Investors win as Mint vaults ahead

Peter Milne

Perth Mint has expanded the capacity of its central bank-grade vaults — a change which enables people to invest in so-called 'unallocated' silver.

Most investors buy unallocated gold and silver from the mint. It is the cheapest way to invest in the metals, but there is no gleaming pile in a vault which is specifically yours. “If you wish to actually have bars or coins with your name on it, then you’ll buy an allocated product,” Perth Mint chief executive Richard Hayes said.

He said it was more expensive but some investors chose it for greater comfort. Most of the mint’s clients are from overseas, 60 per cent from North America. Mr Hayes said a small but regular stream of buyers travelled to Perth to inspect their hoards.

“They can have a look at it, they can kiss it, they can hug it, they can be photographed with it,” he said. Mr Hayes said gold and silver prices tended to move together, but not always, so most investors bought both.

For some investors in allocated metal, having both gold and silver has an added advantage. In the US, “preppers”, who ready themselves to survive a breakdown in society by storing food and learning survival skills, prepare for a cashless world by buying both metals.

“A small amount of silver will buy a week’s worth of groceries,” Mr Hayes said. “A small amount of gold is probably too valuable for that.”

Everyday investors with a more optimistic outlook on their retirement years have the simpler option of buying unallocated gold or silver online from the mint for as little as $50. The mint stores it for free.

Mr Hayes said he had been asked whether the mint would put extra staff on the counter on Wednesday if Donald Trump won the US election and triggered demand for safe-haven assets such as gold.

He isn’t but said: “Donald Trump is a very polarising figure. If there is any movement in the price after this week’s election, it’s likely to be more volatile after Trump is elected.”