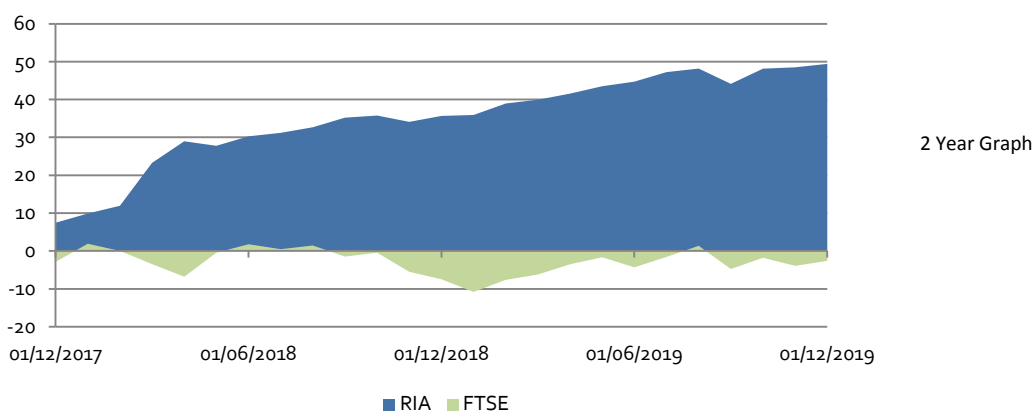




RIO REGULAR INVESTMENT ACCOUNT GBP

The account continues to benefit from the trading opportunities in the lead up to the UK general election, posting a gain of 0.61% in November. It has recorded a net gain of 39.04% in the past two years and 49.41% since its launch in June 2017. The UK stock market now offers a massive opportunity to trade given the ongoing political upheaval in the UK. Even so, many investment companies have missed out as money managers around the world have stayed away from British equities. RIO did not bypass the opportunity presented by Brexit, and certainly won't ignore the massive investment opportunities surrounding the upcoming UK General election.



Some recent trades

A stock which I have recently added to the accounts stock selection is British American Tobacco, which I acquired for the account at 2702p only weeks ago. Our analysts had highlighted to me that the company had what represented a very good performance in the second half of the year, the tobacco giant, has since announced that it expects to report strong results in 2019.

Shares in British American Tobacco have rallied as I had anticipated, climbing by over 3% to 3080p on Tuesday the 26th, that being so I sold 75% of the position. Importantly, taking profits, and moving both the original capital and profit back to cash as we prepare for December.

I bought Barratt Developments plc stock on 8th November at 626.80 and sold 100% of the position on the Tuesday 26th of November at 668.80, that done profits and the original capital have been moved back to safety. I have become very familiar with Barrett stock given that I have been trading this successfully since the inception of the RIO Regular Account Sterling.

UK Election news

The opinion polls as expected have the Conservative Party in front, with a nine-point lead over Labour. However, with almost two weeks until Election Day it is not all said and done.

Personally, I would predict a conservative victory which will be very good news for Sterling. Should Boris secure a majority then we will almost certainly see Sterling rally above the 1.31 mark, in fact I would predict that a move to 1.32 would be almost a given. After all, the once mighty Pound has

remained undervalued for near three and a half years due to political uncertainty which still surrounds Brexit; this fiasco has plagued the UK market. It would be good to get some momentum on many stagnant issues.

What would occur if the Labour party won?

Historically stock markets have favored Conservative governments according to a 1998 paper in the journal Applied Financial Economics which examined the markets over almost half a century. Of course I am not suggesting that the UK stock market haven't posted gains under a Labour government, but today the market is factoring in a Conservative victory and a shock Labour party victory would almost certainly see stocks lose ground. For those analytically minded members the facts above are also borne out by more recent elections.

An open market capitalist Conservative government is preferable for businesses, to one with socialist and union tendencies which are viewed as less friendly to industry. Importantly I am more than prepared for the upcoming UK election and being an events trader, I am very experienced at successfully trading elections. I predict that those invested may get a Christmas windfall.

As we are swiftly approaching 2020 I thought it would be appropriate to mention to all members that next year will mark my twenty fifth year in trading and the RIO club's 25th anniversary.

William Gray
The RIO Club