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13.4 Trillion reasons why new BMG Silver BullionFund makes sense for investors looking for a safe haven

Toronto, ON – Oct. 17, 2016 – Bullion Management Group Inc. (BMG), a Canadian pioneer in precious metals investing, has expanded its line of bullion funds with the launch of BMG Silver BullionFund. The new fund invests exclusively in physical silver bullion. It is designed for investors seeking to add silver to their precious metals investments that offer long-term security and potential capital growth.

BMG Silver BullionFund is an open-end mutual fund trust that can be purchased and redeemed daily at Net Asset Value (NAV) and is eligible for TFSA, RRSP and RESP investments.

Nick Barisheff, President and CEO of BMG, believes there are several important reasons why investors looking for a safe haven are adding bullion to their portfolios.

He observes that \$13.4 trillion of government bonds worldwide now offer yields below zero. “With some analysts saying Canada could join the negative interest-rate club, advisors and investors are compelled to seek alternative safe-haven investments, and are increasingly turning to silver,” said Barisheff. With global stock and bond markets currently in excess of \$300 trillion, there is the potential for a major increase in price, given that estimated above-ground silver is only \$40.2 billion.

In addition, mine production has been falling, while demand has been increasing. Unlike gold, over 80% of silver that is produced is a by-product of base metal production. “In 1996, total global silver bar and coin investment was only 23 million ounces. Twenty years later, silver bar and coin investment surged to 236 million ounces,” said Barisheff. At the current price of \$17.50 per ounce, silver is significantly undervalued based on the current gold:silver ratio of 72:1. The average ratio in the 20th century was 47:1, which would indicate a current price of \$26.60. Silver exists in the earth’s crust at a 17.5:1 ratio, and is currently being mined at a 9:1 ratio to gold. These supply/demand discrepancies point to long-term continuation of silver bullion’s price appreciation.

“So far in 2016, silver has outperformed both gold and platinum,” continued Barisheff. “Silver bullion’s year-to-date rise of 26.2% surpasses even gold’s stellar performance of 17.8%. And silver far outshines the respective S&P 500 and TSX composite returns of 4.7% and 12.4%.”

Barisheff also points out that silver has demonstrated it typically outperforms gold’s price appreciation in times of market stress, such as the 2008 financial crisis. “From the start of 2008 to the end of 2010, the silver price rose 97.0%, while the gold price rose only 65.6%,” (S&P 500 -14.3% and TSX -3.3%) he said. “As with all precious metals, silver’s negative correlation to falling stock and bond prices is well documented.”



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According to Barisheff, the new BMG Silver BullionFund meets a specific need in the marketplace for a bullion-only silver fund without the liquidity constraints of a closed-end fund, or the counterparty risks of an ETF. The fund offers the same liquidity as bullion itself, and is always priced at NAV.

BMG Silver BullionFund is built on the same model as BMG BullionFund, which invests only in gold, silver and platinum bullion, and BMG Gold BullionFund, which invests exclusively in gold bullion. All bullion in BMG funds also meets London Good Delivery Standards, and BMG is an Associate Member of the London Bullion Market Association (LBMA).

BMG funds offer investors the security of allocated, insured bullion without compromising any of the fundamental attributes of physical precious metals ownership: immediate liquidity; no reliance on management skills; no counterparty risk, and no use of derivatives, futures, options, leasing, currency hedging or gold certificates.

All three BMG funds are designed to provide a low-cost, medium-risk alternative for investors seeking to purchase and hold precious metals bullion without the worry, trouble and cost associated with trading and storage. BMG funds are managed through its subsidiary, Bullion Management Services Inc. The bullion holdings for BMG funds are allocated, insured and held in trust under a custodial agreement with The Bank of Nova Scotia in Toronto.

About Bullion Management Group Inc.

Founded in 2002, BMG is a dedicated guardian of physical bullion. BMG is based in Toronto, Ontario, Canada, with offices in multiple countries, including Panama and the United Kingdom. The company offers a wide range of physical bullion products designed for portfolio diversification and wealth preservation. BMG bullion products are stored on an allocated and insured basis within LBMA-member vaults.

BMG was the first precious metals bullion management company in Canada to become an Associate Member of the LBMA, an honour it shares with the Royal Canadian Mint, the Crown Corporation that produces Canada's currency. This validation and endorsement is only bestowed upon firms that meet the LBMA's rigorous industry standards on refining, reliable trading and Good Delivery practices. BMG is also an associate member of the Responsible Investment Association (RIA) and a signatory to the Principles for Responsible Investment (PRI).

For more detailed information, visit www.bmgfunds.com.



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To interview Nick Barisheff on the investment drivers for silver bullion, or to find out more about the new BMG Silver BullionFund and its responsible investing approach, please use the contact information below:

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