Regular Investment Account Manager Comments

The Regular Investment Account continues to add to it positive returns in 2016, with three consecutive months and a net gain of 6.90%. This is despite the stock market collapse at the beginning of the year with the first two months of 2016 being the worst start to a new year in market history (since 1927).

To put this in perspective, the Dow has produced 1.5%, the S&P 0.78% whilst the FTSE has lost 1.08% of its value in the past twelve weeks. The remainder of the Tesco stock was realized on 16th February at 180.55. Since then, Tesco has continued to rally and even reached over 200 before falling back to today's value at 191. The good news is that the Account no longer owns Tesco stock. It was becoming, and is now, overbought. The proceeds were used to acquire Royal Bank of Canada at 52.23.

The stock rose to 57.45 on 22nd March, that being so I sold just over 75% of the position to lock in gains which has had a positive effect on the valuation this month. Finally, Baker Hughes. The holdings in this stock were cut to under 10% of the Account on 3rd March with a sale at 46.55, one reason for this is that all three of our anylists had concurred with me that there was further down side likely.

This has proven to be the right short term move as the stock has fallen back to 43.91. The proceeds from Baker Hughes were used to acquire Seabridge Gold at 13.36 on 24th March, this stock has since increased in value.

William Gray
Account Manager