GOLD & ENERGY ADVISOR

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"The 11 Questions Every Investor Needs To Ask Their Investment Professional, and..."

"How to make 42.91% (on average) per trade!

"No, that's not a typo. We've made 42.91 percent per long-term trade* for seven years now. In this issue, I'll reveal how!"

James DiGeorgia, Editor

Stocks are getting a lot of attention lately. Last year the S&P returned 12.78 percent.

According to certain media commentators, that's a fantastic return. Investors hardly ever had it so good—or so you'd think.

Here's a news flash for those people. The average return for long-term trades in our *Gold & Energy Advisor* portfolio is 42.91 percent*. For short-term trades, our average annualized return is 32.07 percent (4.13 percent per trade, in an average holding period of just 47 days).

And we've been making these kinds of returns for seven years.

Sometimes readers ask us exactly how we generate these returns. That's a great question, but I've found it's usually part of a larger question: how do investors know which advisory service is the best fit for them?

This is an important question. *GEA* readers like you tend to be a cut above the typical investor. As such, you probably receive offers from other investment professionals and advisory services.

So this month, I'm doing something a little usual. The main topic in this issue is a series of questions: the 11 questions every investor needs to ask their investment professional or advisory service, before taking their advice.

There are lots of investment services out there, but many—perhaps most—are a waste of your time and money. Unfortunately, it's often hard to tell the good from the bad. That's what this report is about.

As you'll see, I've done more than just list some questions. I've also provided the answers for the *Gold & Energy Advisor* service. After all, you should expect the same level of transparency from me as from anybody else.

Also in this issue, you'll find some short reports on important items in the news today. Each of these has the potential to impact the markets, and therefore can make us some money. Let's get started!

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* The average holding period for our long-term recommendations is about 2 years, so annualized return is about 21.45 percent.

The 11 Questions Every Investor Needs To Ask Their Investment Professional or Advisory Service

Most investors fail to ask the right questions when they choose an investment professional or advisory service.

Unfortunately, by the time they realize they've made a bad choice, it's usually too late.

In this issue, you'll get a list of 11 key questions to ask a potential investment advisor or service. These questions will help you determine the success you would be likely to achieve from that advisor's recommendations.

You'll also find the answers for the *GEA* service. This shows you what kind of information you should expect from a good advisor.

And in case you're wondering: I'm writing this list from more than 30 years of investment experience. Most of my staff members have similar levels of experience. Together, we've seen and done it all. This list represents decades of knowledge, accumulated the hard way: in the trenches of the markets.

Here then are the questions to ask the professional, with full explanations to follow:

1. What are your qualifications?
2. What are my expected annualized returns and profits?
3. What are the risks?
4. What are your investment/trading style and discipline(s)?
5. How many recommendations can I expect per month or year?
6. What is the average dollar amount per recommendation?
7. What is the average holding period per recommendation?
8. What is the average profit per recommendation?
9. For investing/trading outside of a retirement account: What is the breakdown of short and long-term profits?
10. How can I verify the above performance metrics?
11. What are my expenses?

And now for the explanations, starting with…

Question #1: What are your qualifications?

The key element of any investment service is the quality of the professionals behind it. What are their levels of education? What kinds of experience

Alternative Energy Takes a Blow

Sometimes readers wonder why we don't include more alternative energy companies in the *GEA* portfolio.

The answer is simple. We're committed to buying only the best energy companies. If that includes alternative energy, then so be it. But 'alternative' energy is often more hype than substance.

As an example, let's discuss a recent *Business Week* article entitled…

"End the Ethanol Insanity"

A few years ago, Congress mandated a rising use of ethanol in American gasoline supplies. The initial annual requirement of 4 billion gallons is slated to rise to 13.95 billion gallons this year.

This is a disastrous mandate. Ethanol can severely damage engines in cars and trucks. It's especially catastrophic in engines that don't run frequently, because it absorbs water from the air. The fuel then separates, forming acids that destroy the fuel system.

