



Revealed: The Top 3 Ways to Buy Gold

Description

If you are considering buying gold because you are looking for a safe haven to store some wealth, you are not alone.

As we can see by gold's steady appreciation over the last eight months, there have been many events that have served to increase fear in the markets.

This has driven a number of people to get some initial exposure and increase it as the fear around the world continues to grow.

Buying the actual metal in the form of bullion is an inefficient way to do it, however. While you can have some exposure in bullion as a long-term hold, if you are looking for a safe haven for less than 10 years, you'll want to find a different way.

Bullion is not easy to store; it costs a premium to buy and a premium to sell so you need quite a large percentage movement in the price to even break-even on your investment. That's why it's best left to ultra-long-term investments.

There are three better ways for investors to gain their exposure to gold, through a miner a streamer or an ETF.

Gold miner

Gold mining companies can be great investments, especially as the price of gold is growing sustainably as the debt these companies employ, and the operations of the business allow it to be leveraged to the price of gold.

An example of a top gold miner you could buy today is **Equinox Gold Corp**. Equinox is one of the most profitable gold miners, and its latest acquisition only strengthens its position.

It just announced its fourth-quarter production levels this past week and the numbers came in very

strong. Equinox hit all its targets it set in its annual guidance, including production levels and all-in sales costs of the gold it produced.

As the price of gold continues to increase, watch for Equinox's shares to rise rapidly, as the company is already generating a hefty profit with gold at \$1,475, so any gold price above that is all bonus.

Gold streamer

Gold streamers are a great way to keep the same exposure while minimizing risk. Precious metals streaming companies don't own any physical mines themselves; rather, they make an investment in the operating company in exchange for the ability to buy the metals at a discount.

This gives the streamer similar leverage to the price of gold as a mining company, but with less risk. The risk is also mitigated when the streaming company has a portfolio of numerous royalties from a number of mines, both producing as well as in the exploration and development phase.

Given that most streamers always have a steady stream of income coming, they tend to pay a dividend, such as **Franco-Nevada Corp**, which is actually included in the Canadian Dividend Aristocrats list.

Although precious metals streamers do have less risk than a traditional miner, they still aren't as low risk as a gold ETF.

Gold ETF

The last way to gain exposure is through an exchange-traded fund (ETF). There are a number of ETF's to consider, such as the **SPDR Gold Shares** ETF in the U.S., which tracks the price of gold and is a solid substitute to owning bullion.

You could also find an ETF like the **iShares Global Gold Index ETF**, which trades on the **TSX** and has a diversified portfolio of gold mining companies, giving investors the extra leverage of the miners without the risk of owning the individual business.

Other gold ETFs include exposure to [junior miners](#) or even leveraged exposure to mining ETFs, giving investors a number of options to consider when seeking gold exposure.

Bottom line

There's a reason why gold is a safe haven asset, and the fact that investors head to gold amid tough times gives you all the more reason to want to store your money there in times of trouble.

Whichever way you choose to gain exposure to gold, it will be very rewarding during the bad times, making it a great way to protect some of your assets and store your wealth.

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