

RIO Professional Investors Fund Trades

10 June 2010

Allan Johnstone a member commented last Friday that his holdings in RIO Professional Investors Fund had outperformed his holdings in two other gold funds by a significant margin.

Given below is a historical example of trades which closed in the period January – March 2010.

Commodity	Date Closed	Return
Gold	09/01/10	3.52%
Gold	10/01/10	3.93%
Gold	28/01/10	4.15%
Gold	16/02/10	2.92%
Gold	19/02/10	4.16%
Gold	4/3/2010	3.00%

Further is an example of an event driven alternative investment which represents a maximum of 5% percent of the fund. This type of investment holding is executed when market conditions allow.

Stock	Date Closed	Return
Japanese Airlines	04/01/10	14.79%

The above trade was positioned on the back of bad news on the possible bankruptcy filing by Japanese Airlines. I instructed our analytical team to provide detailed research which was completed on 30/12/09. Having studied the data provided, I acquired JAL stock on 30/12/09, and closed the position four days later with a reasonable result achieved.

A more recent example of an event driven investment, which I could bring to members attention would be the trade executed on the fourth of June, which I closed on the seventh of June at \$51.80 I predicted that this stock would fall back to below its 52 week low. It did and I closed this position on the Monday night local time, 10am in the US, with a reasonable return as shown below.

Stock	Date Closed	Return
RIG	7/06/2010	3%

The above stock again was acquired on the back of a run of bad news from the US on the notorious BP oil scandal. The drill ship involved belongs to Transocean, as most investors know, ticker symbol "RIG". This stock was also driven to an almost 52 week low. The fund acquired the stock on 4/6/2010 following receipt of both technical and analytical research data and then closed the position on 7/6/2010, again with a reasonable result.

William Gray
Executive Chairman
The RIO Club