



Investment Manager Comments

The ARC Bullion Account (USD), like its sister UK Sterling Account, outperformed its benchmark (physical bullion) return in 2016. The Account recorded seven gaining months and five losing months for the period.

The Fed rate hike and strong Dollar put some short-term downward pressure on the yellow metal. However, looking forward I expect to see a rebound as Donald Trump proceeds with his proposed protectionist policies.

This month I took full advantage of gold's correction, investing 25% of cash held on the 15th December 2016, I had foreseen that gold was heading for an oversold position. Having acquired bullion at \$1,137.60, the yellow metal then bottomed out at \$1,124 and, as I had envisaged, became oversold. It subsequently rallied back to \$1,160 by the 30th of this month.

Looking forward, the uncertainty which led to the gold rally in 2016, remains with us and when you add the increased political risks, it is easy to see why there is almost certain to be a rebound in 2017.

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