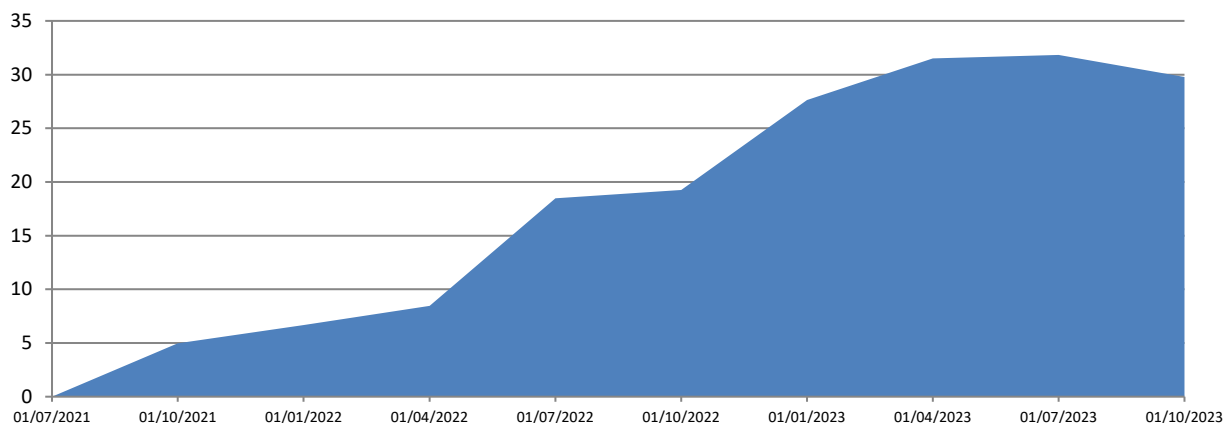




RIO Smart Money's unique investment strategy, which has been employed since launch, has undoubtedly assisted in avoiding loss, as the recorded statistics reflect. This investment had posted nine consecutive gains to the 1st of August, with the only losing quarter filed in the third quarter 2023.

Statistics show that since its inception, the account has registered gains of 29.78%, which is excellent considering the EV sector's performance and volatility.



Looking back Smart Money has continually traded NIO stock successfully and currently holds two open positions in this equity. NIO has gained momentum following China's announcement of extending the new energy vehicle purchase tax exemption until 2027. China's Ministry of Finance confirmed that this extension would remain effective until 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 exploratory talks with Mercedes-Benz for a tie-up that would see the German automaker invest in the Chinese electric vehicle start-up in exchange for sharing its technology and research development capabilities with Mercedes, said the sources.

The Market - Facts show that the multi-trillion dollar auto industry continues its push forward with more electric vehicles produced and sold. The uptake is indeed global EV production is surging, and many more carmakers have awakened and joined the EV race. Despite the difficult circumstances created by the pandemic and the global microchip shortage, electric vehicles made another giant leap forward in many countries in 2022.

A recent report published by Bloomberg showed the strength of investment in the energy transition. The reported statistics indicated that annual spending on passenger EVs hit \$388 Billion in 2022; more important is that this number had risen 53% from the previous year. The fact that EV sales this year have already topped USD 1 Trillion may be no surprise.

The United States auto industry also received an incentive to shift to EVs with a twelve Billion dollar shot in the arm from the United States government. The funding will help automakers retrofit factories to produce EVs. For those interested there are currently 47 different EVs on the market in the US.

As this industry grows, it creates exciting opportunities to profit.

We traded China's BYD (OTC: BYDDY), and they are ranking second to the Tesla EV. BYD sold 751,600 EVs during the first six months of 2023. That puts BYD approximately 170,000 EVs behind Tesla. That said, recent US legislative changes have meant that EVs must be produced in the US to get the tax credits. This, for now, has precluded Chinese companies like BYD and NIO (NYSE: NIO) from entering the US market. Even so they are a more significant threat to Tesla than the major automakers. China is by far the largest market for electric cars in terms of unit sales. In 2022, it increased its market share by another 50 per cent, from 12.7 to 19.9 per cent, after having more than doubled it in the previous year.

In the first half of 2023, BYD alone sold almost 1.2 million plug-in electric vehicles (incl. plug-in hybrids), roughly double the combined total of BMW, Volkswagen and Mercedes. To make things worse for Germany's automotive heavyweights (and other European carmakers), the company that recently surpassed Volkswagen as the number-one car brand in China now has Europe in its sight. On Monday, BYD presented six models for the European market in Munich, showing that it means business in the market it entered less than a year ago. Between January and July, the company sold 92,469 EVs overseas, already exceeding the total set in 2022.

With more and more charging stations being built, it will, in time, eliminate the main objection (raised there needs to be more charging stations). I am adding hypercharge to the equity watch list. This Company are growing, but it's a small cap stock. That said they are expanding their foothold in Canada and working with partners under a program for a United States expansion.

In other EV news, high-end manufacturers such as Porsche have seen their sales skyrocket, and, Lamborghini has just announced that they will manufacture EVs and introduced the world to the first glimpse of the car at Monterey Car Week.

William Gray
The RIO Club