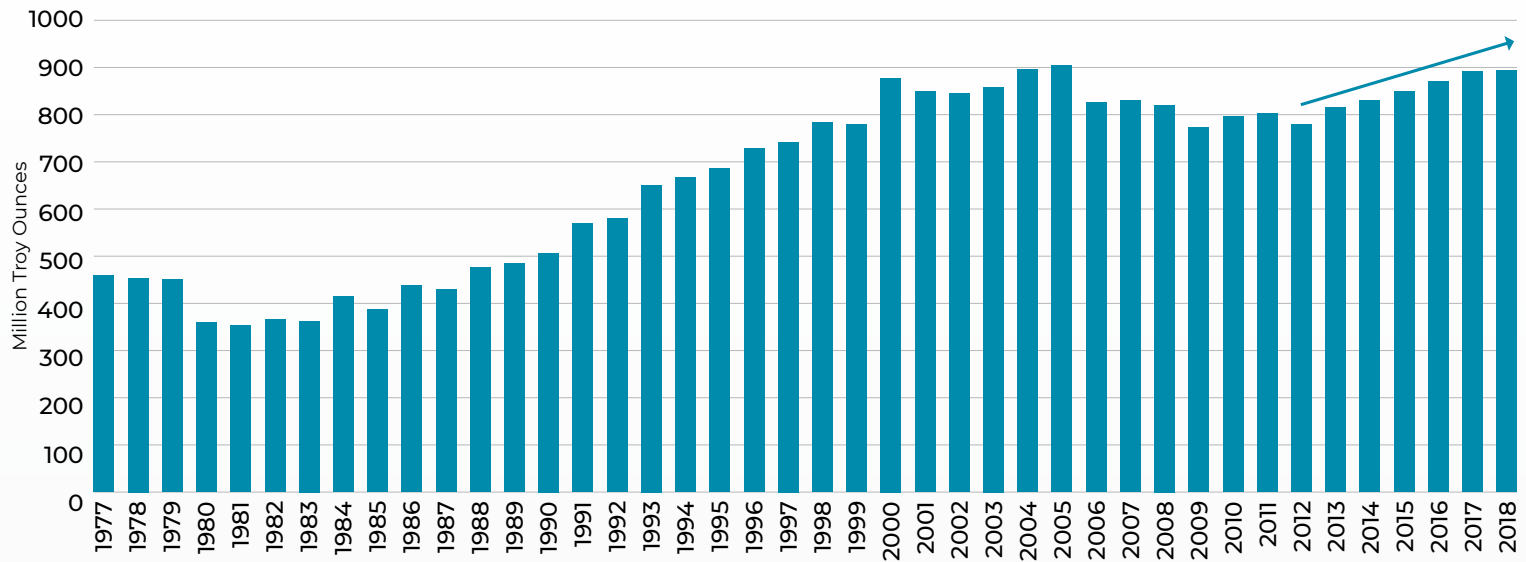


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Silver Industrial Demand



Source: CPM Silver Yearbook 2018

ranked as the strongest on record for solar-related silver demand. Analysts estimate roughly 820 million ounces of silver will be utilized by global solar energy applications through 2030.

Silver is also an important element in the production of electric car batteries. Battery electric vehicles and plug-in hybrid sales could account for as much as 17% of global car sales with traditional hybrids making up another 20% of the market by 2030. This will also boost demand for silver.

Nanosilver

Did you know silver is a powerful anti-bacterial agent? People have used it to keep water clean for thousands of years, but this special property of silver has never been as widely appreciated as it is today.

Nanosilver is composed of tiny

silver particles that can be spread over large surface areas to prevent microbial growth and maintain a sterile environment. From special medical bandages to dental alloys to food packaging to cooking utensils, the applications of nanosilver expands every year.

Silver has features that can weather both good and bad economic cycles.

