

The background of the entire page is a close-up photograph of various precious metals. In the foreground, there are several gold coins, including a large one with "100" and "D" visible. Behind them are silver coins, one of which has "SILVER" and "50" visible. In the background, there are gold bars, one of which has "999.9" and "100g" visible. The lighting is warm, highlighting the metallic textures.

15-Minute Guide To Building Your Wealth with Self-Directed Precious Metals Investing

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Part I: What is Self-Directed Precious Metals Investing?

Could You Grow Your Financial Future by Investing in What You Know Best?

Many investors are surprised to learn they are not limited to stocks, bonds, and mutual funds when it comes to retirement investing.

It is possible to use self-directed IRAs and other self-directed accounts to invest in a variety of assets, including gold, silver, and other precious metals. Other examples of permissible investments include real estate, promissory notes, private entities or businesses, cryptocurrency, and more.

Investors who open self-directed accounts often do so to diversify their portfolios with alternative investments, within a tax-advantaged environment.

Some investors have never heard of self-directed investing, although the concept is not new. Since IRAs were introduced in 1974, the IRS has only listed a handful of items that are not permitted in an IRA, listed in *IRS Publication 590*.

Why Do Investors Choose Precious Metals?

Planning for retirement can be challenging, particularly in times of unstable economic conditions and a volatile stock market. Traditional retirement portfolios consist of stocks, bonds, and mutual funds.

Many people choose to diversify their retirement portfolios with investments in precious metals, which may help guard against high inflation and economic uncertainty.

Gold may be used to hedge against inflation. For the 20 years through April 2020, gold outperformed stocks and bonds.¹

Gold and other metals can also offer liquidity within your account, meaning they can readily be converted into cash should the need arise.

Why Precious Metals in an IRA?

Should you consider a self-directed IRA?

The government established the IRA to help you save for your future in a tax-advantaged environment.

Three Ways an IRA Could Benefit You

Potential Tax Benefits

Certain IRAs allow you to reduce your taxable income today, while saving for your future. For example, if you contribute \$2,000 to a Traditional IRA during the year, you are eligible for a tax deduction of that same amount (\$2,000) when filing your tax return for that same year (provided you meet all the requirements outlined by the IRS). In addition, profits in an IRA are not subject to short-term or long-term capital gains taxes.

Compound Interest

This occurs when you not only earn interest on your original investment amount, but also on the interest earned on the original amount. The effect is multiplied when in a tax-advantaged environment such as an IRA, where your profits are tax-deferred or tax-free.

Wealth that Stays with You

While earned income is required to open an IRA, the account is not tied to your employer. If you decide to change jobs, you don't have to worry about moving an account from your former workplace to your new one with an IRA.

An IRA can also be transferred to your beneficiaries, providing your wealth to future generations. Certain IRAs allow the passing of assets to beneficiaries after death without incurring taxes.

There are different types of IRAs and government-sponsored small business retirement plans that each possess unique tax advantages to help maximize your future wealth.



¹ Trading Views. "[Gold Futures](#)" | Yahoo News. "[Dow Jones Industrial Average](#)"

Your Investment Options

Investing in What You Know Best

A self-directed IRA broadens your investing possibilities. Here are just some of the many investment possibilities available to you with a self-directed account.

Real Estate

- Residential Property
- Commercial Property
- Developed Land
- Undeveloped Land
- Foreclosures
- Mobile Homes
- Rehabs

Tax Liens/Tax Deeds

Promissory Notes/Private Debt

- Mortgages/Deeds of Trust
- Secured Notes
- Unsecured Notes
- Car Paper
- Commercial Paper

Entities

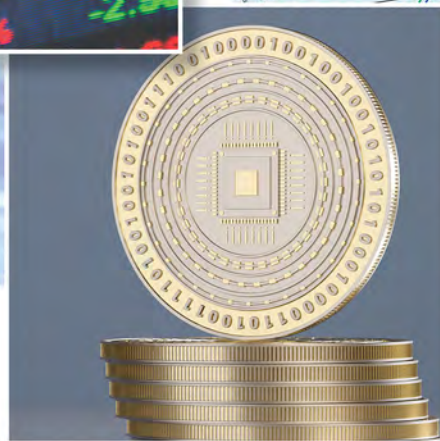
- Private Placements
- Limited Liability Companies (LLC)
- Limited Partnerships

