



Thank you to those members who have emailed me this week on my recent Professional Investors report and the profitable Yen trade, which I closed in profit during January this year.

To answer the question which was posed by many members, the trade which I posted for the Fund netted a gain of more than 3.27% and as to the trade size it represented 5% of the fund's total assets. I never over expose this fund to any one trade as it is a mid/low risk fund and as such is weighted to low risk holdings such as fixed return and term deposit holdings. Alan and Robert both members who have been with the club for many years are correct in their comments, as usual I was in early, as you both identified. But equally importantly is the fact that I got out early, having closed the position taking profits. I prefer it that way.

To answer the other question posed by members on the back of last week's report, I feel that, with the recent aggressive monetary policy shifts seen in Japan, I predict that trading the weakening Yen will perhaps historically be seen as one of the smartest trades of the year in risk /reward terms.

Prime Minister Shinzo Abe continues to pressure the Bank of Japan (BOJ) to enact massive monetary easing programs to help stimulate the economy. The consequence of this policy shift has caused the Yen to fall against the dollar to a level not seen in almost five years. Further news that the BOJ's governor is stepping down earlier than expected is another negative factor pushing the Yen lower. The fact that the Japanese prime minister has not yet named a replacement for the post adds more short term weight put on the falling Yen. I forecast with firm belief that since Abe has committed to the current monetary policy, he will select an individual for the post that will firmly stand by his policy.

In response to those who asked what has happened since I was one of the first to predict the start of what has become the freefall in the Yen I have said "I shorted the Yen at the beginning of the year. Since then the Yen's fall has become the main topic of currency traders worldwide, with many now posting positions also shorting the Yen."

What next? The story will likely heat up as investment houses enter the fray, and as this develops it will add to the continued push. Accordingly, the Yen is likely to move lower. Although I clearly went on record stipulating that the Yen is likely to continue to fall, it may be of real interest to note that I am not shorting the Yen at present. Why?

The Yen is now trading in a range that it has not seen in a longtime. Thus the identification of an exact downside target is currently extremely difficult to predict; hence I am not shorting at present. I have placed several trades which will profit from both Yen movements and or the ramifications of what may well be the beginning of a currency crisis.

Again, for those invested in RIO Professional Investors Fund or for those considering investment in this fund, trading this way allows a trader/Fund Manager to profit in a number of different scenarios within a well-defined risk vs reward ratio. Only with use of such quantification can I maintain the tried and tested risk/reward strategy employed within that of the Professional Investors Fund, i.e. that of a mid/low risk fund.

Thank you to David, Sandy and Mark for your recent comments on both membership and investment returns, I will give these to Iain who heads up the clubs multiple web sites and he will have his assistant up load these to our Club web site.

Furthermore to those members who have requested information on our new investment products including the regular investment account, these will be emailed to you next month.

William Gray
The RIO Club