

PRECIOUS METALS IRA

HOW TO GET STARTED



Sterling Trust, a division of Equity Trust Company, is a national leader among IRA custodians that hold precious metals in IRA accounts. In fact, as an industry leader, Sterling Trust, together with its affiliates, provide services to over 120,000 individuals and businesses nationwide whose assets exceed \$8 billion.

With over 35 years of experience, our expertise makes it easy for you to work with us—so let us help you get started.

VALUE-ADDED BENEFITS OF A STERLING TRUST PRECIOUS METALS IRA

- Flat annual fee of \$75
- Flat rate annual storage fee of \$125
- Most coins are individually marked and physically segregated—not mixed in a vault with other coins
- Online account access
- Ability to correspond with Sterling Trust by phone, fax, or email
- Comprehensive quarterly account statements

PERMISSIBLE PRECIOUS METALS IN A STERLING TRUST PRECIOUS METALS IRA

For several years only gold and silver U.S. American Eagle coins were allowed as IRA investments under the federal guidelines. However, legislation which took effect in 1998 expanded this to include gold, silver, platinum and palladium bullion which meets certain fineness standards. Through a lease arrangement with FidelityTrade, Inc./Delaware Depository Service Company (DDSC), Sterling Trust is able to maintain physical possession of bullion coins and bars in a secure vault. Thus, through this relationship, Sterling Trust is able to accept and maintain custody of the following coins and bullion products:

GOLD

- American Eagle coins⁽¹⁾
- Australian Kangaroo/Nugget coins
- Austrian Philharmonic coins
- Canadian Maple Leaf coins
- Credit Suisse—Pamp Suisse Bars .999
- U.S. Buffalo Gold Uncirculated coins (no Proofs)
- Bars and rounds as referenced below⁽²⁾

SILVER

- American Eagle coins⁽¹⁾
- Australian Kookaburra coins
- Austrian Vienna Philharmonic coins
- Canadian Maple Leaf coins
- Mexican Libertad coins
- Bars and rounds as referenced below⁽²⁾

CONTACT US

P.O. Box 2526
Waco, TX 76702-2526

800.955.3434
254.751.1505
Option 2, IRA Services
Option 5, Sales



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PLATINUM

American Eagle coins⁽¹⁾
 Australian Koala coins
 Canadian Maple Leaf coins
 Isle of Man Noble coins
 Bars and rounds as referenced below⁽²⁾

PALLADIUM

Bars and rounds as referenced below⁽²⁾

⁽¹⁾ Coins, including the American Eagle, that have undergone “certification” (also known as “slabbed” coins) are not acceptable in IRAs at this time.

⁽²⁾ Bars and rounds produced by manufacturers accredited by Nymex/Comex, LME, LBMA, NYSE/Liffe/CBOT, and ISO-9000 or a national mint. The minimum finenesses for bars are:

Gold .995+
 Silver .999+
 Platinum .9995+
 Palladium .9995+

EXAMPLES OF UNACCEPTABLE PRECIOUS METALS

- | | |
|--------------------------------------------|--------------------------------------|
| ▪ Austrian 100, 20 and 10 Corona | ▪ Columbian 5 Peso British Sovereign |
| ▪ Belgian 20 Franc | ▪ French 20 Franc |
| ▪ Chilean 100 Peso | ▪ Dutch 10 Guilder |
| ▪ British Britannia | ▪ Italian 20 Lira |
| ▪ Mexican 50, 20, 10, 5, 2½, and 2 Peso | ▪ South African Krugerrand |
| ▪ Hungarian 100 Korona | ▪ Swiss 20 Franc |
| ▪ Rare or Collectible Coins ⁽¹⁾ | |

PHYSICAL STORAGE OF PRECIOUS METALS

Through a lease arrangement, Sterling Trust is able to utilize the precious metals storage facilities and services of FidelityTrade, Inc., and its depository affiliate, Delaware Depository Service Company, for its clients while maintaining physical possession of the precious metals. These facilities provide a secure depository and easy access for the physical delivery of precious metals. Each accountholder’s coins are securely stored in an insured, physically segregated account.

