



RIO ARC BULLION ACCOUNT (USD)

Investment Manager Comments

The ARC Bullion Account (USD), like its sister Sterling Account, continues to produce very positive results, up an impressive 10.38% in the first eleven months of this year.

On 9th November, I sold 40% of the Accounts gold at \$1,316, taking profits. Following this, bullion prices moved lower as I had correctly anticipated. The correction in the metal's value was due to a stronger stock market performance as a 'risk-off' was in full swing, all on the back of the results of the US elections, and a commensurate strengthening US dollar.

In the end Gold had fallen 7.80% during the month. I took full advantage of the buying opportunity presented, and placed a trade to reacquire the metal on 24th November. With the trade filled the Account had required gold at \$1,187, close to Gold's lowest price for the month. Due to swift profit taking on the 9th and repositioning on the 24th, the Account lost little ground by comparison, down just 4.96%, while outperforming non traded/buy and hold bullion by 2.84% over the month.

Looking ahead short term, I predict a turnaround in gold which is likely to move back into the previous trading range. My prediction is based on the mounting concerns on the looming Italian banking crisis. As uncertainty increases it will likely lead to sharp selling of risk assets, such as stocks causing losses. This will almost certainly prompt investors to run to safe havens such as gold.

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