



More on Gold and its recent moves

As I write, the price fluctuations in the gold market clearly illustrates how bewildered the world markets are. On Friday, US inflation came in hotter than expected, triggering a panic over the Federal Reserve's decision to tighten monetary policy faster than anticipated.

As expected, gold rallied and gold stocks surged while the rest of the market went into meltdown. The selloff continued on Monday and, this time, both gold and gold stocks were caught in the carnage, mirroring the broader stock market's performance. However, when all was said and done, gold and gold stocks had outperformed.

The heightened volatility shows just how much uncertainty is behind the broader market's price action. There seems to be a battle over which narrative best explains what's going on, and what will happen next as a result. If I am correct we will see higher and more persistent than expected inflation, gold will be the clear beneficiary.

I would also stress that gold's appeal is that it outperforms on both extremes, whether inflationary or deflationary (crash) environments. The main reason behind this is that it has no counterparty risk, and is, therefore, considered a strategic way to opt out of the financial markets.

Stock market meltdown - forewarned is forearmed - food for thought

Fortunately, RIO members holding stocks outside the RIO club umbrella, should have been well prepared for the melt down, that is assuming they heeded the warnings circulated by our head office. Any member who sold their stocks and moved into safety would be far better off this year; sadly most mainstream equity investors suffered the stock market carnage, often losing 20-30% or more.

As a fund manager during 2021, I weighted equity investments to cash to protect both RIO Stock Trading accounts. Both RIO Regulars also held a position strongly weighted in cash throughout much of 2021 in preparation for a stock market meltdown. This low-risk strategy proved its worth; in fact, as we moved through 2022, RIO's equity-based investments fared relatively well while almost all mainstream equity funds suffered losses of 15-30% during the first 6 months of this year. In stark comparison, the RIO Stock Trading Account Sterling posted a 15.51% gain and the RIO Stock Trading Account USD posted 7.31% net gain. With the Regular investment account Sterling posting a 3.89% gain, only the Regular USD suffered, recording a 0.08% loss over the same period. The superior performance was attributed to market timing and holding cash to be in a position to buy as the stock market collapsed.

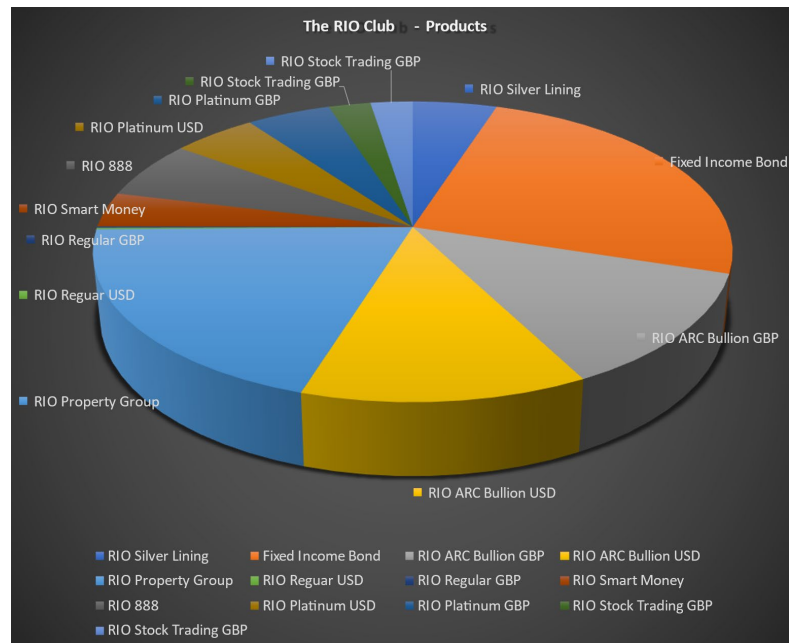
That done, it was a case of taking profits simply by selling into the subsequent bear market bounce.

As I have always said, it's not just about making profits, it's about managing risk and retaining gains, something that many other investment professionals seem to forget. More often than not, the money they risk is not theirs as they are not invested in the funds they manage. Myself and my team are all invested in our funds; does that make a difference? I'll leave that to the reader to ponder on that level of dedication and commitment.

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Years ago, I decided to build a stronger club; as such over 70% of our investment range is built on hard assets.

Specialist equity investment products represent a very limited percentage (less than 4%) of our total investment asset base. Importantly, these two equity-based investments are industry specific; 888 and Smart Money could both potentially benefit from a 10X multiple growth factor within their respective industry sectors. These investments could potentially offer exceptional performance in the coming years, their strong growth potential is an excellent investment choice for member's children's futures and/or as a top up to your retirement funds.



What is important is that RIO's mainstay, its bedrock, has been the mid to lower risk asset classes, in a word "hard assets", like gold, silver, platinum and real estate.

Lately, I've seen so many soothsayers in the mainstream financial reporting offering what are get rich quick scams - beware. In my opinion, too many people try to over complicate the market and its moves; I prefer to rely on our time tested and proven strategy to make money from the market and its moves!

William Gray
The RIO Club