Last year *Business Week* ran an article called 'The Great Ethanol Scam', documenting the growing trend of expensive engine repairs made necessary by ethanol-laced fuel.

Auto industry analysts had hoped for a reprieve in December, when the tax credits for ethanol manufacturers were scheduled to expire. But in an act of near-criminal negligence, the lame-duck Congress extended them again.

This is sheer madness, as proved by the US government's own research. At http://www.fueleconomy.gov, the "official US government source for fuel economy information," the US Department of Energy admits that E85 (a blend of 85 percent gas with 15 percent ethanol) results in a 25-30 percent drop in fuel efficiency. *(continued on next page)*

do they have? How dedicated are they to the markets—is working for the service just a job for them, or do they live and breathe investing?

All these factors will determine the success of the recommendations they give you.

Here are the qualifications for the primary *GEA* team (including links to more information).

Todd Griffiths, Publisher

Besides being the Publisher of the *Gold & Energy Advisor*, Todd Griffiths is a third generation Coin dealer. He has traded hundreds of millions of dollars of gold, silver, and platinum coins (both bullion and United States Rare Coins). Todd has also had the distinction of handling the nation's most rare and desirable coins. Todd's company Century Coin Group is a tribute to his family's 60-year legacy in coins and precious metals, going back to his grandfather. Read Todd Griffiths' bio.

James DiGeorgia, Senior Editor

I have successfully invested in gold, gold coins, and energy for over 30 years, creating my first multi-million-dollar coin business while still a teenager. Along the way, I've edited and published several blockbuster-successful investment newsletters (making money for my subscribers in both bull and bear markets), written several books, and been featured in *New York Times, Barron's,* and *Chicago Tribune*, along with many other media outlets. My specialty is gold and rare precious-metal coins. My bio.

Dan Hassey, Senior Investment Education Specialist. Dan Hassey started his trading and investing career over 30 years ago, including work for Merrill Lynch, Fidelity, and Paine Webber. He has written several books and courses on investing, with a long track record of success in the markets. Read Dan's bio.

Spiros Psarris, Associate Editor. Spiros assists the *GEA* team with research and publishing. Active in the energy and precious-metal markets since the mid-1990s, his record includes a 50-bagger he made trading gold options (buying options for $200 and selling later for $10,000, less commissions).

Question #2: What are my expected annualized returns and profits?

This question is a little tricky, because nobody can foresee the future. Nevertheless, the investment advisor's past performance is the best indicator of the future results you can expect.

The length of the advisor's track record is just as important as the annual returns. Anybody can get lucky and have a stellar year. (At the same time, even the best service can have a bad year. We took some lumps ourselves in 2008, along with everybody else.)

(continued from previous page)

This means ethanol is…

Worse than Useless

Let's think about this. A 15 percent blend of ethanol reduces mileage up to 30 percent.

In other words, every ounce of ethanol not only provides zero energy itself, it cancels out the energy of an ounce of gasoline.

Not only that, the supposed environmental benefits are a mirage. The EPA recently admitted that burning an ethanol blend produces more smog than burning straight gasoline.

So why would Congress force this disaster upon us? Because the corn farm lobby has lots of money to donate to friendly Congressional members.

But even a sold-out Congress can't stop the truth from outraging Americans, once it finally gets out. That's why a grass-roots outcry is growing.

Ethanol is also becoming a legal liability, as shown by the recent lawsuit against the EPA, filed by a consortium of small-engine manufacturers and automakers. The EPA had declared that E85 would not harm new vehicles—but the vehicle manufacturers know better, and are tired of angry consumers who are getting $1,000+ repair bills that aren't covered under warranty.

Even some government officials are starting to backpedal. Energy Secretary Steven Chu recently said, "The future of transportation fuels shouldn't involve ethanol." When even Al Gore apologizes (as he did in November) for supporting ethanol while in the Senate, you know it's becoming a toxic issue.

Nevertheless, the corn lobby won't go down easily.

