



Investment Manager Comments

The Account gained 1.38% in January and has produced 57.13% since its launch in December 2014. Accordingly, it remains unchallenged as the top performing physical bullion investment in the offshore market, in Sterling terms.

Gold had seen some short term downward pressure during January, but quickly rallied on the issuing of an executive order by President Trump, which bars citizens of seven Muslim-majority countries from entering the US for the next 90 days. The order also suspends the admission of all refugees for 120 days.

Looking longer term, there are a number of factors which could easily see gold rally, such as the looming Italian banking crisis, which will cause a run to safety assets. Then there is the obvious fact that a major part of the world will change as Trump brings protectionist politics back to America for the first time since WWII.

Another possible catalyst of change is the Brexit issue in the UK. This is causing strong anti-EU and anti-immigration sentiment and leading to hints at a “hard Brexit” which would send gold soaring. Furthermore, this year there are key elections in France, the Netherlands, and Germany, all of which have popular anti-EU and anti-immigrant party candidates. There is even talk that 2017 may be the year that would see the EU start to falter, or even break up, which would see a major run to safety assets such as bullion, not to mention the increased danger from the geopolitical tensions and global currency wars which are heating up.

William Gray
The RIO Club