



www.ustic.com



3500 Maple Avenue, 17th Floor
Dallas, Texas 75219

United States: 800-742-6000
Canada: 800-872-6467 ext. 308

For Further Information:

Burnett Marus, RFC
800-742-6000 ext 308 (US)
800-872-6467 ext 308 (Canada)
bmarus@ustic.com

Dorann Lokash
Administration Manager
800-742-6000 ext. 333
dorann@ustic.com

David K. Goad, ChFC
800-992-7273
david@ustic.com

Paul Minshull
Chief Operating Officer
800-742-6000 ext 266
paul@ustic.com

Jan - Feb 2004 Trend Indicators

USTIC Generic Gold Index: %Chg Trend
MS65: \$31,950 + 0.17%
MS64: \$12,065 + 0.65%
MS63: \$ 7,750 + 0.51%

Generic Morgan Dollar Index:
MS65: \$86.00 +2.38%

CU3000 Index: (12/09/03)
\$60,088 +3.38%

Gold Bullion Spot: (12/05/03)
\$402.70 per oz. +5.41%

Silver Bullion Spot: (12/05/03)
\$5.45 per oz. +5.00%

CCDN (+/-) Count (Total: 10074 listed prices):
Plus: 463 Minus: 46 Unch: 9565

Most active series:
Morgan Dollars, Mint State Gold, Silver Commemoratives.

CCDN CMI Values: 12/13/02 to 12/05/03 %Chg
Silver Commem 514.97 519.00 +0.78%
Gold Commem 524.16 564.14 +7.62%
Morgan Dollars 879.43 947.41 +7.73%
Peace Dollars 638.04 652.28 +2.23%
Mint State Gold 468.22 528.80 +12.93%
Proof Gold 736.62 809.66 +9.46%
Proof Singles 752.23 779.62 +3.64%

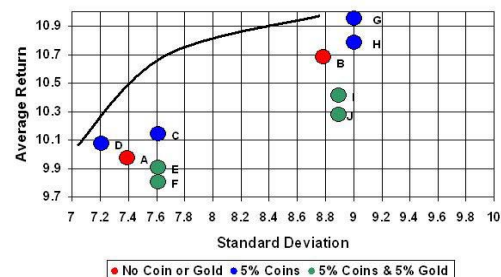
Informed Investing: Asset Allocations, 1978 - 2002

Asset Classes	A	B	C	D	E	F	G	H	I	J
Stocks	33.3	50.0	31.7	31.7	30.0	30.0	47.5	47.5	45.0	45.0
Treasury Bonds	33.3	25.0	31.7	31.7	30.0	30.0	23.8	23.8	22.5	22.5
Treasury Bills	33.3	25.0	31.7	31.7	30.0	30.0	23.8	23.8	22.5	22.5
Coins (MS65)	0	0	5	0	5	0	5	0	5	0
Coins (MS63-65)	0	0	0	5	0	5	0	5	0	5
Gold	0	0	0	0	5	5	0	0	5	5
Average % Return	10.2	11.0	10.4	10.3	10.0	10.0	11.2	11.1	10.8	10.7
Standard Deviation	7.1	8.2	7.3	7.4	7.4	7.4	8.6	8.6	8.5	8.5

Copyright 2003 U.S. Tangible Investment Corporation. Source: L.A. Research, Pennsylvania State University.

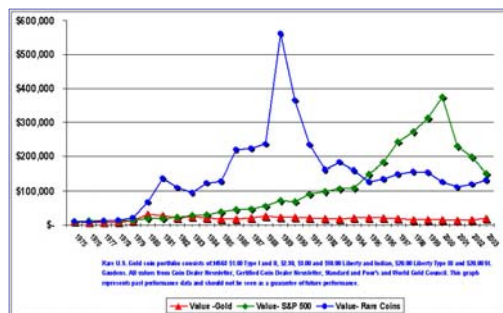
The colored columns above correspond with the matching colored dots on the chart below.

Efficient Frontier - 1978 - 2002



Copyright 2003 U.S. Tangible Investment Corporation. Source: L.A. Research, Pennsylvania State University.

