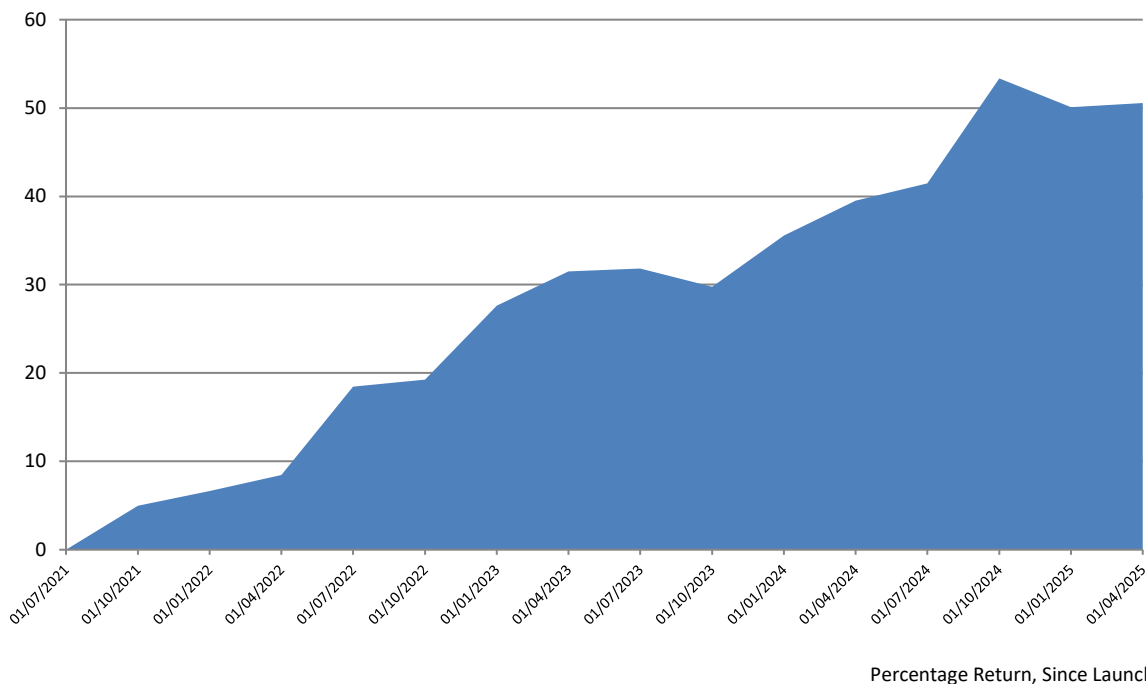




Looking back to March, despite tariffs and the fall in car manufactures stock prices, early gains meant that Smart Money filed a modest positive return. The account continues onward and upward, having filed over 50% gains since its inception.



Those who are invested in Smart Money will know that the account has continually traded NIO stock since 2021. It's important to state that prior to the recent stock market sell-off our analysts had already begun re-evaluating this stock and its short-term potential, shares in the company fell sharply on Thursday the 27th March following NIO's announcement of a proposed offering of approximately 118.8 million shares, representing 5.4% of its total outstanding shares. It was this announcement that pushed its US listed stock to fall over 7% in premarket trading. NIO stated that the proceeds from the offering would be used for research and development of smart electric vehicle technologies and new products. This came after NIO reported a worse-than-expected fourth quarter result and also filed a weak guidance for the current quarter

On a positive note, NIO delivered 72,689 vehicles in the quarter, marking a 45% increase from the previous year, although a strong number, this had fallen short of the expected 73,207. We bought back into the stock on 4th April as the car maker's shares have fallen over the past month.

This week Smart Money has added AI stocks, this to take full advantage of the coming AI boom.

We are totally focused on defence companies who already have excellent revenue visibility, and who are involved in the construction and maintenance of classified US defence systems. For the most part we are focusing on companies with a proven track record of capturing a large portion of the value they create for the benefit of shareholders.

The opportunity is perhaps obvious as there is massively increased expectation for the export of military orders, this just adds to the upside potential. Research indicates that the orders are on the way and following approval on national security grounds, in the coming weeks we are likely to see the mainstream investment market news cover this story.

One of the companies identified in our search has partnered with SpaceX to develop Starshield. It's a purpose-built satellite constellation that delivers disruptive military space capabilities to US and allied governments. Combat Aircraft (CCA) program is to involve AI and autonomous flight technologies, this is one sector which is forecast to see massive growth.

AI, and autonomous drones will play a critical role in the coming militarily revamp.

There has been many retail investors and investment companies buying European defence company stocks, but simply put that's not where the real opportunities are. European contractors do not dominate the market for specialist satellites, electronic warfare, and AI drones. Therefore the US has competitive advantage in these critical fields. The USA has the largest market share, and are a leader in the arms trade.

The Ukraine War has shown that AI drones, or unmanned aerial vehicles, are critically important in today's warfare. Without doubt it is these drones which have forced armies to make strategic changes to battlefield tactics and strategies.

Finally, the well reported stock market sell-off opens the door to average in to the defence contractors we have selected.

William Gray
The RIO Club