FIDELITRADE® INCORPORATED

Trusted Bullion Services... Straight from the Source®

Educational Shorts

Precious Metals Insights, Facts, and Resources

Dollar-Cost Averaging to Gradually Build a Precious Metals Portfolio

New customers sometimes ask, "I do not own any metals now, but I want to hedge my portfolio against geopolitical and economic risk and have diversification. **Is now a good time to buy precious metals?"**

Importantly, FideliTrade does not offer investment advice; we will not give you an opinion on current prices. Besides, it is incredibly difficult to time any market. But there is a time-tested way to avoid owning a lump of metal all at the same price, which could reduce your risk and perhaps your stress, too.



Dollar-Cost Averaging (DCA) Investopedia

Dollar-cost averaging originated in the stock market. The famous economist Benjamin Graham (a mentor to Warren Buffet) introduced the strategy to America in 1949. In his pioneering book The Intelligent Investor, Graham describes dollar cost averaging for equity investments:

"The practitioner invests in common stocks the same number of dollars each month or each quarter. In this way, he buys more shares when the market is low than when it is high, and he is likely to end up with a satisfactory overall price for all his holdings."

How does dollar-cost averaging work in precious metals? The same—except the transactions are in ounces, not shares. You set a fixed budget to invest every month over a certain horizon, and then buy the metal(s) – no matter what the price. Halt when it makes sense.

To learn more about how FideliTrade can help you get started with dollar-cost averaging in precious metals, click here or call 1-800-223-1080.

This Article is for information purposes only. Nothing contained herein constitutes investment advice and it should not be relied upon as such. FideliTrade is not a financial advisor or tax advisor. You should consult with your financial advisor and tax advisor to discuss your investment objectives, tax status, or investment horizon.