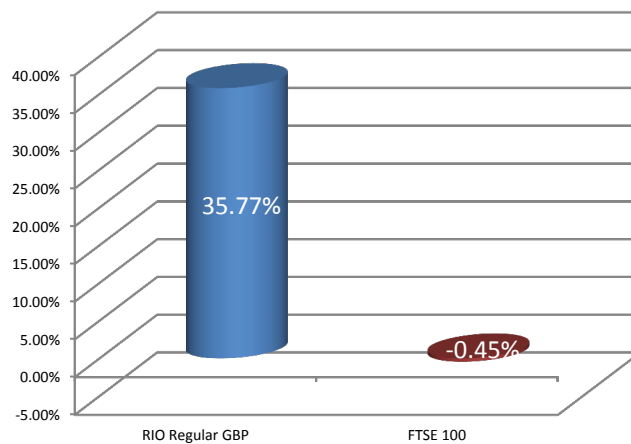




Investment Manager Comments

During September the Regular Investment Account (GBP) reported its ninth gaining month of 2018, up 0.42% and it has already proven its worth to RIO members. Since launch the Account has recorded only one losing month. The total return to date stands at 35.77% and both the short term strategy and active trading have proven their worth.

As for trading during September all trades placed were closed in profit, below are two notable examples;



I acquired National Grid stock on the 24th September at 775.20 using 15% of cash held to place the trade. On the 28th September I closed the entire position at 790.10 taking profits and capital to safety. Although I was very familiar with the stock given that I have traded it long ago, this is the second time which I had actively traded it for the Regular Account.

I acquired Barrett developments stock on the 4th September at 535.40, investing 15% of cash held in the position. I was able to close 100% of the position on the 18th taking profits and capital back to safety.

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 to date. However, this situation continues to create several investment opportunities to trade stock in the UK market. Today, in US Dollar terms, this is an undervalued market.

We are just entering the month of October, and I am sure members are aware of October's reputation as one of the notoriously risky months to speculate in stocks. Given the current status quo on the world wide political arena (Brexit, Italian debt fiasco and the US trade wars to name but a few) coupled with the stock markets current valuations, personally I would not be surprised if we witnessed some fallout and a correction from current highs.

The account continues to outperform its benchmark return namely the FTSE 100 which has produced 1.86% in the past 12 months, in direct comparison the Regular Account has produced a gain of 27.32% in the same period.

William Gray
The RIO Club