Kingdom Trust
Precious Metals
Resource Guide

A how-to guide to help you get started with investing in precious metals
Introduction

We appreciate your interest in Kingdom Trust's service offerings. Whether you're a current client educating yourself on asset classes or a potential client considering self-directing your retirement, you are taking a critical step toward true investment diversification. This resource guide is specifically for those interested in holding precious metals in a self-directed retirement account.

Kingdom Trust has a knowledgeable and courteous staff well-versed in precious metals holdings. Precious metals investments are among the most popular investments held at Kingdom Trust. We operate at the highest level of customer service in the alternative investment industry while providing beginner-friendly support for your account.

Kingdom Trust is at the forefront of the metals investing industry, keeping up with changes in technology to ensure we meet our clients' needs. Our online account opening process can be completed in only 5-10 minutes, and you may access it from almost any page of KingdomTrust.com.

Our Client Service Representatives will be glad to help you during any step of the process, from account opening to investment and beyond! And if at any time you have a question about a topic covered in this guide, please feel free to call or email our staff.

As a precious metals client or potential client with Kingdom Trust, it is your responsibility to read this Precious Metals Resource Guide and understand the requirements and proper procedures for holding metals assets in an account like a Self-Directed IRA.

For more on a precious metals investment, check out our eBook, Consider the Alternatives: Investing with a Precious Metals IRA.

Download your copy today by visiting KingdomTrust.com/eBooks-WhitePapers.
Your Responsibilities

Important points to keep in mind include, but are not limited to, the following:

- Your account must be opened and funded before a transaction can begin.

- A possible taxable event could occur if you title the investment in your personal name rather than the name of the retirement account. If this occurs, the asset(s) will also have to be distributed from the account. Please note that such a distribution could be considered a taxable event.

- Typical processing time varies depending upon the investment method and when investment paperwork is received (provided it is in good order). Other potential factors affecting processing time may include the broker or dealer purchasing the metals, the depository chosen to house the metals and the mint from which the metals are shipped.

- Kingdom Trust, a non-fiduciary trust company, serves as an independent qualified custodian for the assets of individual investors and clients of registered investment advisors, broker-dealers, family offices, investment sponsors and so on. We do not endorse, promote or sell specific investment products, endorse or promote any investment advisors or sponsors and do not provide financial, legal or tax advice. Kingdom Trust, as a custodian, does not determine how you invest in precious metals or where you buy or deposit your metals. We also cannot provide advice on which metals to buy.

- We strongly encourage you to consult with a team of professionals (which may include attorneys, accountants and financial advisors) before entering into any investment. You (the account holder) and your team should perform the proper due diligence on any investment and ensure that the investment is right for your particular situation.

For a precious metals investment, confirm which metals are allowed to be held in a retirement account. Ensure those facilitating the transaction are well-versed in self-directed investing. Also, store your metals in an IRA-approved metals depository, including when held in an IRA-owned single-member LLC. While much of this is covered in the guide, you should still consult with your team of professionals before proceeding with your investment.
Types of Precious Metals

**Accepted Products**
Generally, a retirement account may invest in four precious metals: gold, silver, platinum and palladium. The precious metal must meet the minimum fineness (purity) standards below, with one exception:

- **Gold**: .995
- **Silver**: .999
- **Platinum**: .9995
- **Palladium**: .9995

Bullion bars and rounds and non-collectible coins meeting these minimum fineness standards are acceptable.

The only exception to the minimum fineness standards are Proof American Eagle coins in gold, silver or platinum. These are the only semi-numismatic coins allowable in a retirement account.

Popular bullion products allowed in a retirement account include*

- American Eagle coins (gold, silver or platinum)
- Austrian Philharmonic coins (gold or silver)
- Canadian Maple Leaf coins (gold, silver or platinum)
- Mexican Libertad coins (gold or silver)
- Various bars and rounds manufactured by a NYMEX- or COMEX-approved refiner or national government mint meeting the minimum fineness requirements

**Unaccepted Products**
Other than the above exception, collectible coins (“numismatic” or “semi-numismatic” coins) are not acceptable for investments within a retirement account. Common examples of numismatic or semi-numismatic coins include

- Belgian, French and Swiss Francs
- British Sovereigns
- Columbian and Mexican Pesos
- German Marks
- Peace Silver Dollars
- Pre-1933 $20 and $10 Eagle coins
- Rare/collectible coins

You also cannot contribute any precious metals you already own to a retirement account.