Ethanol might have promise in the future, *if* its major problems can be solved. (Its greatest hope is probably the next generation of electric vehicles, some of which will burn ethanol to recharge their batteries.)

But right now, it's too risky.

But a truly great investment service will have a long track record of success, including both booms and busts in the market.

I've been writing *GEA* since March of 2004. During that time, there have been both strong bull trends and multiple political/economic crises. See the table below for the annual returns and profits *GEA* has delivered during this time.

The first *GEA* portfolio (Model Portfolio #1) was launched in March of 2004, and closed in March 2010. This table is for that portfolio.

Total returns for Portfolio #1 were 144.89 percent. If you had followed our recommendations, and started with our recommended initial amount of $51,982, you would have racked up as much as $75,315.63 in profits taken, dividends earned, and option premiums collected.

The average annual return for this portfolio was 22.76 percent. Our annual average cash flow (profits taken, dividends received, and option premiums) was $12,552.61—over $1,000 per month, on average, plus the appreciation of the portfolio from 2004 to 2009.

Note that these results occurred as oil shot upwards, collapsed, and then rebounded. This reinforces my point of finding an advisor that produces good results through a variety of market conditions.

Our current portfolio (Model Portfolio #2) was launched in late 2008. Its performance has been even more spectacular than the first portfolio.

We're up by close to 85 percent in little more than two years.

One last note. While putting together this table, my staff realized that the 2008 loss was less than we had reported. There were three long-term profits that were omitted from the calculations, meaning that the true return for 2008 was −28.35 percent rather than −32.22 percent.

Since I prefer to understate our performance, we're leaving the reported returns as they are. But we did better!

(To cover regulatory requirements, it is appropriate to include the standard caveats here. Past performance is not a guarantee of future results. Your returns could be different due to commissions and slippage—the actual purchase price versus recommended price. We track our recommendations and cash flow for education and to monitor performance. *Gold and Energy Advisor* does not own these stocks.)

Question #3: What are the risks?

Many investment advisors will tell you all about 'blue skies', and avoid talking about risk. But it's a vital topic to consider.

Every form of investing involves risk. However, some investment approaches involve more risk than others. Advisors also differ in the amount of risk you will incur when following their advice.

As you determine the typical level of risk for an advisor, ask yourself if you can handle that level emotionally as well as financially. Violent swings in a portfolio can drive unprepared investors to lock-in losses and forego potential gains—the complete opposite of what you want to do.

Here are some practical ways to measure risk, along with some straight talk about what's happened in the *GEA* portfolios in the last seven years.

Year	Annual Total Return %	Long-term Profits + Dividends + Options	Short-term Profits + Dividends + Options	Total Profits + Dividends + Options
2004	35.29 %			
2005	50.10 %	$15,872.00	$5,577.50	$21,449.50
2006	21.12 %	$16,207.99	$9,906.00	$26,113.99
2007	29.82 %	$530.00	$6,152.00	$6,682.00
2008	-32.22 %	$4,124.80	$1,235.00	$5,359.80
2009	45.00 %	$487.00	$2,010.00	$2,497.00
2010	[Ended 3/2010]	$13,213.34	N/A	$13,213.34
TOTAL	144.89 %	$50,435.13	$24,880.50	$75,315.63
AVERAGE	22.76 %	$8,405.86	$4,976.10	$12,552.61

Annual returns and profits of the GEA portfolio

China Unveils Stealth Fighter

Last month, several Chinese websites published photographs of the J-20 fighter, China's new plane designed to be invisible to radar.

Currently, the US is the only nation with an operational stealth fighter. If other nations have stealth planes too, it will drastically shift the balance of power in future military engagements.

Worse, the two-engine Chinese plane appears to be "decisively superior to the F-35," according to Richard Fisher, an expert on the Chinese military at the International Strategy and Assessment Center in Washington. The F-35 is the next-generation US fighter that hasn't even been deployed yet—and it's already outclassed.