While nanosilver still accounts for a relatively small percentage of total silver demand, its potential for growth is huge. Investors are always seeking the “next big idea,” but there is plenty of money to be made improving the types of products that people use everyday

Counter-Trend Applications

There are many industrial uses of silver that continue to thrive in

spite of a challenging economic environment:

- Automobile production has risen almost 16% worldwide since 2009. Heavy truck production is expected to reach the highest levels we’ve seen in a decade. Meanwhile, previously optional features that require silver electrical contacts are becoming standard in many new cars, including power windows, satellite navigation, and air-conditioning.

- Production of ethylene oxide (EO), a chemical vital to making polyester fabrics, requires silver. With sales rising, EO producers are actually increasing the concentration of silver in their processing methods to improve efficiency.

As the uses for silver multiply, the metal is building a base of support for times of economic growth in addition to its traditional role as a safe haven asset. »



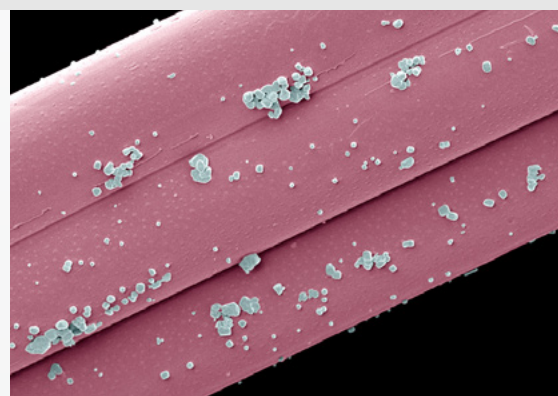
Maintaining sanitary conditions in the dentistry field is just one of the many applications of nanosilver.

Demand Is Growing

We've just scraped the surface when it comes to all the uses of silver, but it should already be clear that demand for the white metal isn't likely to disappear. There are thousands of industrial uses for silver and that number seems to grow every year.

In the year 2000, industrial

uses accounted for a little more than 40% of global silver demand. By 2017, that had grown to 60%. Looking ahead, the demand for silver in industrial applications is projected to continue to grow. This staggering growth tells us that silver is entering an exciting new era of utility. ■



Electron micrograph of nanosilver in fiber from wound dressing

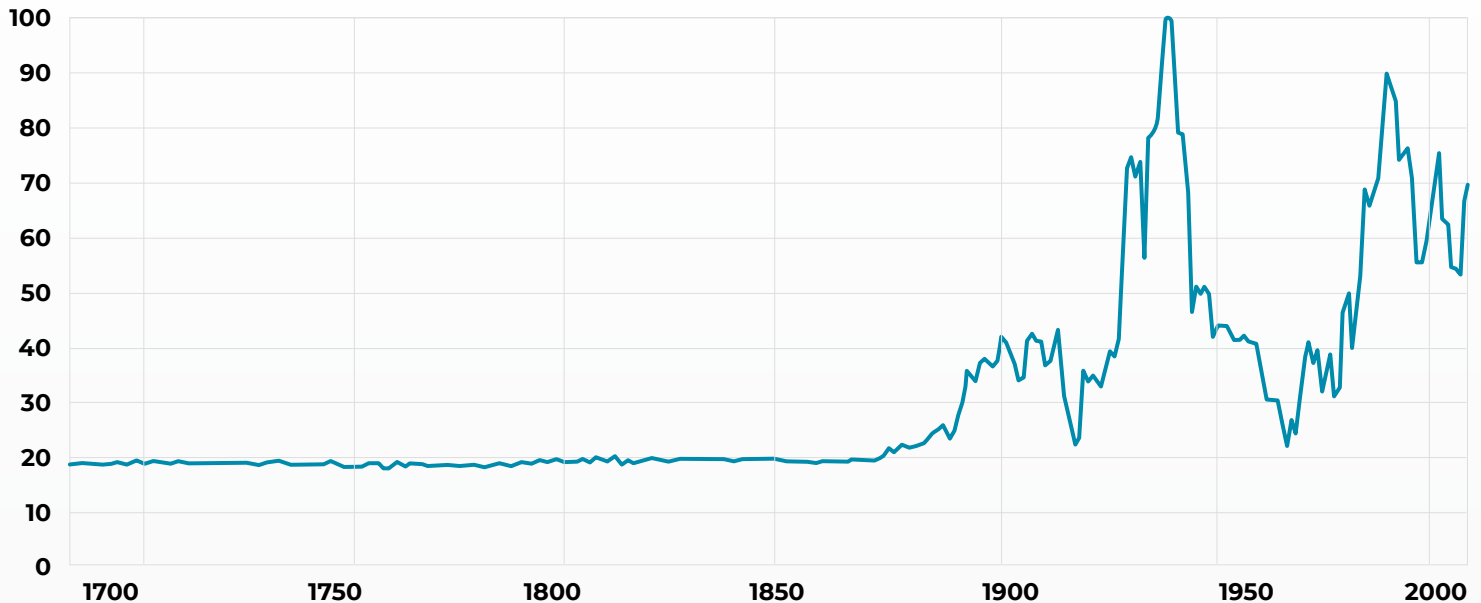
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Silver to Gold Ratio

