

THE RIO CLUB

RIO REGULAR INVESTMENT ACCOUNT USD

12 February 2020

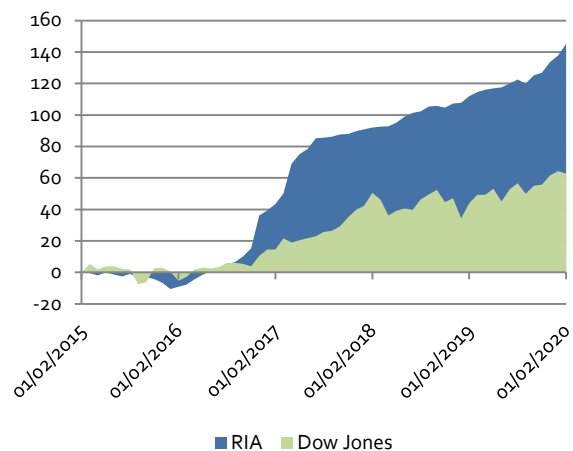


The RIO Regular Account has started 2020 on a positive note, up 3.10% in January. The gains are to a large degree the result of December's prudently positioned trades, for example, I had acquired Lockheed Martin stock for the account on the 6th December at \$386.86. I then successfully sold 100% of this position on the 14th January at \$416.14 taking profits.

January's trades included Elite Systems, bought at \$158.28 on the 3rd January and sold on the 6th January at \$163.18 again closing 100% of the position and moving the original capital plus profits back to cash.

Another very notable trade was Virgin Galactic, this was the first time I had bought this stock for the Regular Account. That said, I am very familiar with this new listing, VG became the world's first space company to list on the New York Stock Exchange when it listed in October last year. The space industry is at present a multi-billion dollar industry but looking forward it is widely believed that the space industry will become a trillion-dollar industry. RIO had been following Virgin Galactic's progress for over a year prior to its listing, and last year launched 888 which carries a strong weighting to Virgin Galactic stock. That being so I have bought VG stock several times in recent months for 888. During December I acquired a position in VG stock (ticker symbol SPCE) for the Regular Account, the stock was bought at \$12.83 on Thursday 9th January. This was a very profitable trade for those invested as I sold 65% of the position on Tuesday 21st at \$16.70, taking profits.

I have often heard comments that the three year returns of this investment are the envy of many in the industry, the gains are a result of the active trading which has produced 70.89% over the period. This performance is even better represented when shown in direct comparison to that of the benchmark (the Dow Jones Industrial Average) which produced 43.45%; a respectable return but far less than that of RIO. I stress this fact as I am sure that many members may be surprised to know that most money managers fail to outperform their set benchmark return.



An even closer look at the filed results, may even confirm what should in fact be common knowledge, there are very few stock related investments, if any, which come close to the three year statistics of this high risk investment. Hence to date this investment product is in a class of its own, recording 34 gaining months and only 2 losing months in the period. These statistics have lifted the RIO Regular Account to perhaps one of the least volatile stock related investments in the world.

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