

Is it a good time to invest in commodities, such as gold, rare coins or art?

Robert Fredrikson

FREDRIKSON FINANCIAL
ADVISORS

Whether your goal is to hedge your portfolio from inflation or participate in the rise of commodity prices, please seek competent counsel.



Commodity investing is fraught with risks uncommon to other investments and should only be considered in tandem with a knowledgeable adviser and if they fit into your overall diversification plan. The risk is too great to venture into these areas alone.

Most commodities are traded on behalf of producers and users of the raw material who actually want to deliver or receive the commodity. Individuals who trade commodity futures contracts in the attempt to time the market are called speculators and do so at their own peril! Speculating should be left to professionals.

Rare coins and fine art are collectibles no different than baseball cards, stamps, antiques and (who can forget?) the Beanie Baby craze! Value is subject to the opinions and current demand from other collectors and dealers.

Purchase collectibles for enjoyment but not to make money. They are difficult to value even with pricing guides.

As an "Antiques Roadshow" fan, I laugh when that precious heirloom has a value of \$10,000 to \$20,000. They have risks and costs often ignored, such as storage, security, recordkeeping, increased insurance and appraisals. These headaches can spoil any enjoyment you had.

★ Fredrikson is a certified financial planner.

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