For several decades, US military strategy has assumed that air superiority would be easily maintained over land battlefields. That assumption has now been shattered.

This follows the loss of guaranteed naval superiority at sea. The backbone of the US Navy is the carrier task force—but in 2007, a Chinese Song Class submarine easily penetrated the USS Kitty Hawk's defenses and surfaced undetected within torpedo range. This deliberately provocative act was a clear sign to US admirals that our previously invulnerable ships are now very vulnerable. To make matters worse, China has also started deploying its new Dongfeng 21 D carrier-killer missile. American ships are helpless against it.

The danger here isn't that the US and China will go to war tomorrow. The danger is that China is rapidly modernizing its military, and taking away the US ability to win a war easily. And Taiwan remains a potential flashpoint where a conflict would erupt.

To keep up with China, the US must develop better weapon systems. But modern weapons are tremendously expensive. Last year the Pentagon announced that the F-35 program would cost $382.4 billion. That's more than $3,000 per household in this country—for a plane that is already outclassed.

Each new weapon that China deploys means more deficit spending for the US government—which means a much weaker dollar, and much stronger gold.

One way to measure risk is by comparing an advisory service's worst year to its best year. In *GEA*, we have had two years where returns were 45 percent or higher.

Our worst year was 2008, with a reported loss of 32.22 percent. (As I noted previously, the true number was better: 28.35 percent.) Even that number wasn't a hard blow. The *GEA* portfolio was up over 100 percent by that time, so subscribers were still ahead. Plus, the loss was a paper loss; the following year, the portfolio recovered and went up 45 percent.

Another way to measure risk is by using the win/loss ratio. In the *GEA* portfolio, my staff and I made 114 recommendations.

Winning recommendations:	99
Break-even:	1
Losing recommendations:	8
Positions moved to Portfolio #2:	6
Total Recommendations:	114
Win/Loss Ratio:	**86.84 %**

Of the eight losses, five were hedges. We didn't mind losing on these, because hedges aren't meant to be profitable. We hedge to get 'insurance' for the portfolio. At the time, we believed we especially needed hedges, because there were days when it looked like the entire financial system might collapse.

Even with eight losses, 99 winners from 114 recommendations give us a remarkable win/loss ratio of 86.84 percent.

(Note that again I'm understating our performance, because this number doesn't include the positions moved to Portfolio #2 that are turning out to be winners.)

Lastly, when considering risk, you should also consider repair strategies. Does your advisor know how to repair losing positions, if they should occur? Does your advisor even know such a thing is possible? (Many do not.)

Savvy repair strategies are among the reasons we achieve such a remarkable record in *GEA*. When we have losses, we don't panic. We just get to work and transform the losers into winners.

My staff and I have written a three-part series of articles explaining how we do this. (These are for *GEA* subscribers only, by the way.) If you haven't read them, here are links to do so:

Part 1 Part 2 Part 3

Question #4: What are your investment/ trading style and disciplines?

Trading approaches fall along a spectrum, with fundamental analysis on one end and technical analysis on the other.

Fundamental analysis is a long-term approach. Using this strategy, an investor looks to buy companies that are undervalued. Once the stocks rise, becoming fairly valued to overvalued, the investor will sell. This is the classic 'buy low and sell high', and is considered by most 'experts' as being conservative.

At the opposite extreme is short-term speculating. Speculators typically use technical analysis: they study a stock's price and trade volume to anticipate future price movements. They try to either buy low and sell high, or they will use momentum to buy high and sell higher. Speculators tend to jump in and out of positions, taking small profits and trying to minimize losses. This is obviously a more aggressive approach.

For *GEA*, most of our recommendations use fundamental analysis and are long-term (for more than one year). Many of our short-term recommendations are riskier, but fundamental analysis is the key discipline used for these recommendations.

We do use technical aspects as well, but mostly for potential entry and exit points. Over the years, my staff and I have had tremendous success focusing on fundamental analysis.