Each Sterling Trust IRA account is charged an annual storage fee of \$125. Payment of this storage fee is required initially before Sterling Trust will accept custody of precious metals. This fee is charged on a calendar year basis and will not be prorated for part of a year.

When precious metals are shipped to Sterling Trust's depository, the shipment will be opened in order to inspect the contents. After inspection, the contents will be deposited as follows:

Gold, Platinum, and Palladium Coins and Bars (except 100 oz. Gold Bars, 50 oz. Platinum Bars, and 100 oz. Palladium Bars) are repackaged after verification and stored separately. This ensures that the client will receive the exact material as deposited when the time comes that the client decides to sell, exchange, or take an in-kind distribution (take personal possession of the material) of the metal.

Silver Coins and Bars (except 1000 oz. Silver Bars) are commingled. The client will not receive the same material as was deposited when the client decides to sell, exchange, or take an in-kind distribution (take personal possession of the material) of the metal.

1000 oz. Silver Bars, 100 oz. Gold Bars, 50 oz. Platinum Bars, and 100 oz. Palladium Bars will be commingled at the depository. However, because these items have serial numbers, the client *will receive* the same material as initially deposited when the time comes for the client to sell, exchange, or take an in-kind distribution (take personal possession of the material) of the metal.

HOW TO ESTABLISH AND FUND A NEW PRECIOUS METALS IRA

To establish and fund your Sterling Trust Self-Directed Precious Metals IRA, the following items should be submitted together:

ESTABLISHING YOUR IRA

■ Individual Retirement Custodial Account Application and Agreement

This form is required to establish a new Precious Metals IRA with Sterling Trust. This form can be found in our IRA Application Kit.

All information on this form should be completed to prevent delays in opening your IRA account. In the "Select Your IRA" section of this form, please choose the Precious Metals IRA Fee Schedule. Complete the "Optional Representative Designation" section if you wish to designate a representative on your IRA account (to facilitate your precious metals trades). Lastly, the "Signatures" section must be signed and dated in the signature space provided.

FUNDING YOUR IRA

■ Transfer Request/Direct Rollover Letter

Complete this form if you wish to have funds transferred directly from an existing IRA held with another firm to your Sterling Trust Precious Metals IRA. The *Transfer Request/Direct Rollover* form is also included in our **IRA Application Kit**.

If you wish to transfer existing precious metals in an IRA with another firm to your Sterling Trust Precious Metals IRA, this form should be completed and the "re-registration" box should be checked. In addition, a most recent statement that contains the type and quantity of precious metals should be provided so Sterling Trust can insure that the depository receives all holdings. Equity Trust Company, d.b.a. Sterling Trust, will not accept delivery of any precious metals unless shipped directly to Sterling Trust's depository address where it leases secure vault facilities from FidelityTrade/DDSC.

All information on this form should be completed, and a copy of your most recent account statement should also be attached. This form must contain your original signature, and, if required by the transferring custodian, a Signature Guarantee should be obtained.

Sterling Trust will send the *Transfer Request/Direct Rollover Letter* to your resigning IRA custodian and follow-up periodically on your transfer until the funds are received. The transfer process typically takes 2-4 weeks.

■ Distribution and Rollover

An alternative to the direct transfer would be for an individual to take a distribution from their current IRA and rollover the funds to their Sterling Trust Precious Metals IRA. By doing this, an individual should understand that this would become a taxable event if the proceeds received are not rolled over to an IRA within 60 days. In addition, IRS guidelines limit individuals to one rollover per year per account.

The individual accountholder would be responsible for initiating and making the distribution and rollover. This process typically takes 7-14 days to complete.

■ IRA Contribution

An individual may also make an eligible IRA contribution within the federal guidelines established by the Internal Revenue Service. See IRS Publication 590.

