



The RIO Club's latest investment opportunity the ARC (aka the ARK) was officially launched during the last week of October; I was not surprised that this resulted in considerable member interest, which kept us very active. At this point, I would also say thank you to all members who have already completed the appropriate paperwork to enable the processing of an inward investment. Mat in the central office has now begun to process these applications.

The first few tranches of inward investment have been fully processed which legally afforded the opportunity to purchase bullion coins. Hence the ARC is now officially launched and active and as such it will be added to our web site and reporting system from the end of December.

The ARC has been established to offer a superior form of physical gold bullion investment. This product affords members all the benefits of gold bullion investment coupled with the potential to see additional gains above that possible from standard bullion products, which offer investment in gold either through the bullion market or gold bars.

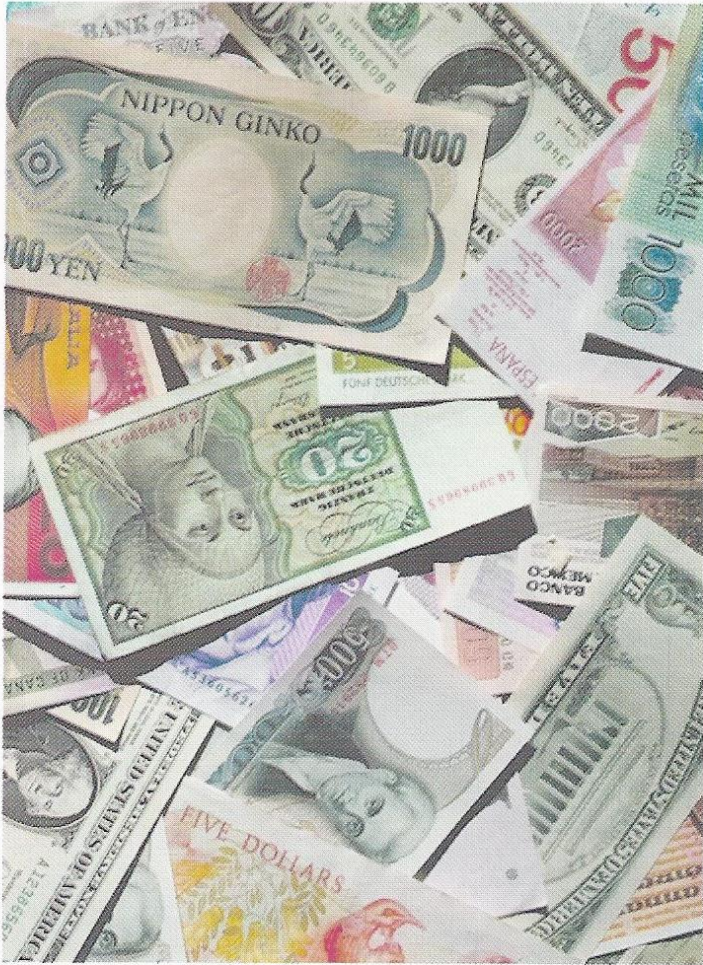
I have become very well known over the years for both the multitude and accuracy of my investment reports written on Gold, some of which have found their way into the main stream media.

Time reflects that I was amongst the first in the investment industry to accurately forecast the arrival of the Gold bull market in 2002 (See article attached). Since then the facts clearly depict that for over a decade, I have both forecast and traded in this precious metal with great success, the above result is perhaps as expected.

My knowledge and understanding of this market has led me into a far more profitable stream, that of gold bullion coins. Over the past twelve years I have executed and closed literally hundreds of trades in Gold bullion, with almost all trades positioned and closing in profit for the RIO Professional Investors Fund.

The experience gained trading this market has been instrumental in both the design and launch of this unique avenue of gold bullion investment.

William Gray
Fund Manager



domestic demand, investment and exports, as well as for financial support for the crucial shakeup of the banking sector. Seoul will boost support for ailing, small and medium firms battling to see their way through a crisis-driven credit crunch. In a bid to bolster domestic demand, the government will expand consumer financing and lower consumption taxes of durable goods, including automobiles and air conditioners.

Japan Steady As She Goes!

The focus of attention remains on the new Prime Minister Mr. Obuchi, but many of the remedial policies he has put forward so far are disappointingly old line. However, the government's proposed Y16 trillion fiscal package will raise growth. The economy continues to be weaker than expected. Q1 GDP figures were particularly weak. Private consumption was flat, implying that the recent income tax rebates were not spent. Private capital investment dropped at the fastest quarterly rate in 33 years and exports fell sharply.

In addition, the yen continues to weaken in spite of a concerted intervention in June by both the US and the Japanese governments. Although a weakening currency is seen as a problem globally, as a weak yen would undercut the Chinese and other currencies, nevertheless it has certain advantages for the Japanese, especially enhancing their export sector.

The RIO Corner

RIO Club members are scattered all around the globe. When one considers that membership is available through referral only, it is reassuring to see that other members have invited their friends and colleagues to join the club. Viva la RIO.

Gold To Shine Again

Before the dollar loses too much of its value, this may be the time for thoughtful investors to take advantage of the high dollar to buy safe haven real estate outside the US. It is possible for club members to apply for a share holding in The RIO Property Group which would offer club members an opportunity to enjoy a steady investment performance produced from a guaranteed stream of rental income from first class corporate tenants.

The same reasoning suggests that now is an excellent time to buy gold and depressed gold mining shares. The dollar is helping to transmit deflation throughout world commodity markets. When the dollar begins to sink under the weight of the US current account deficit, the deflationary squeeze will be at least temporarily eased. Or to put it another way, the markets may then start seeing through the deflationary vortex clearly enough to recognize the safety value of gold. A rise in gold prices is a leading indicator for a rise in other natural resources.

Korea starts to move

South Korea unveiled an emergency stimulus program worth billions of dollars, to lift the sagging economy. The market boosting measures include plans to shore up

