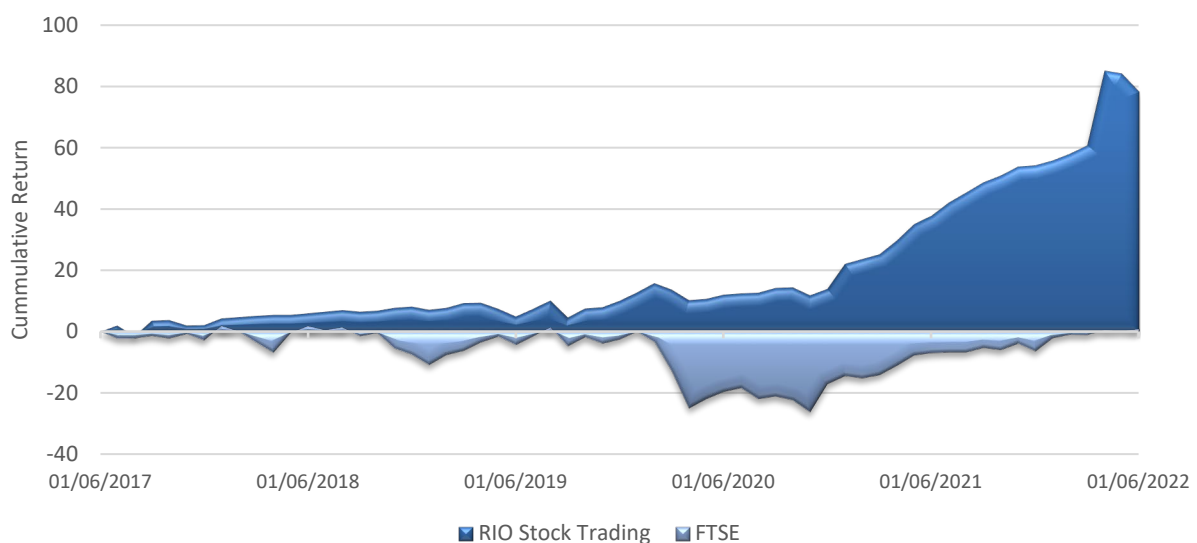




RIO Stock Trading GBP has done exceptionally well over the past 6 months recording a gain of 15.5%, in stark contrast with the main stock markets, which experienced double digit losses. Throughout this same period, the Sterling trading account benefited from holding a larger than average cash position (a safety stance) in preparation for the arrival of the stock market meltdown, which I had forecasted.

Despite the volatility, as I write, the account is currently in profit as we enter the last week of June, I have again sold two positions banking gains and hope to bolster this year's positive performance. The Sterling trading account has produced 29.33%, 58.93, 69.68%, 78.25% and 155.55% gains respectively for the past one, two, three, five and six-year periods, extending its impressive double-digit annual performance to over 6 years.



The 2022 Stock market sell-offs have literally wiped-out gains in over 95% of mainstream equity based mutual funds and left the remaining ones with minimal gains, most of which will barely cover management fees!

For mainstream equity investors the start to the year has been a rough one; the majority of mutual fund managers saw their 2020/21 gains simply erased as global stock markets around the world collapsed. The month of May saw a continuation of the stocks and bonds sell-off. Much like during inflationary cycles, bonds have not been a great hedge against rising interest rates and thus have been the catalyst for individual and institutions significantly reducing their stocks holdings.

Fortunately for our RIO membership, those holding equity funds or direct stocks held outside the protection of The RIO club's umbrella, were forewarned of the impending meltdown, and hopefully have benefited from our insight into the markets; Members who had taken action to reduce their direct stock or equity fund positions for example in a corporate pension, or state pension and had moved into safety on the back of our warning would be far better off this year; sadly in comparison most mainstream equity investors/non-members have suffered as a result of the stock market carnage.

As a multi asset fund manager, well versed in the markets I had responsibly and slowly altered the weighting of RIO's equity investments towards cash during 2021, this was done to protect both RIO Stock Trading accounts in preparation for an impending stock market meltdown. Markets were in a position where stocks were massively overvalued and their inherent risks had increased with valuations at all-time highs; this signaled to me that it was not a time to follow the herd, and instead I pulled back on many of our positions sacrificing some growth but benefiting from a reduced risk.

A wise investor once said: "Be fearful when others are greedy and be greedy when others are fearful". Those were the words of none other than Warren Buffet, chairman & CEO of Berkshire Hathaway and one of the most successful investors in the world. Buffet's words were indeed correct "be greedy during fearful times" or more simply put, "be greedy when markets are falling". I would add a few words of my own - the greedy often become the needy it's not just about making money it's about not losing it!

Click [here](#) to view our most recent testimonial.

Looking back, the lower risk has now proven its worth, the strategy was correct as witnessed throughout the first half of 2022. While the markets sold off, I continued to average into the select stocks at a far lower entry cost, and as usual took profits on any of the equities which had moved to, or close to, the target sell price.

Buying into a falling market can be profitable and can even produce significant gains; Today with much of the UK equities beaten down, and with Sterling arguably undervalued the United Kingdom's stock markets will certainly benefit from foreign capital inflows. Many stocks have after all lost 30% or 40% of their value, some well-established companies; a few of these are good value and many have a healthy upside potential into the next bear market bounce.

Always remembering that stock markets never go straight down, or indeed straight up.

For members who are prepared to accept a higher risk to capital, the stock trading account can potentially offer significant gains.

Finally, a special thank you to those who have commented on the positive performance achieved.

William Gray  
The RIO Club