



To date the ARC Bullion account Sterling has been very rewarding for those invested, producing a 109.58% net gain since its launch. This investment remains the top performing physical gold investment in the world in terms of absolute return generated since December 2014 (it's launch) in Sterling terms. The massive performance is especially pertinent to those invested when you give consideration to the main reason for the establishment of this investment, which is to provide members a degree of investment portfolio protection, and or safety in the form of physical gold. In this case, since this gold is actively traded, the ARC has produced excellent returns for those invested.

## **Gold**

In today's era of renewed political uncertainty, most recently stirred by the United Kingdom's inability to agree how it will leave the EU, which is affecting all areas of the UK economy, it is reassuring that gold still stands tall as a safe haven area for investment.

### **What would happen to Gold values if Labour won the UK election?**

In my opinion a Labour victory is extremely unlikely, but if we did see a Labour Government it would almost certainly drive Sterling down, and this would in turn immediately produce a rally in gold prices valued in Sterling. For example, the day after the Brexit referendum, Sterling tanked and the price of gold in Sterling terms rocketed up 26%, this clearly demonstrates how investing in Gold can and often does protect an investor from political surprises.

A Labour Party victory would also negatively affect the markets, the stock market and housing market would reel from such an outcome. It would in fact be very bad for the UK housing market, as this market is battered down already and stagnant due, in most part, to Brexit and latterly UK election uncertainty.

Gold usually increases in value when other assets fall which benefits those invested in the shiny metal, and a decline in stocks amplified by a fall in the property values would result in a substantial trigger for gold due to its safe haven status.

If you're looking to protect your investments from the vagaries of the political and economic climate, gold is a more than excellent option. In the event of a Corbyn victory, Sterling is likely to fall and the markets will react negatively to the unexpected change in government. Labour policies will impact business decisions, and this will impact the economy as a whole. That said, a Conservative victory won't necessarily result in a calm market, not immediately anyway, due to the pending conclusion of Brexit and the practicalities of the final deal when and if it's concluded.

The take away being simple, gold is a must own in these uncertain times, if anything holding or adding bullion to protect your wealth would be considered by most to be a very a prudent move, it would have certainly benefited anyone doing so in the last three years.

Many governments view buying gold as a way to avoid third party risk, in the first half of 2019, central banks bought 374 tonnes of gold, the highest level of demand since central banks became net purchasers in 2010. They are all well aware that Brexit will bring changes to the UK economy, and with change, of course, comes risk. Gold is a unique commodity, best known for and utilised to diversify risk, offering stability during periods of volatility. Political and economic events such as Brexit breed an atmosphere of uncertainty, which in turn increases demand for gold.

Looking forward, the current Brexit situation is a buying opportunity for gold. If the UK is forced to leave without a deal, Sterling will likely decline, gold is a very effective currency hedge. There could be substantial economic repercussions; from stock market fluctuations to price rises and corporate stagnation which will affect other assets.

The stock market is awaiting direction from the uncertainty surrounding the US China trade deal, add to that the international economic situation which is fueling recession concerns and both could easily lead to a rally in gold.

Gold has also proven to be a useful hedge against financial crisis which could be on the cards in 2021 for a multitude of reasons.

These are only some of the factors which have created a favorable backdrop for gold, the ultimate safe-haven asset.

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