



Get Gold and Cryptocurrency Exposure in Your TFSA With This Canadian Tech Company

Description

When things change, they change fast. A year or two ago, no one was barely talking about rising rates, particularly in Canada. Maybe there was some chatter about it, but there weren't many who believed that it was going to happen any time soon. Fast forward to today, and you see GICs that once yielded less than 1% now yield well over 2%. Things don't change, and then they do.

It's the same story for inflation. There was nothing, literally nothing, in the way of inflation for years. Now inflation is over 2%, something that was unheard of a couple of years ago. So, with all the changes in the wind, what should you do with your investments? Gold, for one, may be a good way for you to preserve wealth. Traditionally, you could do this by purchasing physical bullion, investing in gold-mining companies, or maybe buying shares of gold-streaming companies.

But these strategies are rife with difficulties. The mining companies have potential operational and geopolitical risk to worry about. The streaming companies, such as **Franco-Nevada Corp.**, while excellent, are somewhat beholden to the price of gold, the ability of the companies to pay them their royalties, and the ability to find new deals. On top of this is the potential concern of peak gold. While peak gold is not an immediate concern, it is something to think about.

Besides these traditional ways of investing, I have recently discovered a new way of investing in gold. The company is **GoldMoney Inc.** ([TSX:XAU](#)). The interesting aspect about this company is that it is not involved in mining, streams, or any other type of operational business. It is merely a payment processing and gold storage company that earns its revenues by taking a percentage of transactions, much the same as a credit card company.

The services this company provides are essential those of any other payment company, such as **MasterCard Inc.** or **PayPal Holdings Inc.**, except for the fact that your payments are backed by physical gold. In fact, GoldMoney partners with those companies, allowing you to purchase gold, even small amounts of gold, using credit card, PayPal, bank transfers, or even cryptocurrencies.

The gold you purchase is then stored in one of its vaults around the world. You can choose one of

many different cities to keep your gold. If you so desire, you can either walk to the vault and pick up your gold, have it mailed to your house, or use MasterCard or **Visa** prepaid cards backed by gold as you would use your regular credit card.

But even with all these interesting strategies, is GoldMoney a good investment today? It most certainly is. The company currently has no net debt and a tonne of cash on its balance sheet. And while it has issued some shares in the last couple of years, GoldMoney has not done so excessively.

Results have been respectable for the company. For fiscal 2018, revenue increased 9.2% year over year completely through organic means. Its relatively new cryptocurrency portion of the business grew 36% over the year. The company is also now earnings positive, marking an encouraging stage in its growth progress.

Now, this company does not pay a dividend, which might be a reason not to invest in this company. It also has itself spread into a number of business offshoots, such as a clothing line intended to extend its brand recognition and an investment jewelry retail business that might be a little bit of a distraction from its core business. But on the whole, the company shows some promise.

GoldMoney is growing very quickly and is starting to make itself known internationally. As a payment-processing company, particularly one backed by gold with exposure to cryptocurrencies, GoldMoney might be a stock worth adding to your TFSA growth portfolio to gain exposure to gold, cryptocurrencies, and an interesting payment company.

CATEGORY

1. Investing
2. Metals and Mining Stocks

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1. TSX:XAU (Goldmoney Inc.)

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