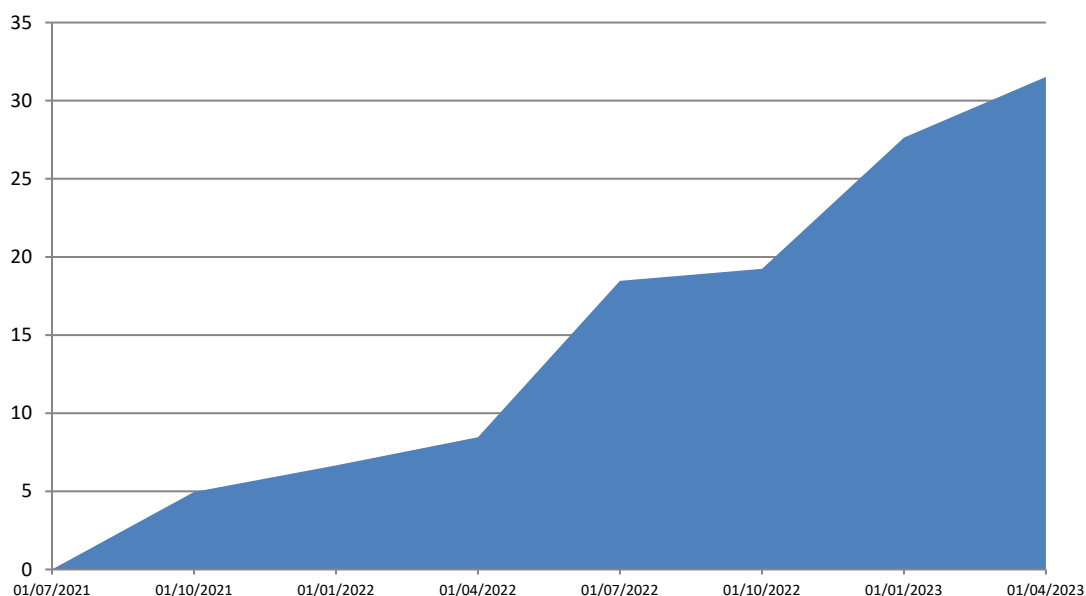




RIO Smart Money has gained 3.04% in the first quarter of 2023. In doing so, this investment recorded its seventh consecutive gain since launch. Additionally, the account has made gains of over 30% since launch, which is excellent considering the EV sector has been very volatile.

This quarter's return can again be attributed to NIO stock which I acquired on the 13th of March at \$8.50 a share, I subsequently sold 100% of the position on the Tuesday the 18th at \$9.71, banking gains for those invested.



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.

In 2021, there were discussions on the ending of new internal combustion engine vehicle sales. These talks resulted in issues of new targets in the European Union, and the United States now aim for an EV share of at least 50 per cent by 2030.

EV news

New legislation has the potential to reshape America's auto industry, the first part of this new law has to do with EV tax credits and the second has to do with EPA tailpipe regulations.

Almost since the get go the US government has incentivized the purchase of electric vehicles via tax credits. These credits were rather broad and applied to a wide-range of vehicles. In short the government simply wanted people to buy EVs. Who built the EVs or where their critical materials came from seemed irrelevant, the government seems to have its eyes on this now though.

Why? Well today EV sales now account for near 10% of the US markets total auto sales, so the industry is growing, and is steadily picking up steam. Many EVs are built in China, so the US government are now very much considering where vehicles are made, and where the materials to build them comes from. In fact in recent months, the US Treasury Department have been very busy redefining the nature of EV tax credits and now have incorporated the origin of EV materials into the Tax calculation.

This week everything went in to law, that being so the US Treasury Department has now underlined that fact that only fully built in the USA EVs get the full tax credit. Everything from battery mineral extraction to EV assembly must be done in the US or an allied nation in order for that EV to get the full \$7,500 tax break.

Basically if EVs don't meet those standards then it changes the game significantly.

EPA's new regulations will accelerate the adoption of EVs in the US

The regulations announced in Detroit this month target specifically tailpipe emissions, the EPA are mandating that all fleets reduce carbon emissions to 82 grams per mile by 2032, which is about 75% lower than the 347 grams per mile of CO2 emissions that fleets averaged in 2021.

The US government was previously targeting 50% EV adoption by the early 2030s. The EPA commented that these new regulations will now help speed the adoption and amplify the number of EV's adopted.

In short the legislation could ignite the EV market.

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