



Investment Manager Comments

The ARC Bullion Account (Sterling) has produced a 62% overall increase since its launch in December 2014. These stellar returns place the Account unchallenged as the top performing physical bullion investment in the offshore market, in Sterling terms.

The bullion price will remain supported due to increased political risk in Europe, with two key elections remaining in 2017. The process of France's election is well underway, and has already produced some surprises in round one, although there would appear to be a good distance between the remaining central moderate candidate, Macron, and that of the very right wing, Fascist party, Marine Le Pen, although neither remaining candidate is seen as belonging to a mainstream party. This means that there is change in the political landscape in France, whoever wins.

Germany's election is due later this year, against a background of parties of dissent making gains recently, and the re-election of the incumbent Angela Merkel is far from certain. The political uncertainty across Europe is certain to have a significant impact on demand for safety assets which, in turn, would cause bullion to move higher.

In addition to the above background, there is the fact that, within the UK, there is also an element of anti-EU and anti-immigration sentiment, highlighted by the media. If a "hard Brexit" were enacted, this would impact further on the price of gold, sending it higher.

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