

RIO Smart Money

1 October 2022



MANAGER COMMENTS

RIO Smart Money has produced a return of 0.65% during the third quarter of 2022, which is the fifth consecutive gain since launch. Yet again, this quarter's recovery has been achieved by monetising the total holdings in NIO sold on the 19th, which netted a profit. I have subsequently moved both the capital and the gains to a cash position. Buying the dip ahead of the unveiling of NIO's newest product launch, this seems like Groundhog Day as I await yet another downward sell-off to secure a better re-entry point.

The EV market in the United States has seen sales increase by more than 40% 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 subsidies for buyers. In 2021, there were discussions on the ending of new internal combustion engine vehicle sales. These talks resulted in the issue of new targets in the European Union, and the United States now aim for an EV share of at least 50 percent by 2030.

INVESTMENT OBJECTIVE

To provide medium to long term capital appreciation. The investment offers a diversified and broad exposure to companies around the world who are leading a revolution in the electric vehicle sector. This is a high-risk investment, and the asset allocation will include multi cap exposure. Many private investors have increasingly looked for exposure to investments which may traditionally have been out of reach for most. An investment of this type will not be for everyone – by its nature it may be illiquid, and investors may have to wait to potentially see the forecasted returns.

Not all stocks acquired will be held long term, it is envisaged that most will be actively traded. RIO Smart Money will hold a maximum of eight researched and specially selected stocks, within the EV sector. These stocks are considered by some as green, and with the US and other countries pushing hard to reduce carbon emissions it bodes well for the industry.

Although the account is actively traded, in line with the terms and conditions, RIO Smart Money may elect to buy and hold investments should it be deemed that the market favours such a change.

INFORMATION

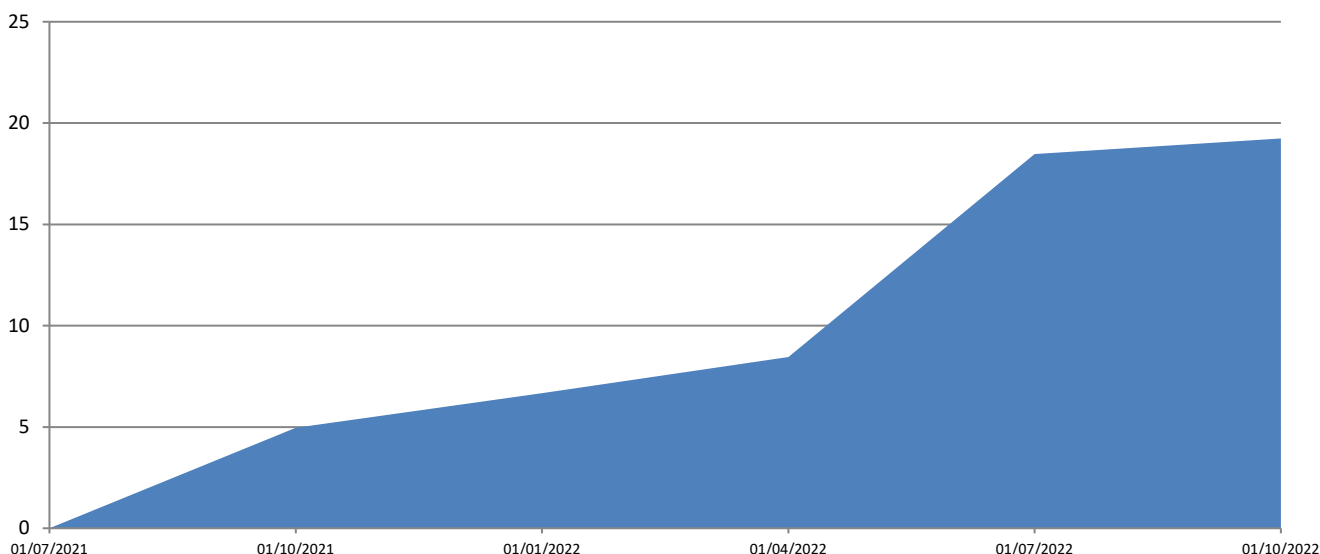
| | |
|-----------------------|--------------|
| NAV | 119.24 |
| Launch Date | July 2021 |
| Investment Manager | William Gray |
| Currency | USD |
| Minimum Investment | 20,000 |
| Establishment Charge | 0.00 |
| Annual Management Fee | 0.00% |
| Administration Fee | 0.00% |
| Performance Fee | 20.00% |
| Dealing Frequency | Quarterly |

INVESTMENT MANAGER

RIO's Investment Manager has vast experience having designed, launched and managed several Government licensed mutual funds over the past two decades. He has actively traded stocks, bonds, currencies and commodities with some degree of accuracy. He is perhaps best known for being among the first in the investment industry to correctly predict the arrival of the bull market in gold.

| PERFORMANCE | YTD | 3m | 6m | 1Yr | 2Yr | 3Yr | 5Yr | S/L |
|-------------|-------|------|------|-------|-----|-----|-----|-------|
| | 11.79 | 0.65 | 9.94 | 13.61 | - | - | - | 19.24 |

CUMMULATIVE PERFORMANCE (Since Launch)



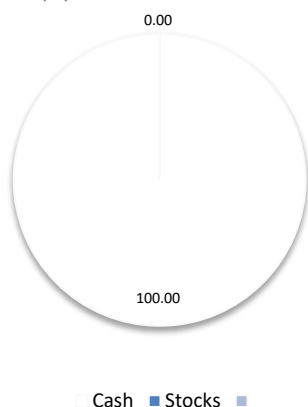
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ASSET ALLOCATION (%)



VOLATILITY & RISK (Since Launch)

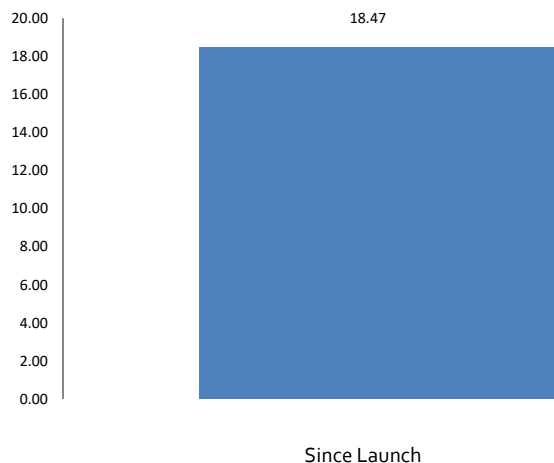
| | |
|------------------------|---------|
| Annualised Volatility | 12.08% |
| Return for Period | 19.24% |
| Best Quarterly Return | 9.23% |
| Worst Quarterly Return | 0.65% |
| Risk / Reward Ratio | 19.24:1 |

The risk/reward calculation is a division of net profit (the reward) by the price of your maximum risk. Any investor should determine their acceptable risk, but it is always best to be more conservative with risk than aggressive with reward.

MONTHLY PERFORMANCE FIGURES (%)

| | 2021 | 2022 |
|-----------|------|------|
| January | - | 1.62 |
| February | - | - |
| March | - | - |
| April | - | 1.69 |
| May | - | - |
| June | - | - |
| July | - | 9.23 |
| August | - | - |
| September | - | - |
| October | 4.96 | 0.65 |
| November | - | - |
| December | - | - |

PERFORMANCE FOR CALENDER YEARS (%)



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