

RIO ARC BULLION ACCOUNT (USD)

01 March 2019



MANAGER COMMENT

The RIO ARC Bullion Account (USD) posted +0.31% during February and also outperformed gold, which does not benefit from being actively traded, which lost 0.49%. Statistically, since its launch, the Account has produced a total return of 71.46%. This is excellent, especially when you consider the risk-reward ratio, which is an indicator of the risk taken to attain the returns filed. The Account remains the top performing bullion investment in the world, in USD terms.

Gold and its place in an investment portfolio – Investors realise the benefit of gold's role as a diversifying asset, in part due to its low correlation to most mainstream assets, and for its attraction as a hedge against systemic risk and strong stock market corrections. Today many mainstream investors see bullion as a store of wealth and as a currency hedge against fiat money. It is important to note that gold has historically improved the risk-adjusted returns of portfolios. It can and often does deliver positive returns while reducing losses, and provides liquidity to meet liabilities in times of market stress. It is thus a valuable asset class to add to an investment portfolio, especially given the current geopolitical turmoil. Another advantage is that Bullion is outside the banking system. When your investment or pension is converted into physical gold, it is essentially being removed from the banking system and any counterparty risks associated with it. This has massive benefits should the financial system itself come in to question.

INVESTMENT OBJECTIVE

To provide a secure alternative to that offered by the lackluster industry standard bullion investment products or funds. The ARC holds 100% of its Bullion assets in unencumbered and uncirculated one ounce Gold coins, officially released by several government mints. The ARC selected gold coins because they offer a significant legal and monetary advantage over that offered by the traditional Bullion bars.

To date the ARC Bullion account has achieved its target and since launch it has outperformed the statistical return of both physical gold bullion held in 1 Kilo bars and fool's gold or paper gold (such as ETF's or forex). Statistical analysis confirms that gold can be used within investment portfolios to protect global purchasing power, today this is very pertinent given that several governments are employing policies which ultimately target a devaluation of their individual currencies. As this global currency war has escalated there has been an increased risk of a currency debasement and the fact that gold can offer protection from this event is very attractive in itself.

There are a multitude of reasons to invest in physical gold, notwithstanding the fact that it also offers portfolio protection, in terms of currency devaluation and/or inflation. Bullion also reduces portfolio volatility and can minimise loss during periods of both political upheaval and market shock. Officially released data confirms that national central banks, the stewards of the world's largest long-term investment portfolios, use gold to mitigate portfolio risk in this way and have been net buyers of gold since 2010.

INVESTMENT MANAGER

RIO's Investment Manager has vast experience having designed, launched and managed several Government licensed mutual funds over the past two decades. He has actively traded stocks, bonds, currencies and commodities with some degree of accuracy. He is perhaps best known for being among the first in the investment industry to correctly predict the arrival of the bull market in gold.

During September 1998 in the Clubs newsletter William proclaimed 'Gold to shine again' and successfully traded the gold bullion market for over ten years from February 2002 to September 2012 before selling 100% of gold holdings at \$1,791.75, correctly forecasting a down turn in this market. The decision to sell was proven correct as the market remained lackluster throughout 2012 and most of 2013.

He has a proven track record combined with all the advantages of an experienced multi asset fund manager.

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IMPORTANT INFORMATION

This document is not an offer of investment. Subscriptions for shares in the RIO ARC can only be made on the basis of the current prospectus and The RIO Club operates strictly on a referral only basis. Past performance is not a guide to future performance and there can be no assurance that the RIO ARC's objective(s) will be met. The value of investments and the income from them can fall as well as rise and is not guaranteed. Investors may not get back the full amount invested. Changes in the rates of exchange between currencies may cause the value of investments to diminish or increase. Current tax levels and reliefs may change and depending on individual circumstances this may affect the investment return. For further information please refer to the fund prospectus and terms and conditions.

INFORMATION

NAV	\$171.46
Investment Manager	William Gray
Launch Date	October 2013
Currency	US Dollar
Minimum Investment	50,000
Initial Charge	700
Annual Management Fee	1.00%
Administration Fee	1.00%
Dealing Frequency	Monthly

PERFORMANCE



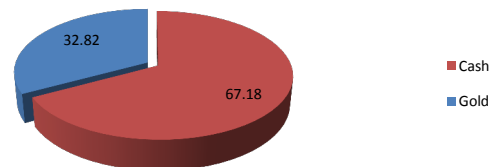
PERFORMANCE COMPARISON

	GOLD BULLION	RIO ARC
1 Month	-0.49	0.31
3 Month	7.60	5.82
6 Month	9.55	9.46
1 Year	-0.06	6.96
2 Years	5.01	15.46
YTD	2.57	1.87
Since Launch	1.87	71.46

MONTHLY PERFORMANCE

	2016	2017	2018	2019
January	4.52	3.25	1.52	1.56
February	4.25	3.59	-0.82	0.31
March	0.36	0.31	0.31	
April	4.60	1.30	0.22	
May	-2.85	0.76	0.20	
June	6.41	0.23	-2.17	
July	2.01	1.24	-0.76	
August	-2.17	2.61	-0.07	
September	0.25	-1.09	0.48	
October	-1.79	-0.51	2.56	
November	-4.96	0.46	0.38	
December	-1.20	1.78	3.88	

ASSET ALLOCATION



GOLD PRICE COMPARISON