Traditional Assets

- Stocks
- Bonds
- Mutual Funds

Other

- Foreign Exchange Currency (Forex)
- Digital Currency (Cryptocurrency)
- Oil and Gas Investments
- Equipment Leasing
- Accounts Receivables

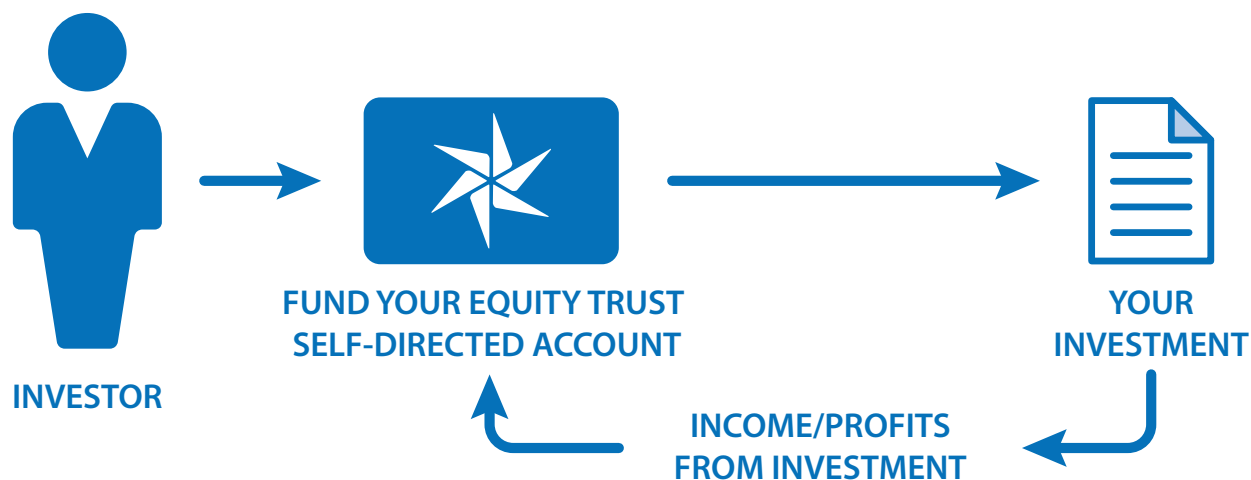




How Self-Directed IRAs Work

Wondering how the precious metals investing process works when using an IRA? It's easy at Equity Trust. Here are the steps:

- 1 Open and Fund Your Equity Trust Account**
One of our specialized counselors will walk you through the process, or you can do it online with [myEQUITY](#).
- 2 Identify Your Investment**
Work with a [precious metals dealer](#).
- 3 Direct Equity Trust to Fund Your Investment**
Submit a request to Equity Trust to initiate your purchase — your precious metals dealer can help with this.



Investing in Precious Metals with an Equity Trust Self-Directed Account: Frequently Asked Questions

Q: What kind of precious metals can I hold in my IRA?

A: Generally, your IRA may purchase coins minted by the U.S. government as legal tender, such as American Gold Eagles and American Silver Eagles (1 oz, ½ oz, ¼ oz and ⅛ oz). It can also invest in certain platinum coins and certain gold, silver, palladium, and platinum bullion that meet the fineness requirements, per [IRS Publication 590](#).

Q: What are the requirements for metals in a retirement account?

A: Metals must be produced by manufacturers accredited by NYMEX/COMEX, LME, BMA, NYSE/LIFFE/CBOT, and ISO-9000, or a national mint to be held in a retirement account.

The minimum fineness requirement for bullion is:

Gold .995+

Silver .999+

Platinum .9995+

Palladium .9995+

Q: Can I keep my purchased metals at home?

