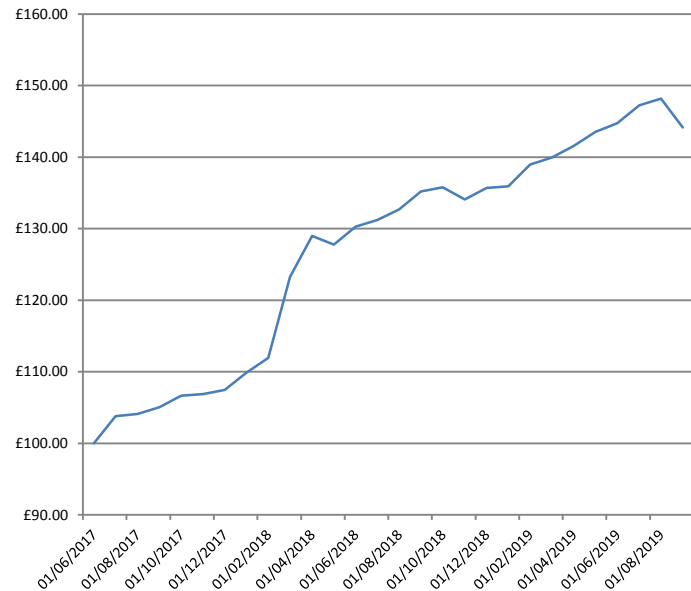




The RIO Regular Investment Account (GBP) has proven itself worthy since its launch in June 2017, posting a net gain of 44.14% in the ensuing short period. This, as with any investment, has not been achieved with straight line growth. The track record of this particular investment to date is outstanding especially given the negativity caused by Brexit which has often plagued the stock market. Despite the volatility, the Regular Investment Account recorded an impressive 25 gaining months, filing only 3 losing months. During the August the Account recorded a loss of 2.73%, this due to the turmoil which pushed the FTSE 100 to a loss of 6.05% in the same four weeks period.



Since June 2017 the Accounts benchmark, namely the FTSE 100, has lost 4.76%. During the same period RIO banked gains for those invested of 44.14%; this underlines my point that active trading can, and in this case has, far out performed the run-of-the-mill buy and hold strategy.

### Performance and benchmarks

Most, if not all, money managers naturally seek to outperform their benchmark return and as I am sure members know, many managers fail to do so. Statistics show that for those who do manage to do this the margin of outperformance is generally small, maybe 1-2%. The point is that the performance delivered by Regular Investment Account is rare, and simply exemplary. It may come as no surprise that overall the account is now ranked in the top 5% in its category. This investment has in the past two years had almost no volatility, and delivered a return which is near to ten times better than the return of its benchmark.

### Looking ahead

The Regular Investment Account will benefit from the large amount of money hunting for bargains. This has already begun, as investors from the US and Europe are buying both the GBP and into the UK stock market, where many stocks have fallen to a 'buy' position. Sterling's value, just a few days ago, made this market look very attractive.

Today the Pound has recovered some ground, just as I had predicted in my Managers comments at the end of last month. However, I would point out that the pound still remains very much undervalued as a reserve currency, at present hovering at values unseen in decades.

That said, it is important to remember that the negative volatility that the pound has endured due to all the Brexit drama will end. Every time Sterling has moved below the 1.20 mark it sparks a wave of foreign investors to move out of US Dollars and Euros, with a significant percentage of this money targeting the UK's undervalued stock market.

**Will history repeat itself to the benefit of those invested?**

I would bring members' attention to the fact that this is nothing new; it has happened many times before. In fact the best performances for UK equities, relative to worldmarkets, have occurred when the pound has rallied from depressed levels. It may surprise members to know that this occurred before during 1976, 1985, 1992 and 2001. History commonly repeats itself. So, as the Brexit fiasco ends, the outcome could be very rewarding for those invested in the RIO Regular Investment Account.

William Gray  
The RIO Club