



# PENSION PLANNING AND PLATINUM

Choosing to hold platinum as part of a retirement savings plan is often easier than investors think

Whether self-directed or advised, many private investors are unaware that platinum can form part of a retirement savings plan, in much the same way as shares in a listed company or gold. As a rare metal with unique properties, platinum is in demand as both an industrial and precious metal. This makes it attractive as a long-term source of value for investors.

Investors seeking exposure to platinum have a broad range of options to consider, including online bullion accounts, physical bars and coins, as well as physically-backed platinum exchange-traded funds (ETFs). Depending upon jurisdiction, some, or all, of these instruments can be included in a retirement portfolio.

For example, in the US, platinum in the form of bars and coins can be included in an Individual Retirement Account (IRA), a type of retirement plan that provides tax advantages for retirement savings. However, strict guidelines apply relating to purity or 'finesness'; the bars or coins must be .9995 fine.

Platinum coins that are suitable include The Royal Mint 1/10 oz Britannia, the Austrian Philharmonic, the Canadian Maple Leaf and, of course, platinum American Eagles in 1 oz, ½ oz or ¼ oz sizes. Bars can range from 1 oz to 100 oz in size and must be stamped by a certified refiner or assayer.

Gold bars and coins, and indeed online bullion accounts, can also be held in the UK as part of a Self-Invested

Personal Pension (SIPP), a government-approved personal pension scheme that groups or 'wraps' assets, allowing tax rebates on contributions, subject to certain limits and conditions concerning accessibility.

A SIPP allows an individual to make investment choices from the full range of investments approved by Her Majesty's Revenue and Customs and can give private investors a greater choice of investments to include in a portfolio than personal pension schemes. Shares in platinum ETFs can be held in both an IRA and a SIPP.

Long-term savers in the UK can also include platinum ETF shares in an Individual Savings Account (ISA) another useful tool for retirement planning alongside pensions, also with tax advantages. The Japanese equivalent, the NISA account, is a 'wrapper' that has tax benefits (with a given annual limit), that can include platinum ETF holdings too.



## Why platinum?

As an investment asset, platinum is similar to gold in as much as it has a low correlation with other financial assets, particularly bonds, making it a valuable tool for portfolio diversification and risk management. It also has some value as a hedge against inflation and currency risk.

Platinum has traditionally traded at a premium to gold - prized as it is for its greater rarity and diverse industrial uses. At present – one of only a handful of times in a generation – the platinum price is currently below that of gold, offering buyers an attractive entry point into platinum.

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