You should also ask your advisor about specific investment strategies. The most basic questions are what to buy, when to buy it, and when to sell it. How does your advisor make these decisions?

Most advisors tend to dance around and avoid telling you this information. (Whether that's because it's truly secret, or because they don't really have strategies to explain, I'll leave for you to decide.)

At *GEA*, we're not afraid to explain what we do, and why we do it. My staff and I have written many articles explaining our strategies and disciplines to our readers. Here are links to some of them:

The Secret to Successful Equity Investing: How to Buy Stocks at a Discount

The Fundamentals of Our Sell Discipline: Part 1 Part 2 Part 3

Using Options to Increase Profits

The GEA Short Put Strategy

Case Study: How Our Option Strategies Produced a 2,111 Percent Profit on APC

Question #5: How many recommendations can I expect per month or year?

As I explained in the last section, the frequency of recommendations depends on the investing/trading strategies used.

Investors have different temperaments. An impatient day trader will not do well with an advisory service that provides infrequent long-term rec-

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ommendations. You should ensure that the advisor's investing approach, and resulting frequency of recommendations, are appropriate for you.

In *GEA*, we issued 114 recommendations in a little more than six years—about 1.5 recommendations per month.

Note that some advisors promise a certain number of recommendations per week, per month, or whatever. This is a bad approach. Recommendations should be driven by opportunities, not by the calendar.

As described in our How to Buy Stocks at a Discount article, we tend to issue more recommendations on weakness, and try to avoid making recommendations during and after major market rallies.

Question #6: What is the average dollar amount per recommendation?

You should ensure that your advisor issues recommendations in a size that's comfortable for you. This will depend on the size of your portfolio—you should never commit too much of your capital to any one trade.

In *GEA*, our short-term recommendations have averaged $5,450. Our long-term recommendations tend to be smaller, with an average amount of $3,162.

Question #7: What is the average holding period per recommendation?

You should ensure that your advisor's approach matches your investment goals. For example, if you were primarily interested in speculating, you probably wouldn't be interested in committing capital to long-term investments.

In *GEA*, we provide a mixture of short-term and long-term recommendations. We correctly anticipated that the bull markets in gold and energy would take many years to play out, so we made long-term recommendations accordingly. The average holding period of these was 2.04 years.

At the same time, we saw many opportunities for short-term profits, and we took them. These short-term recommendations had an average holding period of 47 days.

Question #8: What is the average profit per recommendation?

Obviously, this is a vital statistic when considering an investment advisor. Some services will trumpet one or two big hits they've had, but this is meaningless. Anybody can get lucky once in a while. (Even a blindfolded monkey throwing darts at a list of stocks will pick some winners.)

But the true test of an investment service is the average profit per recommendation, across *all* the recommendations.

In the *GEA* portfolio, the average long-term closed recommendation was $3,162. Its average profit was $1,357, producing an average return of 42.91 percent per trade. The average annualized return is about 21.45 percent.

For short-term recommendations, the average trade was $5,450. Its average profit was $224, with an average return of 4.13 percent.

At first glance, the average short-term profit seems to be much less than the long-term. But consider that it only took an average of 47 days to get that profit. Extended over a full year, it's the equivalent of a 32.07 percent annual return.

Put another way, if after the close of each trade you had immediately rolled the original money over into a new short-term trade (without even reinvesting the profits), you would have made 32.07 percent per year.

Question #9: What is the breakdown of short- and long-term profits?

If you do all your trading/investing in a retirement account, this question won't matter to you.

If it does matter to you, here are the results from the *GEA* portfolio. We made 70 short-term recommendations. Our total profits, dividends, and option premiums were $24,880.50.

We made 44 long-term recommendations. Our total profits, dividends, and option premiums were $50,435.15.

Question #10: How can I verify the performance metrics?

A trustworthy advisory service will be transparent and up-front about the results it produces.

