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ARC Bullion Account (GBP) Fund Manager Comments

Throughout May the Account remained actively traded. I sold 30% of bullion held on 6th May at 893 and reacquired the percentage of gold sold on 12th May, most importantly at the lower price of 875. Following which I sold 15% of the total gold held on 16th May at 890. The point being that I took profits ahead of any Fed comments.

The Federal Reserve sent a sharp, simple message to financial markets on Wednesday 18th May. The Fed is thinking seriously about raising its benchmark interest rate at its next meeting in June. A possible rate hike would unsettle the Gold market and I anticipated gold to move lower, albeit in the short term. My actions to sell 15% of physical Gold on the 16th was justified as bullion indeed lost ground. T

he result of the Fed announcement affording me the opportunity I sought, to reinvest the 15% held in cash and the Account acquired gold at a significantly lower price 823 an ounce on 30th May. At close on Tuesday 31st Gold had already risen to above 840, moving upward from the previously oversold position.

The move to cash and reacquisition of the metal reduced risk by protecting the gains, one reason why the ARC continues to outperform hold in hand bullion. The ARC remains the top performing physical bullion investment product in the world (in Sterling terms). This strategy continues to be successful in terms of the goal 'to make money for members invested.'

William Gray  
Fund Manager