



Investment Manager Comments

The RIO ARC Bullion Account (USD) continued to produce impressive results through 2017, in doing so fully achieving its goal to outperform its benchmark return, namely physical Bullion.

During December the trading executed produced a positive return of 1.78%, and statistics recorded clearly show that this investment product ended 2017 significantly above its annual target return with a gain of 14.67% in 2017, and 59.22% since launch in October 2013.

This month, having acquired gold on 7th December at \$1,249, using all of the cash held, I closed the position on 29th December, selling the gold acquired at \$1298.02. This both added to the Account's cash reserves and afforded the banking of profits.

The Account was then ideally positioned with a strong cash holding, ready to buy into any weakness seen during January 2018. This is important as I expect a small fallback next month before the metal revisits its recent price range.

There continues to be strong support at the \$1,270 mark, and I would expect to see gold remain in the current range short-term. Looking ahead, as US President Donald Trump increases pressure on North Korea, any misinterpreted move by either side could result in an unforeseen escalation of tensions. In turn, this would trigger a run to safety, favouring gold.

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