At *GEA*, we spend a lot of time and effort calculating our returns and other performance metrics for our subscribers. We provide full reports where subscribers can verify the results of our recommendations. Here are the links:

Closed positions in Model Portfolio #1

The Model Portfolio #1 positions transferred to Model Portfolio #2

Closed positions in Model Portfolio #2

Currently open positions (in Model Portfolio #2)

We also provide this information in detailed performance reports for each year:

2005 2006 2007 2008 2009 2010

Note that whenever possible, we lower the cost basis of our trades over time through option writing and other strategies. Thus, the reports include the adjusted cost basis (if any) for each position. The closed positions also include calculated returns and dollar profit/loss.

Also note that the recommendations are theoretical; *GEA* does not own any of these positions. Your returns may be different due to actual prices bought/sold, commissions, and slippage (the difference between the recommended price and the execution price). Again, past performance does not guarantee future results.

#11: What are my expenses?

Minimizing expenses is an important goal while investing. There are several common traps you must avoid.

Portfolio Update

In Update #1036, we sold short some puts. On Occidental Petroleum (symbol OXY), we sold the Feb. $90 puts (symbol OXY110219P90). On Whiting Petroleum (WLL), we sold the Feb. $105 puts (WLL110219P105).

In Update #1037, we sold short puts on Noble Corp. (NE): the Feb. $35 puts (NE110219P35).

In Update #1040, we rolled up our options on Apache Corp. (APA), Devon Energy (DVN), and Energy Exploration and Production ETF (XOP). On APA, we rolled up the Jan. $105 calls (APA110122C105) to the Feb. $110 calls (APA110219C110). On DVN, we rolled up our Jan. $80 calls (DVN110122C80) to the Feb. $80 calls (DVN110219C80). On XOP, we rolled up our Jan. $50 calls (XOP110122C50) to the Feb. $51 calls (XOP110219C51).

In Update #1041, we rolled up our hedge on Bill Barrett Corp. (BBG). We rolled up the Jan. $35 calls (BBG110122C35) to the Feb. $35 calls (BBG110219C35).

In Update #1042, we sold short puts on Canadian Natural Resources (CNQ). We sold the Feb. $40 puts (CNQ110219P40).

In Update #1043, we issued instructions on our expiring options for Anadarko Petroleum (APC), Noble Energy (NBL), Denbury Resources (DNR), and Suncor (SU). We allowed the APC and NBL short puts to expire, and kept the premiums. We closed the DNR hedge and allowed our SU calls to be exercised, making short-term gains.

In Update #1045, we added to our position on Apache Corp. (APA). We sold the Feb. $105 puts (APA110219P105).

In Update #1047, we closed our hedge on Apache Corp. (APA). We bought back the Feb. $110 calls (APA110219C110) for $6.40 after selling for $15.60.

In Update #1048, we opened a position on Suncor Energy (SU). We sold short the Feb. $38 puts (SU110219P38).

In Update #1052, we opened a position on Berry Petroleum (BRY). We sold short the Feb. $45 puts (BRY110219P45).

In Update #1056, we hedged our positions on Sandridge Energy (SD) and Denbury Resources (DNR). On SD, we sold two contracts of Mar. $9.00 calls (SD110319C9). On DNR, we sold the Mar. $22 calls (DNR110319C22).

In Update #1058, we issued instructions for subscribers who hedged EOG Resources (EOG) and Energy Exploration and Production ETF (XOP). On EOG, we rolled up the Feb. $100 calls (EOG110219C100) to the Mar. $100 calls (EOG110319C100). On XOP, we rolled up the Feb. $51 calls (XOP110219C51) to the Mar. $52 calls (XOP110319C52).

In Update #1059, we rolled up our hedge on Devon Energy (DVN). We rolled up the Feb. $80 calls (DVN110219C80) to the Mar. $80 calls (DVN110319C80).

In Special Report #064, we opened a new position on Ultra Petroleum (UPL). We sold short the Feb. $45 puts (UPL110219P45).

