

# EXIT... STAGE LEFT!

## WHAT'S YOUR STRATEGY?

By AGWire™  
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It's hard to even think about an exit strategy when the market remains suppressed, but at least we can continue increasing our metals positions in what's likely the best opportunity of our lifetimes. But, even squirrels have to think about their winter meals when hoarding nuts in spring and summer. Yes, at some point in your future, you will likely be facing either an opportunity or necessity to liquidate your nuts, and hopefully the process will be on *your own* terms. Whether you're a fan of the Looney Tunes character Snagglepuss, or you favor the *looney tunes* of the Canadian band RUSH, perhaps both, or *neither(!)*, "Exit... Stage Left" relates precisely to bullion stackers with it's meaning, "An orderly and uneventful departure, timed so as not to detract or distract." After all, isn't that a mirror image of how we accumulated and stored our stash in the first place? We hope so.

If there is *anything* you should be thinking about exiting from right now, it should be fiat currency. The top echelon of Wall Street's best hedge-fund managers are using those soon-to-be-worthless paper notes to load up on their favorite shiny hard assets: John Paulson owns stakes in several precious metals mining companies. David Einhorn is a huge metals bull, with more than \$100 million invested in the metals market. Ray Dalio – founder of Bridgewater, the largest hedge fund in the world – says, "If you don't own gold, you know neither history nor economics." Even so, there will inevitably come a day when you liquidate. Maybe some, maybe all. But, at what price would you need the market to be at to sell your goods? And would you sell everything at once, or spread it out over time? Have you thought about your liquidation options? Would you sell your goods for cash? Or convert them to another asset, like gold, or coins? Or barter them? And what about your income tax obligations on the capital gains? As we are becoming a cashless society, the days where you could otherwise pay your Visa or utility bills with cash are becoming history. Many banks, CHASE, in particular, and most government agencies now require a photo of your driver's license for any cash transaction. They want to know who is still using cash, and where that cash came from, so they can report it up the chain. Regardless of any upcoming capital controls, just remember the upcoming rally in the metals is *the one you don't sell*. Hold tight and don't trade your holdings unless it's for a unit of exchange that's backed by something substantive. A natural course of events will ensure that some sort of metals-backed standard serves as the backbone of our upcoming currency, and our holdings will once again be immediately recognizable and transferable.

We have received several inquiries over the years about how to log and track our portfolios. Most everyone has a different philosophy on portfolio accounting, but it boils down to this; Rule #1: KEEP GOOD RECORDS; and Rule #2: REFER TO RULE #1. If your metals are held in your self-directed pension account, then you likely already know the drill of providing detailed reporting for your annual return. But you probably treat your personal stash differently, that is, if you hold any goods in personal stash. We used to, until the boating accident! Many collectors simply have a running Excel spreadsheet showing the item they purchased or sold, transaction date, dollar amount, weight, serial number, and seller or buyer. Others choose to retain actual physical paper documentation. The declining market over the past 5 years has made it quite easy to show a loss on paper with no tax liability, but that will likely change in the near future. But those losses, and certainly those bullion purchases at far higher prices years ago, may actually come in handy to offset any new sale gains as a result of value increases in the coming years. As far as tax advice, we are neither qualified nor adequately informed on how you should treat your gains and losses, so please consult with an accountant on this. But know that it's a pretty safe bet that your personal investment sales gains will always be subject to either short-term or long-term capital gains tax treatment, while pension portfolios may offer the benefit of trading from one asset class to another (i.e. gold into silver), through a qualified third-party, as a like-kind exchange. Again, consult a financial professional on this.

So, as we all prepare for the JP Morgan jackals and their friends to "Exit... Stage Left" from their vice grip on *our* market, you should already have your **E** Tickets ready for the ride of your life! And Heavens to Murgatroyd, however much you have, and however you may hold it, you must think like a squirrel – and remember, **NOBODY** should ever know how many nuts you have, or where you've hidden them.

That's all, folks!

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