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**BDO**  
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A photograph of two lionesses in a savanna setting. The lioness on the left is looking towards the left, while the one on the right is looking towards the right. They are both looking off-camera. The background is a blurred green landscape.

## THE ADVENTURE ISSUE

BECAUSE REAL WEALTH  
IS MEASURED IN MEMORIES  
AND EXPERIENCES

# GOLD STANDARD

AN INDUSTRY EXPERT SHARES THE HOWS AND WHYS OF INVESTING IN THIS PRECIOUS METAL.

TEXT BY BUBBLES SALVADOR



Picture this: In the 1960s, two parents thought it wise to buy gold for their son. At the time, the price of one ounce of gold was USD35. Fast forward to the present, when their son sold it for more or less USD1,300 per ounce. This is a true story. As it turns out, the son really did strike gold.

“Gold is a strategic asset and we believe it’s the ultimate tool for self-preservation. When we talk about wealth protection, you need to look for assets that can keep its value for a long term. Gold is perfect for that,” says Joshua Rotbart, founder and managing partner at J. Rotbart & Co., a boutique firm specializing in the purchase, sale, storage, and transport of precious metals.

Having been around for 3,000 years, gold has established a long track record for retaining value and purchasing power. Until 1971, the value of gold was pegged to the US dollar. Since then, its value has increased an average of 10 percent, performing better than stocks and outpacing the US Consumer Price Index.

“The price of gold today is 80 percent higher than it was 10 years ago, and if we look back 20 years, the price now is six times more,” Rotbart adds. There are other reasons why investing in this precious metal is worth its weight in gold. It helps diversify one’s portfolio, and mitigates losses in times of market stress. Rotbart explains, “Some look at it as an insurance policy because it performs very well when markets take a downturn. It retains its value, and can be accessed anytime. Gold can also outperform currencies.”

However, Rotbart says, “If you want to make money fast, gold is not suitable for that. If you look at gold appreciation, it’s very rare to see that jump in price that we see in the equity market.”

#### TAKING THE LEAP

“As with any other investment, you need to be comfortable with it,” Rotbart says. The recommendation of wealth managers is to hold between two to 10 percent in gold.

You also need to consider how long you want to keep the gold, and the reasons behind your purchase. Rotbart says keeping gold for five years and over is ideal for purposes of wealth protection and diversification.

The type of gold is also key in making your decision. The standard one-kilogram bar is about USD40,000 each, but you may want to opt for gold coins for mobility and liquidation in lower denomination.

Safekeeping is also part of the decision. Decision points may include the acceptability of the safekeeping entity, as well as jurisdictional regulations, both offshore and onshore, covering safekeeping and storage.

#### TIME IS GOLD

In the Philippines, Rotbart says the wealth management market is developing and maturing perfectly well. “From a Philippine investor’s point of view, gold is an excellent hedge against the depreciation of the peso because gold is still denominated in US dollars,” he adds. Philippine investors interested in gold investments may consider, as an option, engaging trusted offshore providers, like J. Rotbart & Co., who could handle its procurement, safekeeping and liquidation.

The gold market is monitored by the London Bullion Association, so investors need to make sure they only buy from reputable refiners and suppliers. A good insurance policy should also be in place in case of loss, whether during

transport or in storage. Gold should be allocated under the investor’s name, and must be accessible at any time.

J. Rotbart & Co. understands these requirements well, and has the capability to store gold in any of 12 locations worldwide, including Hong Kong, Singapore, and Switzerland. The process of gold procurement, delivery, safekeeping, inspection and liquidation, if so instructed by the investor, is straightforward and can be implemented with ease. The cost of keeping gold is not more expensive than holding equity in any portfolio.

With the history of gold as more than a worthy investment, it would seem unwise for investors to let this opportunity pass. Of

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FOUNDER AND MANAGING PARTNER  
J. ROTBART & CO

course, there are ideal times to buy gold, such as when the price slightly dips. One can also buy steadily over a period of time until the average price is comfortable. “Because of the nature of long-term holdings, anytime is a good time [to invest in gold],” Rotbart concludes.

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Contact your BDO Private Bank Relationship Manager or Wealth Advisor should you be interested to discuss gold as part of your hard assets.