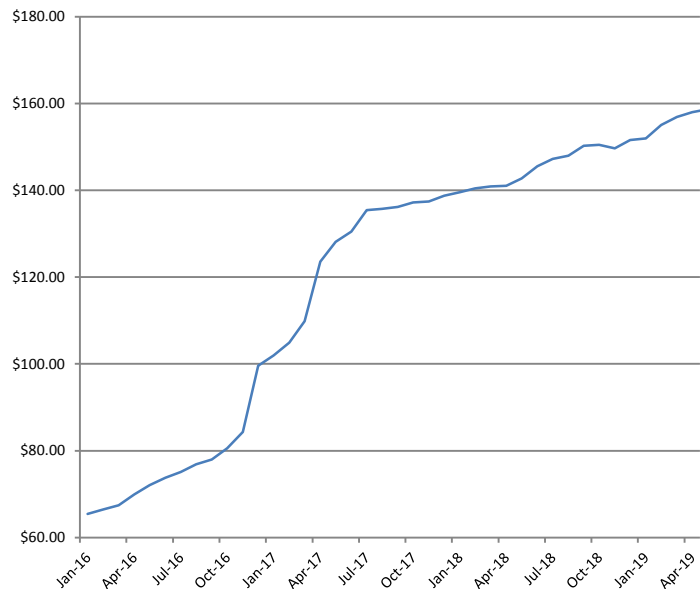




RIO REGULAR INVESTMENT ACCOUNT USD

Since changing the investment strategy in January 2016 this Account has performed very well, producing and filling impressive returns. The record shows that RIO recorded 42 gaining months, with only two losing months over the period. These statistics have helped propel the Regular Account to the top of its category and this investment product is currently considered to be one of the least volatile stock-related investments in the industry. However, when reviewed separately the return produced, namely 145.90% over the past 44 months period since the strategy change, then the Account sits in a class of its own.



During August, a small loss, down 1.13%, occurred. This was simply due to the unfavorable market condition over this period. The Dow Jones lost 4.27% in the same month. Currently the risk reward ratio stands at an impressive 16.05 to 1; to put this into perspective, above 6 is considered by the industry to be very good. By comparison, the Dow's risk reward ratio 2.16 to 1, a very stark contrast. Those invested have benefited very significantly from the returns produced, but perhaps most importantly they have been exposed to far less risk, than that which one would be expected to take, for the return delivered.

How has this been achieved? RIO's analytical team and I have fine tuned our selection process to look for certain signals, following which I review any additional stocks which may have been identified, scrutinise the analysis, and vet each possible stock prior to making the final buy decision. Obviously no strategy is perfect, but to date it has proven to be successful.

Perhaps most remarkably, the trades placed often took 20 days on average before profits could be taken and realised. Unlike many managers, I find it easy to close positions, take profits and return to a safety position. It's important to remember that stocks never rise in value in a straight line. They rise, and they fall, volatility is a given. That said, I dedicate many working hours, putting in an immense effort to limit the negative impact of volatile situations.

One thing I do not do is stand around idly invested in the market year after year, hoping that the stocks which had been acquired for those invested will go up in the long run; in today's market that would be unwise. There is no substitute for hard work and vigilance!

Looking ahead, September is generally the worst month of the year for stock markets, (during September 2018, stocks fell by 17%). This following a particularly bad August which indicated a mixed position on projections, compounded by some data which could be read as a slowing US economy, this has already unsettled many main market investors.

That said, the Regular Account has started this month well, I have already taken profits on two trades, both the original capital and profit have been moved to safety. Basically, this action lowers the risk as we move through September, I am ready to buy in to any stock market sell-off.

Looking beyond September, I have noticed that some early indicators have already begun to portray a picture that would suggest that the US market could be heading in to a bull run as we move towards the holiday/ festive season and the end of 2019.

William Gray
The RIO Club