



Account Manager Comments RIO ARC GBP

The RIO ARC Bullion Account (GBP) continues to produce returns that represent a very decent start to 2016, posting a net gain of 11.32% in two months. This month there has been resistance at £870 an ounce which, when coupled with volumes which have dropped off, usually means profit taking is immanent.

Accordingly, I sold 40% of Gold to cash earlier this month, since I expect gold to see some consolidation. I have set a new buy at £840 an ounce, which can hopefully be filled in the coming weeks. Should this order be filled it will average the book cost down and afford the opportunity to outperform in coming months. The above retrenchment is likely given recent gains in Gold which are too much too soon.

The position protects the gains of the Account produced in 2015, which 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 very careful to protect as much of the gains as possible, yet the account remains 53.77% invested to take advantage of the potential for further upside. Although the performance has been well above that expected and, given that this is likely to continue, I would take this opportunity to stress that, in the current stock market free fall, investment portfolio insurance is surely a must. Gold is ideally suited to this purpose.

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Account Manager