PAYMENT OF IRA FEES AND PRECIOUS METALS STORAGE FEE

■ Check or Money Order for \$250 to cover the IRA and Precious Metals Storage Fees

A check or money order for \$250 should be included for payment of the: (1) \$50 IRA Set-Up Fee, (2) \$75 First Year Annual IRA Fee, and (3) \$125 Annual Precious Metals Storage Fee due before any precious metals will be accepted for storage, which fee will be billed to the IRA accountholder each year in January. All fees may be paid in one check or money order.

HOW TO PURCHASE PRECIOUS METALS IN YOUR IRA

Once the IRA account is established, the IRA and precious metal storage fees are paid, and Sterling Trust receives the transfer, rollover or contribution of funds into the IRA, an accountholder should follow these 3 easy steps to purchase permissible precious metals:

Step 1: Place your order to purchase permissible precious metals with the precious metals broker or dealer of your choice.

Step 2: The broker or dealer should provide you with an itemized invoice that shows the type and quantity of precious metals purchased and the respective purchase price. The invoice must be signed by the accountholder or the accountholder's designated representative (if accountholder has appointed one in the "Optional Representative Designation" section of the *Individual Retirement Custodial Account Application and Agreement*) and payment instructions must be provided to Sterling Trust. This provides the necessary authorization Sterling Trust requires to pay the amount indicated on the invoice.

Step 3: Fax the invoice to Sterling Trust's IRA Services group at **254.751.0872**.

PAYMENT AND CONFIRMATION OF YOUR PRECIOUS METALS PURCHASE

Sterling Trust will issue payment to the precious metals broker/dealer following the instructions provided by the accountholder or designated representative. Once payment is sent to the coin broker/dealer, Sterling Trust will include the shipping/delivery instructions for shipping the coins to its depository within the FidelityTrade/DDSC depository.

If Sterling Trust does not receive confirmation of delivery from its depository, it will follow-up with the depository and/or the coin broker/dealer until the delivery is confirmed. Once Sterling Trust receives this confirmation, the precious metals will be posted and reflected in the Precious Metals IRA account.

VALUATION OF PRECIOUS METALS IN YOUR IRA

The valuations shown on your statement are estimated bid values and should be used as an indication only. Estimated bid values should not be construed as a firm bid price to buy by any broker or dealer. Estimated bid values are generally for small quantities; the actual quantity of a transaction may affect the price you may receive for any given bullion item. Estimated bid values do not include any dealer mark-ups, mark-downs or commissions. Proof coins must be encapsulated in complete, original mint packaging, including certificate of authenticity, and in excellent condition. Non-proof coins must be in Brilliant Uncirculated condition and free from damage. Price indications for specific bullion products may be obtained from various sources including your broker/dealer or on the internet at sites such as www.BullionValues.org.

NEED ADDITIONAL HELP?

We hope this information will guide you in how to establish and purchase Precious Metals in an IRA with Sterling Trust . Should you require help or have additional questions, contact:

IRA Services

Email: IRAServices@SterlingTrustCompany.com

Phone: 800.955.3434, option 2

Fax: 254.751.0872

We are ready to respond to your questions and needs!

VISIT OUR WEBSITE AT WWW.STERLINGTRUSTCOMPANY.COM

Our website offers educational information on IRAs, including the annual contribution limits and links to IRS Publication 590. In addition, it offers features such as online account access and a complete forms menu.

Tax laws regarding IRAs are complex and cannot be covered fully in this how-to guide. You should seek the competent advise from your financial planning professional, attorney, CPA or investment advisor.

Sterling Trust ("Sterling") is not affiliated with any precious metals broker or dealer, and does not provide investment advice. Furthermore, Sterling does not sell investments. The broker or representative that assists you with your precious metal transactions may be able to answer some of your questions. However, such brokers or representatives do not represent Sterling and you should always contact us directly with questions regarding your Sterling account.