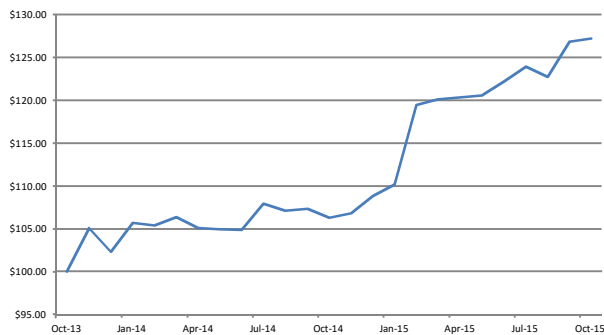


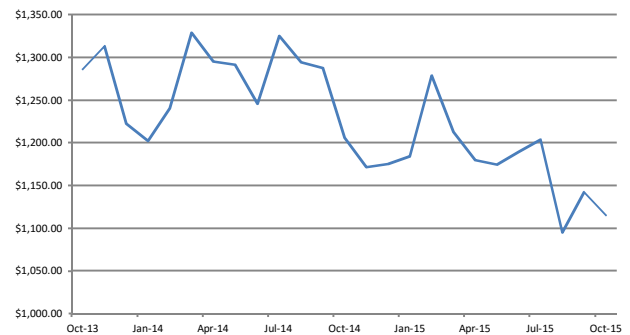


Not all Gold is equal!

Many members have sent emails requesting further comparisons on the ARC versus physical Gold. In several of these emails, a comparison against other gold related investments versus this product has been sought. The two graphs below show the difference in performance between the ARC and bullion bars very clearly, the one on the left being RIO ARC (USD) and on the right physical bullion in kilo bar form. The kilo bar gold is an invest and hold option with no trading. This lack of trading plays a significant role as the RIO ARC Bullion benefits greatly from very active trading in gold coins.



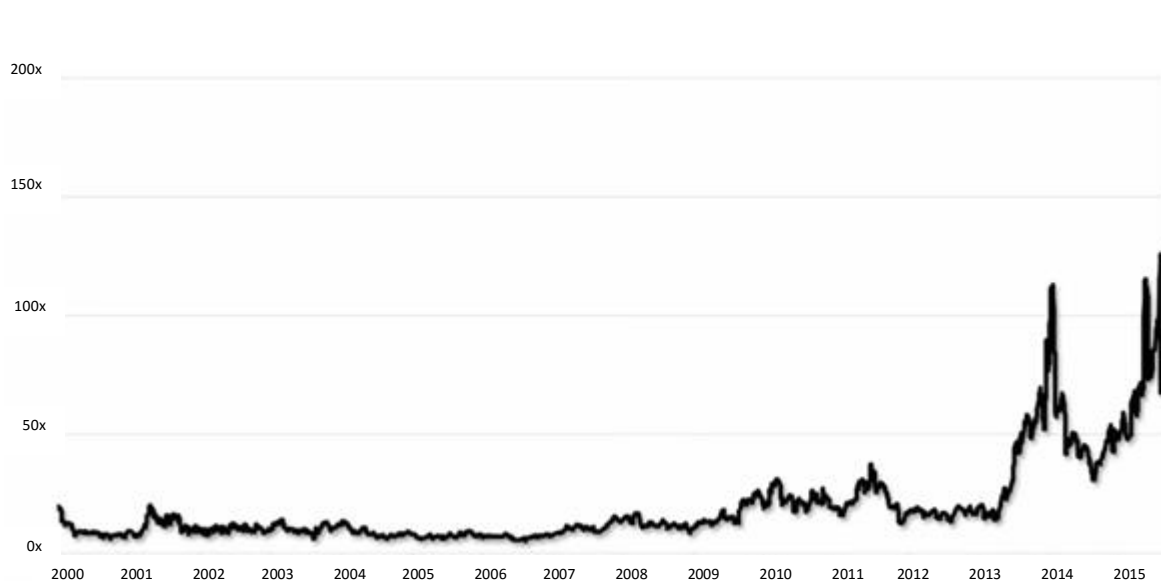
RIO ARC Bullion Account



Bullion as Kilo Bars

To those who mentioned other Gold investments such as an Exchange Traded Fund (ETF) there is no real basis of comparison since Gold ETF's are just pieces of paper. I would point out that not only have they fared poorly in comparison to the ARC but, should investors also read the fine print in SEC filings, it stipulates that these investments could fall in price even while precious metals are rising. It is therefore not a sensible way to consider holding gold and is not an attractive option. Why would investors take additional risk for less potential upside, reiterating that it is just paper gold and many in the business call it fool's gold? Yet there are people unaware of any alternative gold investment. Whoever bought into GLD, a Gold ETF in which there is \$24.61bn invested today, would have racked up a 13.17% loss since October 2013. Comparing this with the ARC's gain of 27.19 % over the same period, and the net result is that the ARC outperformed GLD by 40.36 %.

Clearly physical Gold is vastly different from paper Gold (contracts to own). Take a look at how many COMEX contracts there are per ounce of gold available (COMEX being the primary market for trading metals such as Gold and Silver).



The chart above indicates that there are 228 ounces of gold contract claims per ounce of registered (read: deliverable) gold and that number, believe it or not, is climbing higher.

This recorded position should be a scandal story in the financial press, with 'The Paper Gold rip-off' as the appropriate title perhaps, as demonstrated below.

To be clear, this reveals that there are 228 people who think they own the same ounce of gold — for each of the actual 185,314 physical ounces available on the Comex exchange. Furthermore, the COMEX has reached a record-low of physical Gold (or registered gold) holding, a mere 185,314 ounces. Previously they held between 2 and 4 million ounces, but that dropped to between 500,000 and 1,000,000 during 2014 and early 2015.

That is a record number and no one has queried it. I wonder why?

Further clarity required? Well there are two types of gold on the COMEX; Registered and Eligible.

- Registered: Gold available for delivery into a commodities contract, for sale.
- Eligible: Gold in the vaults, owned by bullion banks, ready to be registered for sale

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