



Investment Manager Comments

The ARC Bullion Account (GBP) recorded a gain of 1.97% during April. This return exceeded the performance for physical gold, which ended the month gaining 1.60%. Looking back, it can be clearly seen that the active trading strategy utilised has mitigated much of the metal's downside.

The figures confirm that since launch, the ARC Bullion Account has returned 74.61% and by direct comparison, hold-in-hand physical gold returned far less, realising just 24.89%. The ARC GBP has surpassed its benchmark return by more than 49% since launch and in doing so it has proven its worth.

Gold - Recent statistics have revealed that China, the world's biggest gold producer, has cut its production, which has fallen by over 9%. This fall in production is important as it is a record drop. To put it into perspective, this is only the second time since 1980 (37 years ago) that China's gold output has fallen. The important point to bear in mind is that China accounts for 15% of total global output. This has been caused by changes implemented by the authorities in Beijing, who have increased their scrutiny of gold mining operations which, in turn, has led to a few closures of smaller mines in China. The country's plan to consolidate the mining industry further will be an ongoing process, and will lead to shrinkage in supplies at a time when demand is rising. This will underpin bullion and it is likely to provide a positive outlook for gold prices as we move through 2018.

William Gray
The RIO Club