This chart shows how dramatically 20th century government monetary policy distorted the historical silver to gold price ration.



Before governments became heavily involved in the regulation of money, many cultures spontaneously adopted currencies based on silver and gold. In the two thousand years leading up to the 20th century, the price ratio between the two metals stayed in the range of 12-16 troy ounces of silver to one troy ounce of gold. Although this historically important ratio was sometimes a product of market forces, and sometimes fixed by governments, it reflected the relative amounts of silver and gold occurring in nature.

There is approximately 19 ounces of silver for every ounce of gold in the earth's crust, with a ratio

of approximately 11.2 ounces of silver to each ounce of gold that has ever been mined. Because both metals were previously constantly in demand for monetary as well as non-monetary purposes, it makes sense that the price ratio would have roughly tracked their relative abundances, above and below ground.

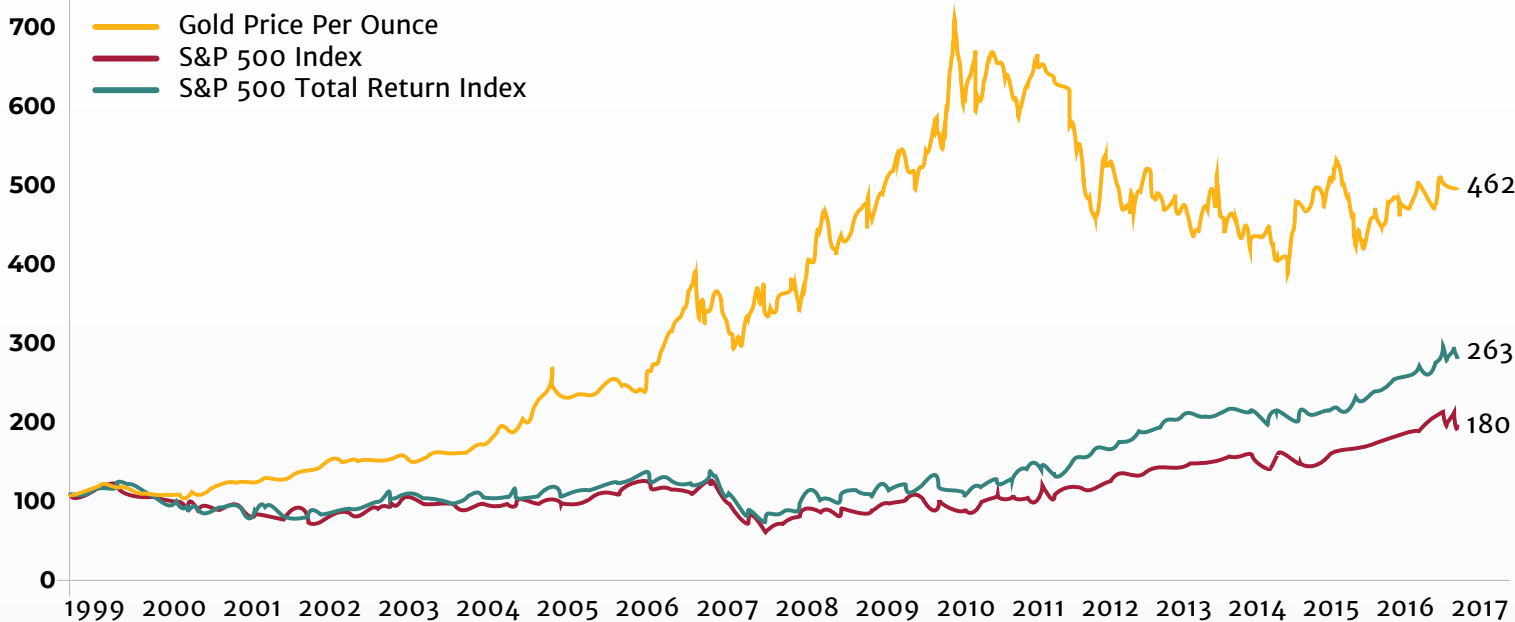
Government Meddling

However, government policy significantly disrupted currencies, forcing the silver:gold ratio from its natural resting place. It began when the United States passed the 1792 Mint and Coinage Act, fixing the price ratio of silver to gold at 15:1. This slightly overvalued silver compared to world markets. So, for a while, gold left the country to be

used for foreign purchases, while silver poured in for domestic use. The Coinage Act of 1834 attempted to rectify the imbalance by changing the fixed price ratio to 16:1. However, this second Act only succeeded in causing the opposite problem: now undervalued silver left the country for exports, and in poured gold.

Faced with the challenges of a bi-metallic monetary system with fixed exchange rates and the aftermath of a worldwide financial crisis, the US Congress passed the Coinage Act of 1873. Following the lead of other Western nations, including England, Portugal, Canada, and Germany, this act formally demonetized silver and established a gold standard for the United States. »

Gold Price vs The Market Indexed at 100 on Dec 31, 1999



Source: Bloomberg, U.S. Global Investors

Even though it had been forced out of worldwide monetary use, silver was still being mined. As a result, the white metal experienced a significant decline in price. In the following 20 years, political pressures exerted by the suffering silver industry led the US Treasury to make several large purchases of silver at a higher-than-market rate. Nevertheless, Western governments had picked a monetary winner – and it was gold. The price ratio of silver to gold was in for a period of extreme departure from its long-term historical norm, increasing from an ordinary 15.5:1 in the mid-19th century to a shocking 97:1 ratio by 1940!

