



## Skip Silver Bullion; 3 Reasons to Buy Silver Wheaton Corp. Instead

### Description

You can almost feel the central bankers sweating, grunting, and straining their muscles trying to crank the global economy back into gear.

Last week, U.S. Federal Reserve Chair Janet Yellen announced that she will keep interest rates low for the foreseeable future. Switzerland introduced *negative* rates on sight deposits. The world is drowning in phony paper money and hidden inflation.

Historically, this has only resulted in one thing: higher prices. How can you protect yourself? You need to own hard assets like gold or silver.

But while most investors stick to options like coins and bullion, there's a far better way to invest in precious metals: streaming metal giant **Silver Wheaton Corp.** (TSX: SLW)(NYSE: SLW). Here's why.

#### 1. Leverage

Silver Wheaton is like the loan shark of the mining industry. The company fronts resource firms with the cash they need to build new mines. In exchange, Silver Wheaton is given the right to buy a percentage of the mine's production at a discount to market prices.

This means the company is a levered play on previous metal prices. Silver Wheaton pays an average of US\$4.15 per silver equivalent ounce. If silver prices rise, the company's profits (and ultimately its share price) will rise even faster.

#### 2. Cost

Last year, Silver Wheaton paid \$35 million in general and administrative costs. If you think about that in terms of a management fee, you are paying less than 0.38% of the company's total value in expenses. That's far cheaper than other options.

Exchange-traded funds, such as the **iShares Silver Trust** and the **Sprott Physical Silver Trust**, charge between 0.50% and 0.56% of assets under management respectively per year as fees.

Individual investors storing coins or bullion in their own vaults can pay far more. Those costs can really add up over the years.

### 3. Growth

Silver Wheaton is a productive business that grows and compounds over time. If you had purchased one Silver Wheaton share back in 2004, it was backed up by 1.5 ounces of silver reserves. Today, that same share now represents over 6.5 ounces.

In contrast, keeping a hunk of metal in a vault isn't the smartest investment strategy. Sure, you can fondle your silver bars. But over the long run, hoarding coins and bullion will do little to actually increase your real wealth.

Silver Wheaton has a lot of advantages over coins, bullion, or ETFs. If you're looking for a way to invest in precious metals, this is the ticket.

### CATEGORY

1. Investing
2. Metals and Mining Stocks

### TICKERS GLOBAL

1. TSX:WPM (Wheaton Precious Metals Corp.)

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