



Investment Manager Comments

The ARC Bullion Account (GBP) produced a gain of 24.34% during 2016. It remains at the top, being the top performing ungeared physical bullion investment in the world in sterling terms.

Filed statistics reveal that the Account produced a record one month gain of 12.70% in June. This outstanding performance was the result of correctly predicting the outcome of the Brexit vote, and positioning the Account accordingly.

During December I took full advantage of gold's oversold position, adding bullion to the Account on the 13th December at £912.11. Looking ahead, I expect to see gold move back into its recent trading range in the coming weeks.

As we enter 2017 the Italian Banking crisis is likely to take centre stage. The risk of a disastrous outcome has increased given that the drive in recent months to source a buyer was unsuccessful. With no prospective buyer being found for Banca Monte dei Paschi, the world's oldest bank is nearing a catastrophe; simply put the bank has almost totally run out of liquidity. Such an event would be disastrous for the Italian economy and would almost certainly spark a run to safety and bullion would rally.

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