



The Regular Investment Account USD gained 0.41% during June, the fifth gain filed in 2024, but it's the consistent positive performance over the years which has made the Regular account popular with members.

Investment is not just about gains, but equally about limiting the potential loss, this is achieved by constant repositioning and the use of professional investment tools which can tailor stop loss positions. The benefit of prudent repositioning was most recently best typified in 2022. In that year almost every other investment company was overweight in equities. I had positioned the account to be underweighted in equities; the reason for this was simply that I had forecasted that a market crash was imminent. The safety stance both avoided losses and, more importantly, retained the annual gains to date. The risk limitation becomes clear when one considers that around 95% of equity funds suffered double-digit losses during 2022. Comparatively, the Regular Investment account ended 2022, posting a 7.11% gain. That says it all! A loss of 15% requires a 30% gain to return to the original position - this often drives investors to take additional risks and again this can lead to further losses.



Performance for calendar years (%)

The smart move for most would be to avoid mainstream equity investment companies, this is especially true if you are nearing retirement. Most of these companies tout such products in wrappers which are sold by brokers. RIO are not brokers, we are a private investment club which is renowned and well respected due to its thirty-year track record for producing reasonable gains, but more importantly we have also done rather well at loss limitation over the past three decades.

The Market

Many remain blinded by the allure of the first half of the year, comforted by the numerous record closes for stocks, easy times. Recently the main concern was how much technology stocks were gaining and how much the Federal Reserve would cut interest rates in the future. But as a seasoned professional I would say that there are already warning signs and the current political backdrop will make for uncertain times.

The presidential election is five months away and its already a fiasco. This was in evidence last week when President Joe Biden's performance at the first debate on Thursday evening said all that needed to be said.

Personal consumption expenditure figures were really good, in fact they showed that disinflation is continuing and the Fed may actually get around to rate cuts after all. Even so the debate helped push stocks lower on the final day of the week, the last day of the month. Democrats may or may not elect to replace Biden, the chances are that this will add to uncertainty in what's shaping up to be a very close race for the White House.

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