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Senior Portfolio Manager at City commodities specialist Tullett Brown explains the value of investing in precious metals despite the economic downturn.

The future value of private investorsâ€™ portfolios has been called into question recently with the continuing financial crisis unsettling global markets and a third round of Quantitative Easing helping to reduce the value of the pound.

In order for an individualâ€™s portfolio to remain successful they need to be aware of the larger economic picture. Currently many financial systems have been stunted due to increasing Sovereign Debt and inflation.

In order to hedge against these difficulties investors can purchase tangible assets such as precious metals in order to secure their wealth.

Whilst the price of services and goods continue to rise with inflation, the increased volume of money being printed in the UK will only serve to devalue and weaken the currency.

The value of precious metals, however, will remain the same regardless. 1oz of gold today will allow you to purchase roughly the same amount as it would have done 20 or 200 years ago.

In light of this, a huge number of investors are now buying into the precious metals markets. When compared to equities, commodities represent an almost risk free investment vehicle as the investor is holding the underlying asset, protecting them in a way that is simply not possible with equities.

By transferring un-backed, paper money into real money in the form of precious metals, an investorâ€™s assets are therefore protected.

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Tullett Brown - About Author:
Daniel Fox, Senior Portfolio Manager at City commodities specialist Tullett Brown www.tullettbrown.co.uk, explains the value of investing in precious metals despite the economic downturn.

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