



Investment Manager Comments

The RIO Silver Lining is an actively traded physical silver investment which has gained 4.13% in the last quarter of 2018 and posted gains of 6.54% since launch. The additional buy at \$14.47 on the 4th of December benefited the Account as the metal rallied.

To date RIO has recorded three gaining quarters in the year, with only one losing quarter filed, this despite the downturn in the silver market, resulting from a knock on effect of the recent actions taken by parties involved in the trade wars.

It must be said that it is this same downturn which makes the metal a real buy today, given that silver is currently priced at \$15.54 an ounce.

In addition, the trade wars will soon be a thing of the past as the US should seek to taper off from their current harsh stance with China, the world's second largest economy. Should a trade deal be on the cards silver would likely rally.

At present silver is both oversold, and arguably under-owned. Market indicators will come to identify this, which will then, almost certainly, shine a light on the metal causing professional investors to react. A further positive statistic is that fact that the current silver to gold ratio is high, the ratio adds further weight to silver's potential upside as we move through 2019. To clarify, when the silver to gold ratio is low, the opposite is true and usually signals a good time to buy gold.

Looking ahead, silver could perform well as investors and traders begin to focus on this market's demand fundamentals post the current trade war, which has had a negative effect on this market. I would again reiterate that once these trade disputes are resolved, it would in turn lead to a higher demand for silver, which has strong industrial uses and as a result see the metal rally. Our forecast is that silver will move above \$17 an ounce in 2019, should we see an end to the recent trade wars.

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