Understanding Alternative Investment Options by Steven Corbett

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Investors who could not afford to risk investing in the volatile stock and bonds market often took recourse to alternative investment. An investment that is not done in one of the three conventional types of stocks, bonds and cash is called alternative investment. Unlike conventional sources, this is mainly done by institutionalized investors and companies. This is mainly because they were considered to be risky and complex. Liquidity too was considered to be a problem. Even today, small investors are kept out of the purview of some alternative investment options like hedge funds. Here are a few options that are commonly available for all types of investors:

Real estate investments: This market caused a major economic recession. But even in the worst periods of the housing slump, real estate was a good option for those who were ready to play it safe. The shortsighted investors who blindly followed the trend lost heavily. The best thing about investing in real estate is that the benefit is twofold. Besides capital growth, there is also a continuous source of income through rents. Even in 2012, there are positive reports to indicate that the housing market is sure to see an upward trend. However, it is important to choose a good real estate investment broker to guide you with your investment option.

Metals: Gold has been a common investment source for alternative investors. The price of gold seems to be northward bound for more than 10 years. Not to be left behind other metals like silver, paladin, platinum too have seen growth. But they havenâ€™t always been as good an option as gold or real estate. For instance, the price of silver saw an upward trend until mid 2011. In fact, the price of silver even touched $50 an ounce. But then it crashed hard and a lot of people who blindly stocked up on silver found it hard to liquidate their asset.

Agriculture: As the world struggles to feed a burgeoning population, agriculture remains a wonderful opportunity for long term gains. There are reports that indicate that by 2050, the world would need to produce 70 percent more to feed a population of about 9 billion people. As the elderly say, when you are hungry, all the wealth is wasted without a morsel of food.

Timber: Governments all over the world are trying to crackdown on illegal supply of timber. There has also been an increasing demand for strong home grown timber. All these factors make timber a good alternative investment opportunity.

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The author of this article writes about different a alternative investment opportunities and also advises readers on a self direct IRA.

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