THE RIO CLUB

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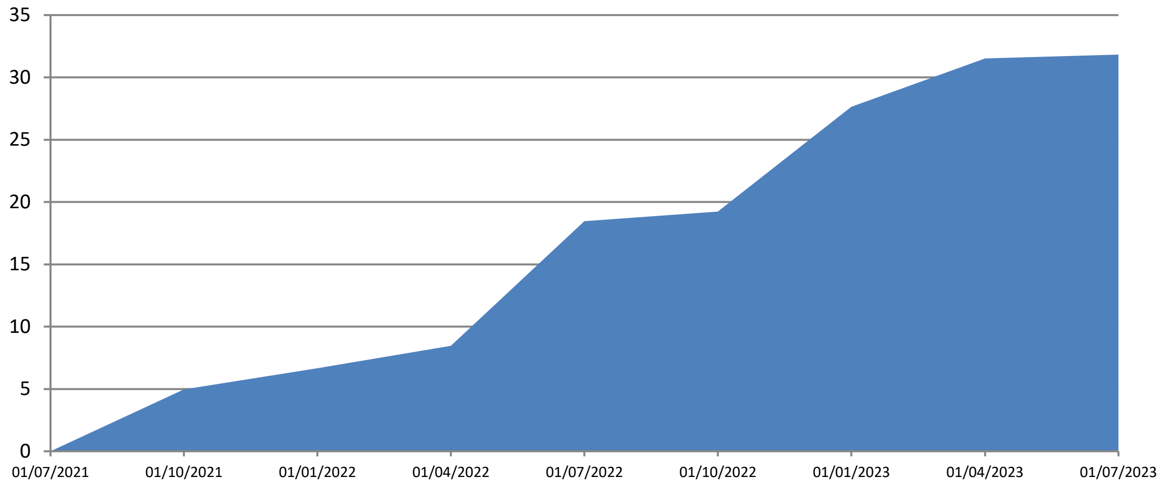
RIO SMART MONEY

RIO Smart Money has gained 0.24% in the second quarter of 2023 and the investment has filed eight consecutive gains. Even more compelling is the fact that this investment has, since inception, registered a net gain of over 31%, which when you consider the recent EV sector's volatility the return could be seen as outstanding. The constant performance stands as a testament to the unique investment strategy employed, to date this has both avoided losses and proven profitable, which is reflected by the recorded statistics.



This quarter's return can yet again be attributed to NIO stock, which was sold on the 3rd of April at $9.80 a share, subsequently reacquired on the 6th of June at 7.68 before selling again on the 14th of June at 9.05.

NIO rallied and gained momentum following China's announcement of an extension to the new energy vehicle purchase tax exemption until 2027. China's Ministry of Finance confirmed that this extension would remain in effect until the end of 2025. Furthermore, the government revealed that from 2026 to 2027, a reduced tax rate of 50% would apply to NEV purchases, with a maximum limit of 15,000 yuan per vehicle. These incentives are expected to benefit domestic players, particularly NIO, which utilizes battery-swapping technology, enabling separate invoicing for the vehicle and battery prices. Things are improving for NIO, who also announced a significant investment of over $700 million from CYVN Holdings, a fund owned by the Abu Dhabi government.

EV related news

NYSE: NIO and several other Chinese stocks are trading higher after Chinese Premier Li Qiang said the country is still on track to reach its 5% annual growth target.

According to Reuters, Chinese Premier Li Qiang announced that China intends to enhance demand, stimulate markets, foster development, accelerate the green transition and open select sectors of its economy to international participation.

MG Motor, owned by Chinese company SAIC Motor, announced a new leasing offer whereby drivers in France can get for 99 euros ($107.6) a month its MG4 electric car, matching a scheme the French government would like to see benefiting cars made in Europe.

The offer runs from July 1 to August 31 and is made with MG Motor's French banking partner Credit Agricole (OTC: CRARY) Consumer Finance. It is based on people getting a "super bonus" incentive of 7,000 euros for low-income buyers and also includes a 2,500 euros public aid paid in exchange for scrapping an old thermal engine car.

The brand calls it its "social leasing" offer about a scheme the French government is working on to make electric vehicles more affordable. It has been delayed several times because the French authorities fear it would benefit mainly Asian brands.

According to a government source, it should be unveiled later this year and implemented in 2024, when the first European-made affordable electric cars will come to the market, such as the Citroen e-C3 from Stellantis and the Renault R5.

The MG4, imported from China, was ranked as the 5th most sold EV in France in May, according to the French electric mobility association Avere-France.

In the UK government has commented that combined funding will support installing tens of thousands of new chargers nationwide to support the growing number of EV drivers and encourage others to consider making the switch. The government has also reaffirmed its commitment to end the sale of new petrol and diesel cars and vans by 2030. The EV market in the United States has seen sales increase by close to 45% every year since 2016. The tipping point in EV adoption occurred in the second half of 2020 when EV sales and penetration accelerated in major markets despite the economic crisis caused by the COVID-19 pandemic. Europe spearheaded this development, where EV adoption was 8% due to policy mandates such as stricter emissions targets for OEMs and generous buyer subsidies.

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