



Investment Manager Comments

The ARC Bullion Account (GBP) recorded a small gain during March of 0.02%, albeit an improvement over the market performance for physical gold, which ended the month losing 0.36%. Looking back, it can be seen that the active trading approach throughout the year mitigated almost all of the metal's downside positions.

The figures confirm that since launch, the ARC Bullion Account has returned 71.24% and by direct comparison, hold-in-hand physical gold returned 22.93%. The Account has surpassed its benchmark return by more than 48% since launch.

The above underlines the obvious; any member considering a bullion investment should invest in the ARC Account, since the active trading invariably outperforms any buy-and-hold investment approach. Since inception The ARC has retained its prime position, and remains the top performing physical Bullion investment in the world based on absolute return in Sterling terms.

Gold - Recent statistics have revealed that China, the world's biggest gold producer, has cut its production, which has fallen by over 9%. This fall in production is important as it is a record drop. To put it in to perspective, this is only the second time since 1980 (37 years ago) that China's gold output has fallen. The important point to bear in mind is that China accounts for 15% of total global output. This has been caused by changes implemented by the authorities in Beijing, who have increased their scrutiny of gold mining operations which, in turn, has led to a few closures of smaller mines in China. The Country's plan to consolidate the mining industry further will be an ongoing process, and will lead to a shrinkage in supplies at a time when demand is rising. This will underpin bullion and provides a positive outlook for gold prices as we move through 2018.

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