There are about 19 ounces of silver for every ounce of gold in the earth's crust.

As the 20th century progressed, Western nations abandoned the gold standard as well in order to cope with their mounting debts. By the end of World War II, all Western monies were backed by the US dollar, which was in turn backed by gold. Then, in 1971, the US closed the gold window, leaving the world adrift with paper currencies backed only by other paper currencies.

Over the next 30 years, the West essentially leveraged its preceding centuries of capital accumulation

and the East accumulated history's largest pile of IOUs. This historically bizarre period saw the precious metals face their greatest neglect. The silver:gold ratio experienced some volatility during the late 20th century, notably during a few key events: the re-legalization of private gold ownership in the US, the Hunt brothers' attempted cornering of the silver market, and the credit crisis of 2008. But generally, since the 1970s, the price ratio of silver to gold has remained astonishingly out of sync with the historical ratio of 12-16:1. »

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But generally, since the 1970s, the price ratio of silver to gold has remained astonishingly out of sync with the historical ratio of 12-16:1

The Historical Ratio Will Be Restored

The purely fiat monetary system began to worry some investors during the technology and terrorism-related recession of 2001. The Fed's subsequent programs of "quantitative easing" and the reboot after the housing crash and Great Recession have only made things worse. Over the past decade, investors have once again looked to gold as a safe and compact store of value. Some central banks have even come to realize the need for gold. In fact, in 2014, central banks purchased the most gold in one year since 1964!

While gold maintained its strong

lead in the initial recession-era metals rally, multiple factors are now poised to raise the price of silver relative to gold (and certainly relative to fiat currencies).

Investors increasingly view silver as a valuable complement to gold for its prospective barter utility in times of financial uncertainty. Silver also serves as an affordable substitute for highly priced gold for many investors; currently the US Mint is selling as much silver as gold in terms of dollars, but much more silver than gold in terms of volume. And, as detailed previously, industrial demand for silver is also on the rise. The metal is constantly being used up and discarded in electronics and

other industrial applications.