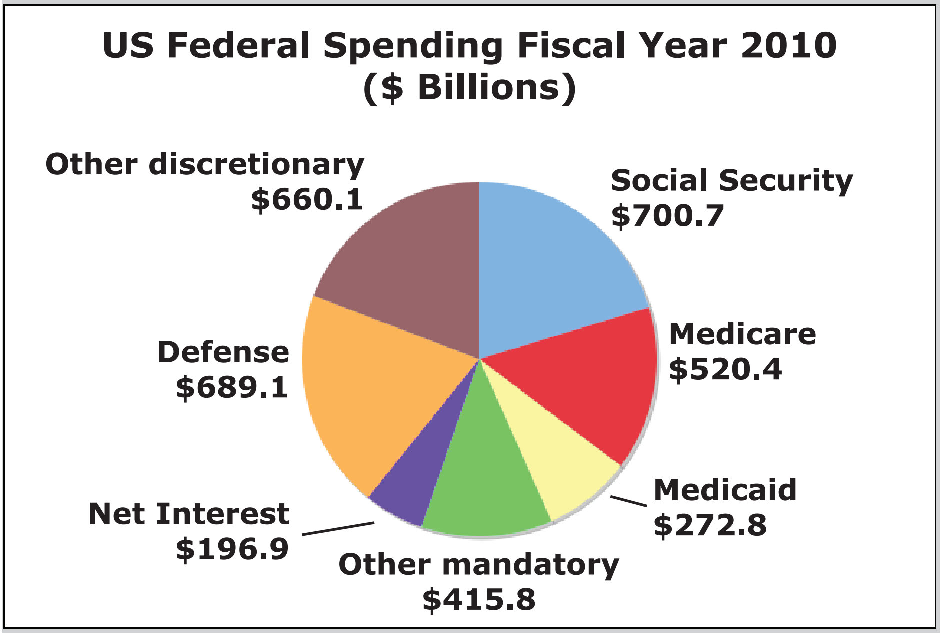
US Spending Freezes: A Ridiculous Farce

At a staggering $14.1 trillion (that's $14,100,000,000,000), US government debt is a catastrophe for this country. Government spending must be slashed, if we want to avoid disaster.

In his State of the Union address last month, President Obama vowed to freeze government spending. Republicans in Congress are making similar noises. Even some Democrats are agreeing to a freeze.

But it's all a sham.

Even if politicians actually followed through on their promises, it wouldn't matter. They're only promising to freeze discretionary spending. And that's only a tiny slice of the overall pie.



Source: Congressional Budget Office

Notice that Washington politicians are *not* proposing to halt the runaway trains of Social Security and Medicare/Medicaid. These are already 43 percent of federal spending, and are ballooning rapidly. (Long-term, they represent an unfunded deficit of over $44.8 trillion.)

Nor will politicians cut other forms of mandatory spending (income security, retirement, disability, and other programs). Nor can they stop paying interest on outstanding federal debt.

Defense spending is a discretionary category, and could be cut. However, with ongoing wars in Iraq and Afghanistan, and the rapidly shifting balance of power in the Pacific (see page 5), this is likely to grow rather than shrink.

That leaves only $660.1 billion for a potential freeze. That's a mere 19 percent of federal spending.

Hmm. If 81 percent of federal spending can still grow, does the phrase "spending freeze" have any meaning?

This so-called spending freeze is merely political theater—something to distract the American public while our national finances crash and burn.

Unless Washington does something about federal entitlement spending—and does it *now*—the dollar is going down. A $14.1 trillion debt represents over $128,000 of debt for every household in this country, and Washington is piling the debt higher every single day.

Short of a miracle happening, a major dollar devaluation is in the works. It's the only way this debt can ever be repaid. It might not happen overnight (at least we can hope it doesn't). But as it does happen over time, the dollar will sink, and gold will soar.

To save money, some investors rely on a full-service broker for investment advice. This is usually a terrible idea.

First, full-service brokers are much more expensive than discount brokers, most of which cost less than $10 per trade. Thus, the 'free' advice you get from the full-service broker actually costs you a lot of money.

