



Investment Manager Comments

The RIO Regular Account (GBP) produced a further gain in June, as all trades closed in profit.

Notable trades executed in June –

Stobart stock (ticker symbol STOB) was acquired on 1st June. The opportunity came as our analysts identified that the stock would fall back to 214.00, since at the Board meetings on the 29th it was confirmed that the leadership of the company was divided. This provided a buying opportunity since the stock had entered a technically oversold position, resulting from the Board shake up. This stock was held for a brief seven days, before selling 100% of the position on the 7th June at 233.00 when the stock recovered, with profits taken and capital once more put into safety. British Petroleum was bought at 559.50 on the 21st June, and subsequently sold on the 29th at 578.30, netting profits for the Account.

Brexit –

The British government's seeming inability to present a unified position on Brexit remains a major source of uncertainty. This is contributing to the weak GBP/USD narrative. But with the 6th July just round the corner this may bring a change in the status quo, given that the UK cabinet plans to retreat to the official country residence of the Prime Minister in a final attempt to barter what the UK is seeking to achieve in the Brexit negotiation. However, the current status continues to create several opportunities to trade stock on the UK market. In US terms this is certainly an undervalued market.

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