Rare Gold Coin Market Performance Jan 1977 - Jan 2003



Rare Coin Trends and Market Report is published 6 times per year. This publication may be reprinted with the permission of the publisher. Information contained herein is obtained from sources believed to be reliable, but its accuracy cannot be guaranteed. Copyright 2004 U.S. Tangible Investment Corporation.

EDITOR: Burnett Marus
PUBLISHER: U.S. Tangible Investment Corporation

U.S. Tangible Investment Corporation

Rare Coin Trends and Market Report

Volume 16, Issue 1
January—February 2004

Inside this issue:

- Gold, Dow at Highs 1
- New Headquarters 2
- New Brochures 2
- Market Comment 3

Do you know:

- ◆ The U.S. Dollar is down 31% against the Euro, 20% against the British Pound, 28% against the Swiss franc and 20% against the Japanese yen.
- ◆ Foreign investors currently hold \$4.5 trillion in U.S. stocks and bonds.
- ◆ The Federal reserve Bank's Flow of Funds numbers indicate the total federal deficit for 2003 is running at an annual rate of \$940 billion.

\$400+ Gold and 10,000 + Dow

With the price of gold bullion rising in early November to settle just over \$400 per ounce in early December, the highest price since the mid-1990's, demand has been feverish for all U.S. gold coins, rare and common. Rare U.S. gold coins have been experiencing some of the highest demand ever, with price records being set routinely.

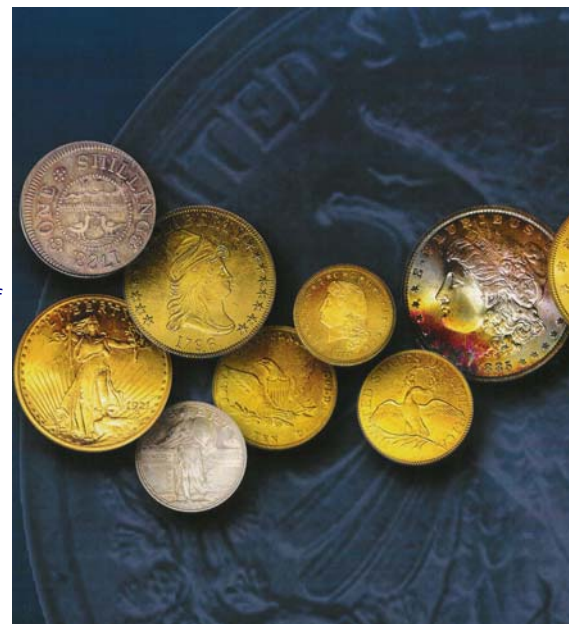
Now common - date gold coins are the targets of buyers, finally, after years of dormant demand and softening prices. Generic gold coins are the most common dates of a series that are traded by grade, regardless of their date. Examples are the 1908 no motto \$20 St. Gaudens and the 1924, 1925, 1927 and 1928 \$20 St. Gaudens, in which literally tens of thousands of coins have been graded for each date, just by one leading grading service. These coins and others from varying series, like common dates from the Indian Head and Coronet gold issues are often traded as groups, such as a group of MS64s or About Uncirculated examples, regardless of date. One reason that generic gold coins are being sought at this time is that the premiums over their "melt" value (gold content) are very low. These premiums will change as the market conditions evolve, and as the demand increases, they're expected to grow. So, common-date gold coins are greatly influenced by the fluctuating price of gold bullion, whereas the price of gold bullion

has no effect on the price of gold rarities, other than effecting investor enthusiasm in a "hot" market or lack of it in a down market.

Numerous professional analysts of the gold bullion market are predicting higher prices for gold during the next few years. The information provided inadvertently to the public

in June 2002 in the Royal Bank of Canada Global Investment Management report authored by then VP and fund manager John Embry, was extremely prophetic. At the time, the report was dismissed by the vast majority of the U.S. financial media, if not outright ignored. The press in Canada briefly reported on the findings and then dropped coverage after one day. Gold bullion was trading at \$320 per ounce on the day of the RBC report. The report predicted the sharp rise in the price of gold and the reasons for the increases, all of which are currently happening.