Second, full-service brokers get paid according to the number of transactions you make, not by how profitable you are. There's a built-in conflict of interest here that works against you.

Some brokers and investment advisors now provide their services on a fee basis, either a flat fee for consultation or a percentage of your assets. But you don't need to pay any consultation fees (unless you want a second opinion). You also don't need to pay percentage-of-assets charges—you should have your energy portfolio at a low cost/commission provider instead.

Some investors fall into a different trap. Instead of taking advice from a full-service broker, they get it from financial commentators on TV, in magazines, and other media sources. Advice from these commentators isn't always bad. But all too often, it is. And on the rare occasions when a good recommendation is given, by the time you can act on it, the stock will have been driven up beyond a profitable price by the countless thousands of other people who heard the same advice you did.

Also, the "investment experts" in the media won't monitor the investments for you once a recommendation is made, nor will they tell you when to sell—important advice and services we provide.

So in order to save a few bucks in expenses, investors often lose far more money in lost profits.

I believe that in *Gold and Energy Advisor*, we have one of the greatest values available in investing today. Our track record is, if I may say so, superb. And a one-year subscription is only $79 (or even lower, depending on the plan you invest in. See this page for details: http://www.goldandenergyadvisor.com/page/gez/subscribe/).

Last year, our *GEA Model Portfolio #2* generated about $20,642 (in profits, dividends, and option premiums). Obviously, the cost of the subscription is negligible compared to these profits.

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Nobel Laureate Economist Says Washington Bailouts Cost the Economy "Trillions"

A little while ago, the Treasury announced that the AIG bailout was a success. It won't cost taxpayers as much as previously estimated. In fact, the TARP (Troubled Assets Relief Program) overall would 'only' cost us $30 billion.

At best, this 'analysis' is incomplete. At worst, it's an outright lie.

Who says so? No less than Neil Barofsky, the special inspector for the TARP program itself.

Barofsky criticized the report, calling it a "significant failure" for transparency and truthfulness. "The American people have a right for full and complete disclosure" of steep losses the TARP program has sustained.

Among other things, Treasury Secretary Geithner and other officials are stonewalling on the bailouts of Fannie Mae and Freddie Mac, which are forecast to cost another $215 billion above the $148 billion taxpayers have already been hit with.

That would make the Fannie and Freddie bailouts alone cost more than the entire Afghanistan war to date.

Congressman Darrell Issa agrees with Barofsky's assessment. He called the Treasury's report "blatant manipulation." Meanwhile, others are pointing out that the TARP program is a mere sideshow compared to the true cost of what Washington has done.

According to Columbia Professor and Nobel Prize-winning economist and author Joseph Stiglitz, "The fact some of the banks paid back what was given to them on very favorable terms... is just a drop in the bucket compared to damage done to the economy."

Stiglitz said that when you consider "enormous hidden subsidies to the banking system," the true economic cost of the bailouts is in the trillions.

"If the U.S. government had provided money to ordinary business at zero interest rates, what would our economy be like?... What we did [instead] is give zero rates to banks; they then lent at much higher interest rates."

Obviously, this scheme was great for the bankers, but terrible for businesses.

Even worse is the fact that bankers have "invested" billions back into government securities, rather than lending it to businesses. This allows Washington to continue its blowout spending binge, while businesses wither and die for lack of liquidity.

But is this too harsh, seeing as the bailouts worked? Not according to Stiglitz: "We've managed to stabilize the economy [but] we shouldn't confuse stabilization with recovery...[and] the way they stabilized it unnecessarily impaired the ability to have a strong recovery."

As politicians pat their own backs for the 'great' job they're doing, global investors can see through the smoke screen. That's why gold continues its bull run, even after shattering a series of price records.

We can't do anything about the fiscal disaster that Washington has gotten us into. But we *can* protect ourselves and our families with a solid foundation of gold. I continue to recommend precious metals to my subscribers. Gold and silver have a long way to run.