

Grandma Anna's Investment Advice



By Anna Von Reitz

[This was written in response to a question about Zimbabwe Bonds.]

Stay out of investments you don't understand!!!!

I cannot stress this enough!

There is all sorts of wild speculation and weird "offers" being made related to foreign currencies and foreign government bonds.

There are all kinds of bonds-- savings bonds, construction bonds, government bonds, payment bonds, insurance bonds, transfer bonds, performance bonds, bid bonds-- I am tempted to say "bond bonds".

Except in the case of cured bonds known as payment bonds -- for example, matured savings bonds-- all bonds are promises to pay in the future given this or that condition or eventuality.

So consider the meaning of what you just asked me. The government of Zimbabwe is offering to bond itself to pay back a certain amount of money in the future in exchange for you investing a certain amount of money today, if and when certain conditions are met.

So first of all do you have faith in the honesty and stability and ability of the government of Zimbabwe to pay back the bonds as stipulated?

To be more exact do you have faith in the FUTURE government of Zimbabwe however many years hence when the bonds "mature"--- to pay off the agreement the present government has with you?

If not, why are you even THINKING about such an investment or asking me such a question?

When entering a foreign bond market you also have to ask yourself-- who is going to collect this debt for me, if things go South?

Are you going to hike up your skirts and go to Zimbabwe and track down the men who sold you these pieces of paper?

You tell those "lot of people" that in my opinion they will be far better off buying extra fuel for next winter or extra food or blankets or almost anything. Invest in coffee packets. Invest in medical supplies. Invest in anything that is tangible and real and that you have control of.

Do NOT get involved in any foreign investments that you don't understand and can't enforce. Promises of huge profits to be made are Satan's bait for greedy and gullible people.

There is a saying that it is hard to cheat an honest man-- and that is true, because honest men don't desire what they have not earned.

Invest in things that you know about and that you are sure of. Invest in things that make simple good logical sense, and do NOT depend on the advice of experts or friends.

Do your own due diligence and stay in the shallow water unless you are a really big fish and can afford to lose your shirt.

I think it is also safe to say that although government bonds are traditionally safer than the stock market, actual commodities and precious metals are safer long term investments than either one.

We are seeing conditions eerily similar to the 1920s--- grossly overvalued stock and currency markets thanks to irresponsible government pension fund investments, wild speculative investment, market instability, graft and fraud everywhere, all sorts of weird unproven securities popping up out of nowhere, insider trading and mammoth amounts of market and news manipulation--- in short, it is in my opinion time to (1) PAY OFF ALL DEBTS and (2) pay off as much forward as you can -- pre-pay your winter fuel bills for example, and (3) invest in actual assets that you control, in local deals that you are sure of, and otherwise keep your heads down.

It's POSSIBLE that a new era of world peace and economic harmony will be forged. It's also possible that gross human failings will take the stage and greed and dishonesty will rule the day. I say to hope and pray for the first option and work toward it, but be cautious and realistic, too.

Perhaps the best advice is to figure out how much you can safely afford to lose and invest that, if you want to, in speculative high risk investments like foreign government bonds.

I used to do that when I played the stock market-- take what I could afford to risk, then invest that. Recoup that initial amount and invest only the profit. Then recoup the initial and reinvest the profit from that.

Doing it that way you limit your potential losses, have the ability to diversify your investments outside the stock and bond markets, and don't have to rely on hedge funds.

That said I am not currently "investing" in anything but the effort to inform other Americans and take actions to save this country. And if you and your friends have extra money to spend, I would sure appreciate it if you invested in doing the same instead of supporting the future government of Zimbabwe.

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