

Top 5 Precious Metals Funds



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Mutual funds investing in precious metals can be a source of comfort to investors when markets are heading south and the economy is passing through choppy weather. This is also a period when they generate higher returns on a consistent basis, even outperforming stocks. A portfolio with the presence of even a small amount of precious metals securities can provide sufficient diversification as well as protection against inflation. Precious metals funds are the brightest choice for investing in this sector since they possess the advantages of professional management and a wide portfolio.

Below we will share with you 5 top rated precious metals funds. Each has earned a Zacks #1 Rank (Strong Buy) as we expect the fund to outperform its peers in the future. To view the [Zacks Rank](#) and past performance of all precious metals funds, then [click here](#).

Midas (MIDSX) invests at least 65% of its assets are invested in companies involved in the mining, processing and distribution of precious metals. Up to 35% of its assets may be invested in companies deriving a share of its revenues from the precious metals sector. It is non-diversified and a no load fund.

This precious metals fund returned 24.73% in the last one year period.

Franklin Gold & Precious Metals A (FKRCX) seeks capital appreciation by investing in gold and precious metals or companies involved in mining or processing of these metals worldwide. The precious metals fund returned 27.25% in the last one year period and has a five year annualized return of 26.41%.

The precious metals fund has a minimum initial investment of \$1,000 and an expense ratio of 1.01% compared to a category average of 1.51%.

Rydex Precious Metals (RYPMX) invests in domestic precious metals companies. The majority of its assets are used to purchase equity securities and derivatives. It is non-diversified and seeks capital growth. The precious metals fund has a three year annualized return of 4.32%.

As of May 2010, this precious metals fund held 27 issues, with 11.39% of its total assets invested in Freeport-McMoRan Copper & Gold B.

USAA Precious Metals and Minerals (USAGX) seeks protection against inflation and long term capital growth. It invests the majority of its assets in domestic and foreign companies with primary operations in the precious metals sector. It is non-diversified and has a ten year annualized return of 28.06%.

Mark W. Johnson is the fund manager and he has managed this precious metals fund since 1994.

Van Eck International Investors Gold A (INIVX) invests the majority of its assets are invested in companies whose major operations primary operations consist of activities related to gold. It also invests in financial instruments which are backed by gold and in gold coins and bullion. The precious metals fund returned 32.52% in the last one year period and has a ten year annualized return of 24.87%.

The fund has a minimum initial investment of \$1,000 and an expense ratio of 1.43% compared to a category average of 1.51%.

To view the Zacks Rank and past performance of all precious metals funds, then [click here](#).

About Zacks Mutual Fund Rank

By applying the Zacks Rank to mutual funds, investors can find funds that not only outpaced the market in the past but are also expected to outperform going forward. Learn more about the Zacks Mutual Fund Rank at <http://www.zacks.com/funds/mutualfund/>