Major changes in the price of gold have long been an indicator of the overall coin market. Increases in the gold bullion market have increased interest and prices in the overall coin market. The trend indices in this issue are all up for the first time in a number of years. The +/- index for Mint State Gold for 12/05/03 shows 118 prices up, 120 unchanged and 0 down, indicating a strong market forming in gold issues.



The #1 Provider of Rare Coin Services to the Financial Planning Industry.

The #1 Provider of Rare Coin Services to the Financial Planning Industry

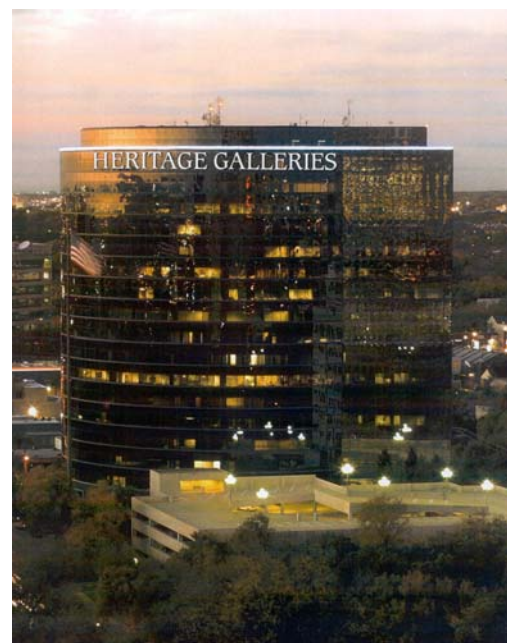
Heritage Completes Move to New Headquarters

Heritage Capital Corporation will change its name to Heritage Galleries & Auctioneers to reflect the direction of the corporation to establish itself as the world's largest collectibles auctioneers. In addition to rare U.S. coins, Heritage has strongly expanded into foreign and world coins, currency, sports cards and sports memorabilia, comics (setting a 2003 Guinness Book record for the largest comic book auction), original poster and illustrative art, rock and roll and Hollywood memorabilia, antique silver, watches and collectible toys.

In January 2004, Heritage Capital Corporation will be moving the corporate headquarters from their present 23,000 square foot facility at Highland Park Village to a 45,000 square foot location on Maple Avenue near downtown Dallas. The move date is scheduled for mid January 2004.

Located on the 17th and 18th Floor at 3500 Maple Avenue will be Heritage Galleries & Auctioneers, Heritage Rare Coin Galleries, Heritage Numismatic Auctions, Heritage World Coin Auctions, Heritage Currency Auctions of America, Heritage Sportscards, Heritage Comics, Heritage Galleries and U.S. Tangible Investment Corporation.

Future announcements will provide any changes in e-mail, telephone or fax numbers. We invite you to visit us at our new location in 2004.



**OUR NEW ADDRESS
EFFECTIVE JANUARY 26, 2004**

**U. S. Tangible Investment Corporation
3500 Maple Avenue
17th Floor
Dallas, Texas 75219**

**800-742-6000 National
800-872-6467 ext.308 Canada
800-992-7273 West Coast**

New USTIC Brochures for 2004

U.S. Tangible Investment Corporation has added new features to the USTIC website in the continuing changes for the financial planning community.

Now available on the site are downloadable order forms in PDF format so advisors will now have up-to-date applications on demand that can be locally printed. Also added to the site are archives of previous USTIC newsletters as well as the current edition in PDF format.

The site is accessible without the use of passwords or the requirement of visitors to provide personal information. Early feedback from users has been extremely complimentary on the ease of use and quality of information.



**Heritage Capital
Corporation will now
be Heritage Galleries
& Auctioneers .**

2003 - The Rare Coin Market Year in Review



Burnett Marus, RFC

I recently returned from the Financial Planning Association's 2003 Success Forum held in Philadelphia, PA October 31st to November 5th. It was a well organized conference which should bring well-deserved kudos to the management and staff of the Financial Planning Association. I personally wish to thank Julie Shoukas, Corporate Relations Director and Nicole Durham, Southwest Relationship Manager of the FPA for their excellent work and consideration in helping U.S. Tangible Investment be a part of this convention. Also, a warm thank you to Betty Crews of the FPA for her concern and professionalism for caring and listening to an old industry "vet".

