

AURUMA
INTERNATIONAL

MINI
R
NATION

GOLD RUSH

Contents

- 1. Introduction**
- 2. Why you should own gold**
- 3. Supply and demand of gold**
- 4. How do you value gold**
- 5. Investing in gold**
- 6. ETF: A new source of demand**
- 7. Inflation and its impact on gold prices**
- 8. Importance of diversifying your wealth: “don’t put all your eggs in one basket”,**
- 9. Gold Accumulation Program: A smart way to accumulate your wealth**
- 10. Monetary history of gold**
- 11. Looking forward: What's in store for gold in the future?**
- 12. Appendix & Reference**

Introduction to Preserving and Growing Wealth with Gold

As the CEO of Auruma International Limited, Mr. Victor Foo often asks the audience at our presentations: “Who in this room has **NOT** worked hard for his/her money?” The answer is almost always that everyone has had to work hard for his/her money. Without exception, everyone would agree that they have all traded their time, blood, sweat and tears to make money, to pay for their living expenses, and to improve their lives. Whatever money that is left after paying for the necessities, and some luxuries in life, is often squirreled away in a savings account or invested in some stocks or bonds, with the hope of gaining some reasonable returns.



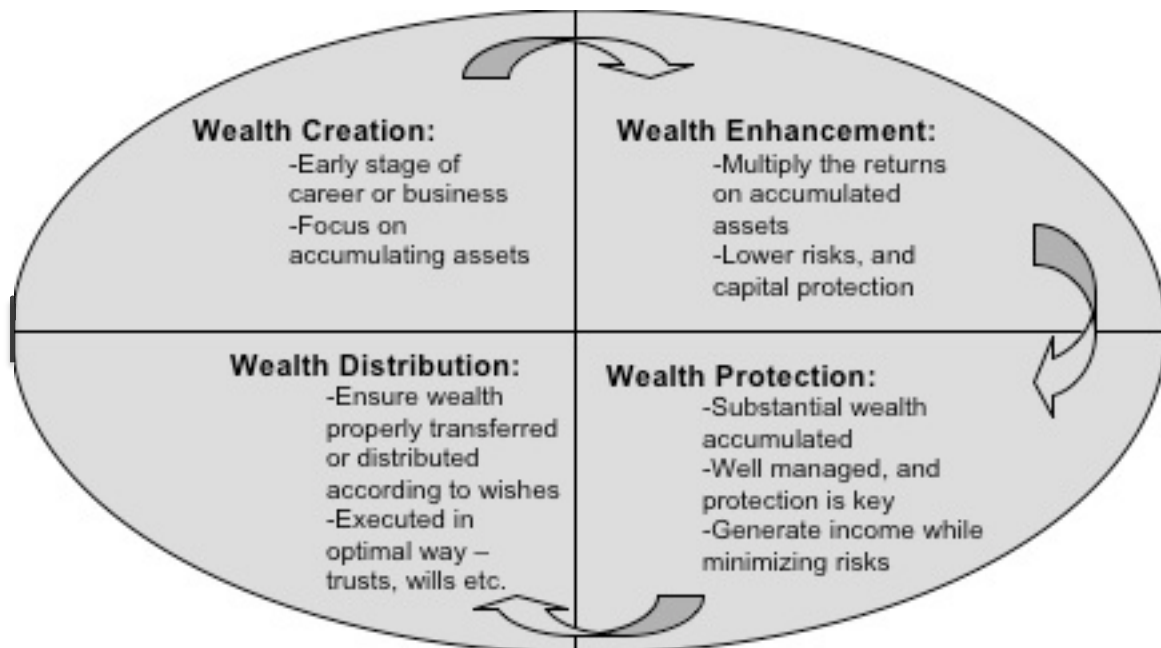
The longer term vision is for us to grow our little nest egg so that we can pay for our children’s education, health care when older, and of course to retire comfortably. But, what are we doing today to preserve what we have created?

Unfortunately, the world is not a perfect place, and is filled with uncertainties. Like a voyage at sea, we will certainly face rough conditions like a storm or tsunami, which may sometimes, delay us or may even sink our boats. Similarly in our journey to preserve and grow our wealth, we will often times be faced with financial headwinds. It is almost inevitable that once in every decade; there will be an economic recession that may last up to a year or two. And once in every 50 or 100 years perhaps, a major recession or depression? While nobody can truly predict when these events may well occur, it is probably safe to say, that it will occur at some point in time. The question then is: how well prepared are you, personally for this?

The latest financial crisis of 2008/09, has left a trail of destruction to institutions and individuals around the world. Many banks which were once “too big to fail” like Lehman Brothers, have failed. Property prices in the U.S which were once thought of as, forever rising, have come down like a ton of bricks in the aftermath of the sub-prime debacle. The U.S dollar, the world’s *de-facto* reserve currency has also faced major devaluation in the light of the massive fiscal and monetary efforts by the U.S government to save its financial system, and trying to kick start its stalled economy. Unemployment in U.S is at an all time high, at around 11% with more losing their jobs, and with that their homes too. How do you preserve what you have left? And hopefully grow some of this wealth in the next few years.

In this book, our purpose is to help educate you, our members and readers on how you can preserve and grow your wealth with gold. The first step is to preserve: by this we are endeavoring to help you keep in perfect or unaltered condition; or maintain your wealth position, status quo. The next step is of course, to help you grow: or to expand or gain on your wealth. By definition, wealth is the value of assets owned by a person less his/her liabilities, and is often known as your net worth. Wealth management is therefore the discipline of managing wealth; which starts with creating wealth, enhancing its value, and protecting it and finally distributing it to the next generation. Gold, as the most precious of metals, has the ability to assist you in all these different stages of managing your wealth. It is the only universally accepted currency which cannot be manipulated or debased by expansionary policies of central banks or national governments. In other words, it cannot be manipulated like fiat currency. As we will show in the chapters to come, it has all the necessary characteristics to preserve your wealth and also grow it

The Cycle Of Managing Wealth



Why Gold?

Gold has been valued as a global currency, a commodity that is used extensively in industries especially electronics, an investment or simply as an object of immense beauty. During the last few decades, the shine of gold has faded slightly as financial markets grew rapidly and developed countries grew their GDP extensively. The role of gold diminished once the US and the UK moved away from the gold standard. In 1973, the major countries adopted the floating exchange rate regime, marking the end of gold as the backbone of the international monetary system. But, nonetheless gold has maintained certain monetary functions, such as a store of value, and is still considered by some as the “ultimate form of payment”. It is still stored by central banks in their vaults to diversify their foreign currency reserves. In times of uncertainty, it is often regarded as a safe haven, and a hedge against inflation and the U.S dollar weakness. Many investors have also started including physical gold in their portfolio to diversify their holdings, and to buffer the volatility experienced with other forms of investments.

As we will explain, gold is perhaps the only truly global currency that is not subjected to any form of intervention (monetary policies or governments), and with no default risk, is the perfect tool to help you preserve and grow your wealth in these uncertain times.

Happy reading & learning.

C. Gan