A: Not when your metals are held in an IRA. Your physical assets owned by an IRA must be held by a qualified custodian and stored in a secure, IRS-approved depository. Many depositories offer segregated or non-segregated storage. Segregated storage means that your personal metals are identified and stored under your name.

Q: What does the custodian do?

A: The IRS requires that any IRA be administered by a qualified custodian. Self-directed account custodians do not provide investment advice, but they do provide administrative and reporting services, and will purchase precious metals on your behalf per your direction through your IRA account.

Q: How do I begin the IRA process?

A: The first step is to open and fund your self-directed IRA account. This can be completed online at www.TrustETC.com/open-account. Equity Trust can initiate the transfer of funds if you're rolling over from an existing account. The timing on this process is dictated by the custodian currently holding the funds.

Q: What happens once my IRA has been funded?

A: After your account has been funded, you are ready to purchase precious metals within your IRA. After you choose a precious metals dealer or platform, instruct your custodian to purchase your desired coin or bullion products.

Q: How easily can I liquidate my precious metals?

A: You can at any time choose to retrieve your precious metals from the depository storage facility as a full or partial distribution. As with any early IRA distribution, taking a full or partial distribution of your precious metals may result in taxes and penalties unless rolled over to another qualified custodian. You may also choose to sell your metals back to an authorized dealer and the cash received would return to your IRA.

Part II: Getting Started with a Self-Directed Account

Self-Directed Accounts Overview

Choosing the Right Self-Directed Retirement Account

It is best to consult with your tax attorney, CPA, or other financial professional to determine which account is best for you. Here are some factors to consider when making your decision.

Traditional and Roth IRAs

Two common accounts for individuals are the Traditional and Roth IRA. Here's a comparison to help you determine if one of these plans is right for you.

	Traditional	Roth
Tax Advantages	Account balances compound tax-deferred until funds are withdrawn.	Account balances compound tax-deferred. BUT funds that are withdrawn are tax-free if account is five years old and account owner is over 59½.
Eligibility	Individuals must have earned income*.	Individuals must have earned income* and modified adjusted gross income less than current limits (see www.irs.gov for details)
Tax Deductions on Contributions	Yes	No
Penalties for Early Withdrawal	10-percent penalty for withdrawals before age 59½.	10-percent penalty for withdrawals before 59½ and five-year seasoning period. (Note: Roth contributions can be taken out at any time without penalty.)
Exceptions for 10-percent Penalty	Yes	Yes
Cut-off Age for Contributions	No limit	No limit
Required Distributions	Yes. You must take your first required minimum distribution by April 1 of the year after you turn 72 (70½ if you reach 70½ before January 1, 2020).	None

*Earned income is defined as the salary or wages you receive as an employee. If you're self-employed, earned income is your net income for personal services performed. Passive income such as interest, dividends, and most rental income are not considered compensation for the purpose of funding an IRA. Consult a financial professional to determine your earned income.

Small Business Plans

If you own a business, you may be eligible for government-sponsored small business retirement plans such as the SIMPLE, SEP, Solo 401(k), and Roth Solo 401(k).

You should consult with a qualified financial professional before making a decision, but one of the reasons to consider small business plans is that they have higher contribution limits and, if you qualify, potentially larger tax deductions than other retirement accounts.

In addition, it may be possible to have both a self-directed IRA and a self-directed small business plan. You could benefit from the advantages each account offers.

Small Business Retirement Plans at Equity Trust

- SIMPLE (Savings Incentive Match Plan for Employees)
 - Designed for small businesses with 100 or fewer employees who have earned income of \$5,000 or more during the previous calendar year and currently have no other retirement plan.
 - An employer contributes a percent-based salary (1-3 percent) match to its employees' SIMPLE IRAs, while the employees make elective salary deferrals.
- SEP (Simplified Employee Pension)
 - Allows for contribution amounts of up to 25 percent of your salary.
 - Enables you to make contributions toward your own retirement without getting involved in a more complex plan. Any type of business or employer (you, if you're self-employed or a sole proprietor) is eligible.
 - Typically designed for business owners who employ 25 or fewer.
- Solo 401(k)
 - Designed for owner-only businesses and spouses.
 - Can be established by both incorporated and unincorporated businesses, sole proprietorships, partnerships and corporations. You can contribute annually through salary deferral, plus a profit-sharing portion of 0-25 percent of your salary.
- Roth Solo 401(k)
 - Has the same contribution limits as the Solo 401(k) but you can designate the salary deferral contributions you make as Roth contributions.
 - The portion you contribute as Roth does not qualify for a tax deduction but the profits from these contributions grow tax free.
 - All qualified distributions are tax-free.
 - Profit-sharing portion (0 to 25 percent of your salary) of the Roth Solo 401(k) is just like the standard Solo 401(k) and is tax-deferred.