Our firm has been an corporate exhibitor every year from 1980 to 1999 at the IAFP Annual Conference (predecessor to the FPA). We did not attend the FPA's first conference in 2000 in Boston due to schedule conflict; September 11th, 2001 cancelled the conference in that year and we elected to attend the New Orleans conference as attendees in 2002. So this year was the first time since 1999 that U.S. Tangible exhibited at an FPA annual conference. The experience was very interesting. There were approximately 222 exhibitors and according to FPA estimates about 1700 attendees. Not bad for a conference in the present day and age. The venue of Philadelphia at their Convention Center was outstanding. If you never have visited Philadelphia, I highly recommend it...and I'm from Dallas! No, it's not because of the cheese steak (which are best ordered at Pat's with Cheez Whiz) but simply due to the regions history and the genuine friendliness of the people. It deserves the rep of "City of Brotherly Love". Nice people, nice city.

The FPA conference gave me the opportunity to meet old friends in the planning industry. These conferences now tend to have more of a regional flavor; fewer West Coast attendees and many from the East Coast which is understandable given today's travel situations. The attendees included about 200 foreign planners with large contingents from Australia, Canada and South Korea. (Interestingly, many of these planners are so young...or am I really getting that old.) So now that I have set the stage of the conference for you, here are some observations.

Mutual funds continue to rule as the dominant investment medium for the financial planning industry. In fact, it seems almost as the only investment vehicle that the new planner (10 years experience or less) is actually recommending. Without exception, the new advisors that spoke with me at the conference were totally unaware of the scope and nature of collectible tangible assets and their place in a wealthy clients portfolio. When questioned about how a clients net worth is determined, no one included tangible assets as part of the total value. When I asked how they would value such things as rare coins, rare stamps, jewelry, paintings, antique furniture, collectible automobiles,

oriental rugs, rare books, antique firearms, sports memorabilia and other such items, the response was "I really don't know." The fact is that very wealthy people, after they structure their investment portfolios with stocks, bonds, mutual funds and real estate, also acquire these other assets. Jay Leno has an extensive car and motorcycle collection; Elizabeth Taylor has an incredible jewelry collection that was a subject of a television special; Sylvester Stallone is a major art collector; Buddy Ebsen was a stamp collector. There are tens of thousands of such wealthy collectors, all of whom have the resources and desire to acquire items of beauty and value that have a special interest to them. The financial planner of today can increase his value to such clientele by becoming more cognizant of these issues.

In pursuing this matter further, I spoke with several vendors at the conference that provided financial planning software. I looked at the spreadsheet and asset allocation categories which contained large cap stocks, small cap stocks, bonds, growth funds, value funds, income funds, annuities and life insurance. I asked where assets such as gold bullion, rare coins, art and collectibles would be placed in the program. The



answer was "other". Interesting, in many cases, the total of these assets in "other" would be a major part of the overall estate. However, questions on evaluation, distribution or disposition upon death or disability, taxes on asset values, sources for liquidation, objectives of beneficiaries and other such questions are not addressed. One question I offered was " is there enough life insurance to cover the taxes on the appreciated value of the tangible asset that would eliminate the necessity of liquidating the asset

against the wishes of the beneficiaries or the best interest of the estate?" The vendor stated it was the first time he had heard that concern, but it was valid.

Another observation on funds...there were many companies providing colorful charts illustrating the rank of performance of investment classes over the past several years. Charts that indicated, of asset classes shown, how they ranked year-by-year. Not one of the charts indicated the asset class of gold. I asked each of the vendors why the reports didn't show this asset class. The answer was simple. They don't sell gold, they sell stock funds. It made perfect sense. If they showed gold as an asset class as does the Callan charts, it would have gold as the #1 performing asset in 2003 and the #2 performing asset in 2002. Eliminate that asset class and large cap stocks take those spots.

The lead article on page one of this newsletter indicates the strong interest in the gold market. The price of gold has increased 18.82% from 1/1/03 to 12/9/03. In addition, the increase from January 2001 to present has been 55%! Key point, this market has just started. The rare coin market is right behind. Wishing all a great Holiday Season and a Happy and Healthy 2004!

***The financial
planner of today can
increase his value to
such clientele by
becoming more
cognizant of these
issues.***