All of these factors are coinciding in a world where there still exists only 19 troy ounces of silver for every ounce of gold in the ground – and even fewer above ground.

Government manipulations may have contorted the monetary system for the past century, but we expect to see the historic ratio return closer to normalcy with the collapse of the global fiat system.

As Peter Schiff has noted, a silver:gold ratio over 70:1 is literally silver on sale. ■

Even people who understand the importance of protecting their savings with precious metals sometimes hesitate when it comes to actually buying physical silver.

The wide range of products and aggressive sales pitches often overwhelm would-be silver and gold investors.

Fortunately, buying silver and gold is easier than most people think. A few common-sense buying practices make shopping for precious metals relatively painless, and ensure you won't get ripped off:

- ▶ *Shop with a reputable dealer. As with any high-value item, do your shopping with someone you trust. Larger, well-respected metals dealers tend to have lower prices and better buy-back rates.*
- ▶ *Buy common, well-recognized products. You will pay the best price for silver products that are well known, such as the Canadian Maple Leafs and American Eagles. When it comes time to liquidate your silver, or barter it for something else, you will get the best value for trusted products that are easy to recognize.*
- ▶ *Order in bulk. Metals are heavy, and most metals dealers charge a flat rate for insured shipping – which can add significant expense to a small order. Also, many dealers will offer better prices for larger orders.*

If you cannot afford to purchase silver in bulk now, consider putting money aside every week until you can afford to place a larger order.

Silver Products to Avoid

SchiffGold neither recommends nor sells numismatics, proof sets, or commemorative coins. These products tend to carry a much larger premium. Some sellers try to excuse these higher prices by claiming they are rare or special in some way. Few people have the knowledge and experience to appraise true “rare” or “collectible” coins, and investing in them is a very risky game!

For defensive investors looking to safeguard their wealth, the value of the metal in the coins should be your only concern.

Investment-Grade Silver Products

The American Eagle and Canadian Maple Leaf are two of the most popular and recognizable silver bullion products in the world. The American Eagle is minted of 0.999 fine silver, while the Canadian Maple Leaf is even purer at 0.9999 fine. Both products are eligible for your IRA.



The least expensive silver products are privately minted rounds and bars. These come in many weights, from 100-ounce bars all the way down to rounds which are fractions of an ounce. SchiffGold offers only fine silver products from reputable mints.



Our precious metals specialists are happy to help you find the right products for your needs.



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Since silver's fall from a 2011 high of nearly \$50, most mainstream analysis has ignored the white metal and focused on the decade-long rise in gold.

In this report, we have demonstrated why silver's growth is far from over. That \$50 price point wasn't an anomaly, but rather an early indicator of silver's true potential.

So, the next time someone questions silver's potential to maintain and grow value, keep these points in mind.

- ▶ A growing international appreciation of saving (and even spending) silver will continue to drive sales in both Western economies and emerging markets.
- ▶ Wherever fiat currencies are losing value, people are looking for new stores of wealth and new ways of doing business. It won't be long before Americans join the rest of the world in recognizing the importance of having a little silver on hand to trade for everyday essentials.
- ▶ Silver's unique physical properties ensure that its thriving industrial demand will continue to grow to new highs, securing silver as an essential component of 21st century technology.
- ▶ As the world reawakens to the value of silver, and as this awareness grows, silver will reclaim its former status as circulating money.
- ▶ As our historically abnormal era of worthless paper currency ends, we expect silver and gold to return to a historically normal price ratio — meaning greater gains for silver.

We live in uncertain times – bank deposit seizures, reckless money-printing by central banks, and crumbling international trust in the world's reserve currencies. While these are all good reasons to worry about the future, investors must not allow fear to paralyze them.

Fortunately, protecting yourself from financial calamities is as easy as diversifying part of your wealth into physical precious metals.

Just remember that silver has its own unique advantages, and deserves a place alongside gold in any healthy portfolio.