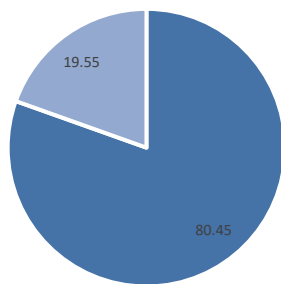
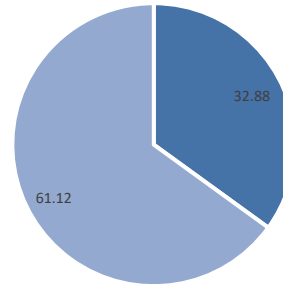




The new defence stocks added a few weeks ago have already resulted in strong gains for RIO Smart Money. As I write, this investment is very much in positive territory, with 67% of its total asset allocation weighted to equities with the remainder in cash. At the start of the quarter this position was dramatically different, as Smart Money held only 19.55% of its total asset allocation in equities.



■ Cash ■ Stocks
Asset Allocation 01 April 2025



■ Cash ■ Stocks
Asset Allocation Today

Stating the obvious, the Global Military Spend has been on an uptrend for several years, and is about to sky rocket.

Against the current backdrop we will see a massive surge in global military budgets, and this investment has targeted several stocks which look set to soar higher. Members may not be aware but world defence spending hit a record \$2.7 trillion in 2024, this was a 9.4% year-over-year increase and the sharpest rise since at least 1988. But this sector has seen the spend rise for years, with gains across all five global regions.

Add to this the fact that NATO is looking toward an all new target for defence spending which is high at 5% of GDP, to make this point clear the longstanding benchmark spend was 2%. Both Germany and the US have endorsed the increase, and the final plan is expected to be unveiled at the NATO summit this June.

The world isn't de-escalating. It's rearming, with greater urgency, more advanced tools and higher price tags. Our research has identified that these trends are an investment opportunity across multiple sectors; defence contractors, semiconductor makers, AI infrastructure providers and aerospace manufacturers. Of course we have identified the individual stocks and already implemented the investment strategies having spent two months evaluating, but simply put the broader momentum is unmistakable.

AI computing powers are changing the stock market. In 2024 alone, ProPicks AI identified 2 stocks that surged over 150%, 4 additional stocks that leaped over 30%, and 3 more that climbed over 25%. Which stock will be the next to soar?

William Gray
The RIO Club