[Visit our website](#) for details on contribution limits and eligibility requirements for each of the account types. You can also speak with an IRA Counselor at **855-673-4721**.

Take Control of Healthcare and Education Costs with Tax-Advantaged Savings

Health Savings Account (HSA)

- Contributions are tax-deductible (subject to limitations)
- Withdrawals tax-free when used for qualifying medical expenses
- You must be covered by a High Deductible Health Plan (HDHP) to be eligible
- Unlike other medical savings accounts, the funds can be carried over from year to year
- When self-directed, you can use your contributions to invest in alternatives such as real estate

Coverdell Education Savings Account (CESA)

- Created for the purpose of paying qualified education expenses for the designated beneficiary of the account
- Can be opened for a beneficiary that is under the age of 18 or someone with special needs
- Earned income is not required to open the account



How to Open and Fund an Equity Trust Account

Whether you're opening a new account or transferring an existing account, it's easy to get started at Equity Trust. To open a new account, visit www.trustetc.com/open-account and follow the prompts to establish the account.

Rollovers/Transfers from Existing Retirement Accounts

It may be possible to use an existing IRA, 401(k), 403(b), Thrift Savings Plan, or other retirement plan you have from a previous employer/other financial institution to fund a self-directed account at Equity Trust.

Here's how it works:

1. Open Your IRA (www.trustetc.com/open-account)

- Begin your application online or call an IRA Counselor at **855-673-4721**
- Indicate the method of funding on your application

2. Complete Rollover/Transfer Forms

- If transferring from an account at another financial institution, complete Equity Trust's Account Transfer form or the Transfer Wizard through the online account management system myEQUITY.
- To complete a rollover, contact your current custodian to determine their rollover requirements and complete their paperwork.

3. Include Other Documentation if Transferring

- Current account statement (dated within three months)
- Contact your current provider to verify if additional documentation is required

4. All Forms Signed and Delivered to Transferring Custodian or Previous Employer

- Rollovers and transfers may take between two and four weeks. After you initiate the request, Equity Trust must receive the needed documentation and funds from your current provider before your new account is active. You can track the progress of your rollover or transfer through the online tracker on myEQUITY.

5. Funding Sent to Equity Trust and Deposited into your New Account



Working with Equity Trust Company

The Equity Trust Advantage

You have your choice of self-directed IRA custodians. So why choose Equity Trust? The difference is clear.

- Nearly limitless investment options include stocks, bonds, mutual funds, real estate, private entities, cryptocurrency, and more
- Investment District online marketplace helps you locate potential investment opportunities
- State-of-the-art account management system myEQUITY provides easy, around-the-clock account and investment management capabilities from any device
- More than 45 years of experience in the financial services industry
- Clients from all 50 states have entrusted us to custody over \$34 billion in retirement assets (as of 8/31/2021)
- Dedicated representatives provide personal service
- Regular educational and inspirational opportunities include newsletters, webinars, videos, case studies, and more

If you're ready to get started investing in what you know best to build your future, you can begin your application at www.TrustETC.com/open-account. For more information on self-directed IRAs and how one can be established for you, contact an Equity Trust IRA Counselor at **855-673-4721**.

Equity Trust Company is a directed custodian and does not provide tax, legal or investment advice. Any information communicated by Equity Trust Company is for educational purposes only, and should not be construed as tax, legal or investment advice. Whenever making an investment decision, please consult with your tax attorney or financial professional.



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