

## Diversification in the investment of assets



To avoid demonetization, investors should act wisely and pay attention to diversification.

A well-diversified portfolio spreads the risks across different risk carriers. There is no longer any income to be earned from fixed-term deposits and savings accounts, but the loss of purchasing power should be offset as far as possible. On the one hand, a high return on investment is desired, and on the other hand, risk appetite must be factored in. Balance is the magic word. If you want to bet on gold now, because the outlook is good for higher gold prices - risks and uncertainties exist, the Corona pandemic is present, many countries are highly indebted - then royalty companies should not be forgotten. Because they bring diversification simply because of their business model.

Royalty companies earn their money with royalties and precious metal sales. They finance mining companies and receive either physical metal as a cash payment or a negotiated percentage. The operational risk inherent in mining is on the side of the mining companies, not the royalty companies. Often these own a large number of agreements, with projects still in exploration or already producing. Mostly gold and silver are involved. In this way, the investor receives a broad distribution of risk when investing in a royalty company.

Royalty companies include **Osisko Gold Royalties** - <https://www.youtube.com/watch?v=oi0GmtOrxLM> - A good 160 royalties and precious metal sales are in the portfolio of the precious metal royalty company, which is focused on North and South America. Record revenues and strong cash flows led to a ten percent dividend increase in the third quarter.

Gold Royalty Corp, another royalty company, was formed by GoldMining. **GoldMining** - <https://www.youtube.com/watch?v=0IZV19BEQBk> - itself owns various gold and gold-copper projects in North, South and Central America.

Current corporate information and press releases from Osisko Gold Royalties (- <https://www.resource-capital.ch/en/companies/osisko-gold-royalties-ltd/> -) and GoldMining (- <https://www.resource-capital.ch/en/companies/goldmining-inc/> -).

In accordance with §34 WpHG I would like to point out that partners, authors and employees may hold shares in the respective companies addressed and thus a possible conflict of interest exists. No guarantee for the translation into English. Only the German version of this news is valid.

Disclaimer: The information provided does not represent any form of recommendation or advice. Express reference is made to the risks in securities trading. No liability can be accepted for any damage arising from the use of this blog. I would like to point out that shares and especially warrant investments are always associated with risk. The total loss of the invested capital cannot be excluded. All information and sources are carefully researched. However, no guarantee is given for the correctness of all contents. Despite the greatest care, I expressly reserve the right to make errors, especially with regard to figures and prices. The information contained herein is taken from sources believed to be reliable, but in no way claims to be accurate or complete. Due to court decisions, the contents of linked external sites are also co-responsible (e.g. Landgericht Hamburg, in the decision of 12.05.1998 - 312 O 85/98), as long as there is no explicit dissociation from them. Despite careful control of the content, I do not assume liability for the content of linked external pages. The respective operators are exclusively responsible for their content. The disclaimer of Swiss Resource Capital AG also applies: <https://www.resource-capital.ch/en/disclaimer/>