



## END OF YEAR INVESTMENT SUMMARY

Last year yet again, all fifteen of the independent, ring fenced investment products housed within the RIO Club's current investment range posted gains. It is worth noting that there are very few, if any, mainstream investment companies who can lay claim to that, especially in 2020.

From an investment point of view it was a profitable year, despite the pandemic which had devastated many investments outside the RIO umbrella.

### Recorded statistics for the year of 2020

RIO 888 – 85.88%

RIO Regular Investment Account USD - 12.57%

RIO Regular Investment Account GBP - 12.01%

RIO Currency Concept Account – 8.16%

RIO Property Group – 8.16%

RIO Silver Lining – 27.43%

RIO Platinum Account USD - 14.27%

RIO Platinum Account GBP - 10.19%

RIO ARC Bullion Account USD - 12.09%

RIO ARC Bullion Account GBP - 4.88%

RIO Stock Trading Account USD - 37.74%

RIO Stock Trading Account GBP - 8.18%

RIO Fixed Income Bond, our longest running direct investment, 7%

The above positive results are a testament to the bespoke and dedicated investments provided by RIO International Investments. Again they have served us well, indeed they have done so for over twenty six years. RIO has proven its worth in the early identification of investment opportunities time and time again, this synonymous with our name “The RIO Club. (Real Investment Opportunities Club)”.

2020 will be remembered as a year plagued by the arrival of the COVID 19 pandemic, and the subsequent repercussions which are still ongoing. The world witnessed the start of what became an onslaught of several government lockdowns. The restrictions meant that many companies were rendered essentially closed, unable to operate, this has driven certain business sectors to the brink; businesses are still having to lay off staff, and with continued restrictions in place some are now facing bankruptcy.

It is not surprising that stock markets were volatile; the U.K.'s renowned FTSE 100 index recorded its worst decline since 2008. The Brexit trade deal will, I predict, improve sentiment in the FTSE as it continues to recover ground, with dividend payouts certain to return and improve. The vaccines being rolled out also bode well for this market as will the fact that we will see certain stocks benefit as their overseas revenue accelerates. Across the pond in the USA it was also bad news, the Dow Jones was ravaged by the March mayhem plunging over 40% as the market endured the worst volatility in decades.

RIO was up to the challenge of what was a very volatile year, the Club's proactive investment management style again benefitting all invested. Active management has always proved its worth, enabling us to avoid heavy losses associated to the March stock market crash which had devastated almost all mainstream investment houses. Many massive investment institutions were crippled by

the carnage of March, the fallout ravaged pension funds and equity investments around the world. Dozens of mutual funds were over exposed to equities, those using gearing were facing margin calls and several went to the wall in the spring of 2020.

RIO does not, and never has, use any form of investment gearing, nor does the Club condone borrowing to invest. Not embracing what many investment houses consider the norm has benefited RIO and its members, it has limited the potential downside risk. So it is not surprising then that eleven out of twelve investment products were unaffected by the March meltdown.

Creating a product range which can deliver back to back annual gains is no small task. For example, a low risk investment product invariably requires time to produce the desired result (usually 5 years), and in return an investor expects the time taken to achieve the potential gain. From a product design point of view you simply can't design a low risk investment which can produce gain of 7% or 8% pa in the short term; you can if such investment is structured over a fixed 5 year period.

The example being the RIO Fixed Income Bond, a fixed five-year term product which generates a simple but attractive 7% pa, it has delivered this since its inception in 1997, without interruption regardless of market condition. Or RIO Property, a fixed 5 year term product, the past two versions of which both generated over 60% net return for members who had accepted the period.

In the case of a high risk investment, the investor accepts the additional risk to capital in exchange for potentially a greater gain. An example being RIO 888, which has returned over 90% since its launch in August 2019. Another being the RIO Regular Investment Account USD, an equity based investment. This investment produced 199% gain in five years to December 2020 rewarding those prepared to take the additional risk. Of course with any investment it's also imperative that you are both in, and indeed out, of the right market at the right time.

Why do RIO's products stand out from the lacklustre standard of the self investment products promoted by most investment houses? Well for one, most investment institutions retain their products past the sell by date. The reason they don't follow RIO's ethos and close the investment product or fund before the market in which the fund is invested enters a predicted bear market is simple; the investment company would lose out on the fees associated with such funds if they remitted money to the clients and closed the fund or product.

This is where we differ, RIO having identified an investment opportunity creates a bespoke product and enters the selected market. We don't retain any investment if we forecast that the assets held are moving toward what is predicted to be a bear market. Should our research indicate that the investment/product has run its course, RIO informs all of those invested and closes the investment, offering to remit or reinvest monies invested. This avoids RIO allowing new money to be invested in a product which has little chance of producing a profit. It also means that having made a profit, those invested have been protected, all good news for both existing and new Club members.

Why don't other investment companies do this? They don't want to give up management fees, if they close a product they lose revenue. As a Club, we have a closer working relationship with our investors, we put great effort where possible to protect our members from exposure to potential losses, we would not keep an investment open which looked like the market was about to enter a sustained down trend just to collect fees.

Thank you to all members who commented on the fact that my forecast of the 12th December was bang on, the Pound rallied just as predicted moving from 1.32 in mid December to over 1.37, at the time it was a 32 month high. This rally in Sterling mostly driven by positive news on the vaccine front,

the last minute Brexit deal simply added weight to the move. Most importantly the rally was good news for many members who had taken our advice months ago, moving their overvalued US Dollars to RIO investments based in the undervalued Sterling. Those who had bought in to RIO's Sterling based investments benefited from a double dip, they gained from the positive return of the product and also profited as Sterling rallied.

If you missed out, its far from over, as we move through 2021 as Sterling is likely to rally higher against the US dollar. We are likely to see the arrival of poor economic data at the start of 2021, this will result in some pundits predicting a down turn. But even the chief economist at the Bank of England had been positive, commenting that he expects the UK economy to begin to recover from the second quarter this year. The fact that Britain has kept ahead of the whole of Europe on the vaccine front could also bolster markets in coming months.

Finally, we will circulate updates on each of our products over the next few weeks.

William Gray  
The RIO Club