*Please consult with your team of professionals for more examples. Remember to perform the proper due diligence on any investment, which in the case of metals includes verifying a particular metals asset can be held in a retirement account.*
Before you can invest in precious metals using retirement funds, you must open an account with a custodian. You will also need to fund the account via a transfer, rollover and/or contribution before the metals transaction can begin. For assistance with the account opening and funding process at Kingdom Trust, please contact Client Services at 888.753.6972.

Choose an Investing Method
Once your account is open and funded, you are ready to self-direct your retirement! In most cases, you will have to work with a broker or dealer in order to complete your metals investment. As an independent qualified custodian, Kingdom Trust will not directly purchase metals for you. We also cannot direct you to or recommend a specific broker or dealer, dealer platform or metals exchange-traded fund (ETF).

You have several options for how you buy, sell and store precious metals in a Kingdom Trust account. Because these are Self-Directed IRAs and other self-directed retirement plans, you are responsible for performing the due diligence needed to make the best purchasing decision for your situation and interests. Below is a brief summary of your investing options:
As you can see by the infographic on the previous page, two ownership methods are available: direct and indirect ownership.

- **Direct ownership** provides titled ownership of physical metals by your IRA or other retirement account. Kingdom Trust allows direct ownership via a broker or dealer or through an online dealer platform.
- **Indirect ownership** provides ownership of a third-party entity by your IRA or other retirement account. The entity, such as a single-member LLC or ETF, owns the metals.

**Broker (direct)**
The process of working with a broker or dealer directly usually follows a standard flow, though not all operate in the same way. As the account holder, you are responsible for initiating the relationship with a broker or dealer and depository where your metals will be stored. You then must coordinate the process of acquiring the precious metals and having them delivered to the IRA-approved depository of your choice. Your Kingdom Trust IRA owns the precious metals directly.

The process would be reversed if you choose to sell metals. If this is your preferred investing method, be sure to speak with the broker or dealer about the broker or dealer’s specific processes to avoid any transaction issues or delays.

**Online dealer (direct)**
Should you choose to invest in metals via an online dealer platform, you would utilize an online dashboard for transactions. When you create an account with the online platform of your choice, your Kingdom Trust IRA account will automatically be linked to the online dealer as well as an IRA-approved depository. You then buy and sell approved precious metals through the platform’s online dashboard, and reporting of your transactions is provided to Kingdom Trust. Your IRA owns the precious metals directly.

**IRA-owned single-member LLC (indirect)**
To invest in precious metals indirectly via an IRA-owned single-member LLC, you must have a legal team create an LLC. The LLC may then purchase the metals via either of the direct methods mentioned above, or it may invest in an ETF as described below. Your LLC will have titled ownership of the physical metals instead of your Kingdom Trust IRA. Note that assets held indirectly by an LLC inside a retirement account must still follow the rules and requirements as those held directly by the account.

**Exchange-traded fund (indirect)**
The process of utilizing an exchange-traded fund (ETF) for a precious metals investment involves the purchase of shares of a metals ETF. Your Kingdom Trust IRA owns metals ETF shares. You are not assigned titled ownership of the physical metals within the ETF.
Metals Depository

Because IRS regulations strictly prohibit individuals from taking direct possession of their retirement accounts’ precious metals, metals must be stored in an IRA-approved depository in the name of the account. This means that you cannot be in physical possession of the metals held in a retirement account. Metals assets held within an **IRA-owned single-member LLC** must also follow these depository requirements.

### Choose a Depository

Kingdom Trust has relationships with multiple metals depositories in the United States and in Canada.* Each depository offers an insured, secure storage environment and provides easy access for the physical delivery of the metals.

You may choose to have your metals stored in one of two ways:

- **non-segregated storage**: aggregated together with metals owned by other Kingdom Trust account holders
- **segregated storage**: separate from the metals owned by other Kingdom Trust account holders but still within the storage space leased to Kingdom Trust

Note that not all depositories offer both options, and the prices vary depending on the option you choose.

These depositories are listed in Kingdom Trust’s *Investment Direction Kit*, which most account holders would use to direct their precious metals investment, and our *Precious Metals Depository Election* form. We currently have relationships with four depositories in seven different locations:

- Brinks Global Services (Los Angeles, CA; Springfield Gardens, NY; and Salt Lake City, UT)
- Delaware Depository (Wilmington, DE)
- First State Depository (Wilmington, DE)
- International Depository Services (Mississauga, ON, and New Castle, DE)

If you purchase precious metals via an **online dealer platform**, the dealer will have established relationships with IRA-approved depositories in which to store your metals.

Alternatively, if you choose to invest in a **metals ETF**, because you are not assigned titled ownership of the physical metals, this part of the process is not relevant to an IRA or an IRA-owned LLC holding a metals ETF.

