



Investment Manager Comments

The RIO ARC Bullion Account (USD) continues to produce impressive results, so far gaining 12.74% in 2017, and 56.53% since launch in October 2013.

The ARC is the ideal choice for anyone considering physical gold as an investment, because the return realized and the risk taken to produce a positive performance dwarfs that of the traditional buy-and-hold investment products touted by brokers. The filed statistics underline that RIO's actively traded physical bullion account produces results that are simply too large to ignore.

Having sold bullion on 18th August at \$1296.90, adding to the accounts cash reserves and taking profits, the ARC was ideally positioned with a strong cash position as we entered September. The metal opened the month at \$1,323 and continued to rally reaching \$1,353 by 8th September. It remained well supported above \$1,300 to the 21st of the month and, accordingly, I was unable to put the cash reserve to good use in the first three weeks. However, gold fell back moving to the previous resistance level of \$1,280. Hence I began to acquire the metal on 28th September at \$1,283 using 10% of the cash held. Should the price breach the \$1,280 level it will almost certainly move lower. That said there is strong support at \$1,265.

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, and in turn a run to safety, favoring gold. Further support for safety assets such as gold comes from the US President's protectionist policies, tactics which have been unseen in the USA since World War II.

All this is set against a background of on-going currency wars, which is resulting in the depreciation of several main stream currencies, which reduces the purchasing power of paper money and underlines the reason to own gold. The geopolitical risk is rising and the smart money has already begun to move into bullion.

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