



Account Manager Comments RIO ARC GBP

The RIO ARC Bullion Account (GBP) has continued its positive start to 2016, posting a net gain of 11.34% in three months. Gold trading volumes had fallen off last month, and I correctly predicted that profit taking would be imminent. Accordingly, 45% of the physical Gold was sold to cash in February.

Bullion had rallied to over 880 an ounce, it was overbought in my opinion. Simply it had gone too far too soon. The metal had witnessed its strongest start to a year since 1974 and in my expert opinion a correction was to be expected. Bullion indeed fell back, and the net result of selling to cash proved beneficial.

On the back of the gold correction 50% of the cash position was reinvested to acquire the metal at £853.41 an ounce on Tuesday 29th March. The sale to cash and reacquisition of the metal also protected the gains of the Account produced in 2015, and made the ARC the top performing physical bullion investment product in the world in Sterling terms. With 2016 producing even better results to date, I have been conscious of protecting as much of the gains as possible, the large move to cash last month still left the account with 53.77% invested to take advantage of the potential for further upside, just in case I had misread the market.

William Gray
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