---

*In Ontario the Canadian government imposes a 13% Goods and Service Tax/Harmonized Sales Tax (GST/HST) on products entering Canada that do not meet a minimum purity requirement. Please check with your broker to ensure that your purchase meets those requirements.*
Once you open and fund your Kingdom Trust account, choose your investing method, perform the due diligence necessary to be comfortable with your choice and select the metals in which you wish to invest, you must provide certain paperwork to initiate the metals purchase process.

Included with this guide is Kingdom Trust’s Investment Direction Kit, a set of documents providing instructions on making an investment and specifying the transaction(s) required for investment. Please consult the kit for more information on document requirements.

The requirements outlined below are in addition to your submission of the Investment Direction Kit.

**Broker**
You direct Kingdom Trust to purchase metals on your behalf via a broker or dealer. You should also provide an invoice/buy order form, signed by you (the account holder), which may be, but is not always, supplied by the broker or dealer. The documentation needed depends upon the depository and the broker or dealer’s process and what is provided by them to you or to Kingdom Trust (the custodian).

**Online dealer**
You direct Kingdom Trust to send IRA funds to an online dealer platform account from which you can buy IRA-approved precious metals. You would not have the invoice/buy order form requirements as above, nor would you have to complete an investment direction for sales or additional purchases of metals assets inside the online dealer account. All required transaction and invoicing data is automatically generated and received by Kingdom Trust from the online dealer.

**IRA-owned single-member LLC**
You direct Kingdom Trust to send funds to the business checking account owned by the single-member LLC. You must also provide a completed and signed operating agreement and Representation Letter, a copy of all articles and/or certificates of organization and other organizational documents and a copy of the LLC’s tax ID/EIN confirmation letter. Because the metals would be held by the LLC, not your IRA, you would not complete an investment direction for individual metals sales or purchases.

**Exchange-traded fund**
You direct Kingdom Trust to purchase shares in a metals exchange-traded fund (ETF). Because your IRA owns the metals ETF, your investment direction is for the purchase or sale of ETF shares, not individual metals.

For any investment, all paperwork must be in the name of the account, which should be “The Kingdom Trust Company, Custodian, FBO Account Holder’s Name, Account Number.” Review all documentation for completeness and accuracy before submission, as these documents must be completed and correct prior to funding.
Metals Shipment
If you’re investing in metals directly via a broker or dealer relationship, you must ensure the metals purchased by your retirement account will be shipped by the broker to the depository you chose on your Investment Direction Kit. Once paperwork is received, Kingdom Trust contacts the chosen depository to set up a sub-account. We also send client funds to the broker to make the purchase, at which point metals are keyed into our system as pending.

The broker should then ship the metals to the depository. Delivery times depend upon the broker, the depository and the mint from which the metals are shipped. Kingdom Trust does not control when the metals will be shipped. Once the depository receives the metals, it sends Kingdom Trust a report to update our client’s account, at which point the metals are moved out of “pending” status and are confirmed into the account. Keep in mind that annual depository fees must come from the retirement account via this investing method.

If you hold a single-member LLC investing in metals via a broker or dealer relationship, then the LLC manager will need to ensure the metals purchased by the LLC will be shipped by the broker to the depository chosen. With this method, annual depository fees must be paid by the LLC.

Conversely, when purchasing metals through an online dealer platform, titled ownership of the metals is immediate since the metals are already stored in the depository or are automatically transferred to the depository, usually within 24 hours. The same would apply to an IRA-owned single-member LLC investing in metals via an online dealer. Storage fees are normally built into your account fee with the online dealer platform.

This part of the process is not relevant to an IRA, or an IRA-owned LLC, holding a metals ETF.

If storage fees must be paid to the depository, consult our Investment Direction Kit or Precious Metals Depository Election form for a breakdown of those fees.

Metals Valuation
Precious metals are traded on multiple world markets and have a continuously changing fair market value, which does not include dealer markups or commissions. The asset value reflected on an account statement does not include these added dealer costs. Please consult with your broker or dealer for more details or if you have further questions about valuations.

You should now be all set to go with a precious metals investment. We appreciate your interest and hope you will choose Kingdom Trust as your retirement custodian. Happy investing!
Visit our website for more educational opportunities and resources: KingdomTrust.com

For more educational resources on the asset class discussed in this guide, visit any of the following:

26 U.S. Code § 408
https://www.law.cornell.edu/uscode/text/26/408

IRS Publication 590-A

Precious Metals
https://www.kingdomtrust.com/investing-in-precious-metals

Frequently Asked Questions
https://www.kingdomtrust.com/faq