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## RIO REGULAR INVESTMENT ACCOUNT USD

The RIO Regular Investment Account (USD) has recorded another positive month, up 0.35%.

This is the twentieth consecutive gain since the trading and investment strategy was revised. Perhaps as one would expect, I have been inundated with positive comments from members all of whom have been more than happy with the back to back gains. It can also be said that this investment continues to be the envy of many in the investment industry, especially given the returns produced in 2016/7.

RIO has significantly outperformed the returns produced by the Dow Jones, which remains the benchmark for the Account. During the past twenty month period the Account has produced an impressive 108.17%, and I have received many comments on the fact that this actively managed and traded investment continues to break all previous RIO's stock related investment returns.

My only comment is that I have always given my full attention when trading. That said, today armed with more than two decades of experience has taken me to an advanced level, this has helped identify stocks a less experienced trader would perhaps overlook, having the skill set to focus on my developed skill as an events trader, a selected stocks which would likely benefit from recent political changes in the USA. As always full advantage has been taken of the overall positive backdrop for assets in late 2016 and early 2017, which helped bolster the returns delivered.

I find it strange that many could not see the major change coming in November 2016, and the investment opportunities which this change presented. 2017 has been overall positive, Interestingly, a measure of the volatility for assets traded by RIO and currently promoted in Club investment products remain at historically low levels. In short, we have done very well, and this has been reflected in the upturn in RIO membership referrals, to be precise the introductions of friends and family to the membership by current members is up over 54% on last year and rising, and as a direct result we have seen an upturn in investment capital under management.

In summary, equity markets have led the way. As to why this occurred and what are the current policies of central banks, the fact is that we have had a bullish global backdrop with most, if not all, of the major economic powers in an expansion phase. This can easily be seen in the OECD; for those members interested this is the global leading economic indicator index, which has increased at a faster rate throughout 2016/7.

Looking ahead, the bravado which elected Trump may turn out to be false, if he fails to achieve any repeal to Obamacare, or tax and fiscal spending amendments. However, during this same period the Fed has raised rates three times and will look to do so again, before end of this year. Importantly this was not because of a sharp rise in inflation, but most likely from the expectation of a tight labour market and growing economy, since investors have climbed on board with the belief that the US economy can withstand a tighter financial market condition. Most likely is a return to a more conventional monetary policy, but this change will not come without problems.

### Notable trades closed during August

Lockheed Martin stock was acquired on the 1st August at 292.79, and subsequently sold on 14th August at 307.05, taking profits.

Boeing stock was sold on Tuesday the 15th of August at 237.46, the stock had been acquired on the 11th July at 212.31, again with profits being taken.

The above stock have a common trait in that they are all actively traded, none bought and held.

Trading in today's market is infinitely better suited to trading, than adopting a buy and hold strategy or as I like to call it buy and lose. Simply put, members should note that trading takes a significant amount of time and effort, no dedication- no result! I dedicate many hours a day to trading and although its more work, importantly trading the market is especially suitable should one seek to limit risk taken.

It is still important to realise that The Regular account is a high risk investment, all given that it has produced an exceptional result to date.

**William Gray**  
**The RIO Club**