

RIO Smart Money

1 July 2025

MANAGER COMMENTS



Smart Money has produced a strong gain in the second quarter of the year, up 5.89%. The military defence stocks added several weeks ago have certainly performed in line with my expectation. Against the current backdrop, we are witnessing a massive surge in global military budgets, and as such, this investment has targeted several stocks which could be set to sore higher. Members may not be aware, but world defence spending hit a record \$2.7 trillion in 2024. This was a 9.4% year-over-year increase and the sharpest rise since at least 1988. But this sector has seen the spending rise for years, with gains across all five global regions.

The additional weighting to equities means that this investment has closed the second quarter with 45% of its total asset allocation weighted to stocks - the remainder is held in cash. At the start of the quarter, this position was dramatically different, as Smart Money held only 19.55% of its total asset allocation in equities. Many members have commented on Smart Money and the fact that it has filed consistent gains quarter on quarter. More importantly, since inception, the account has registered a return of over 50%.

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

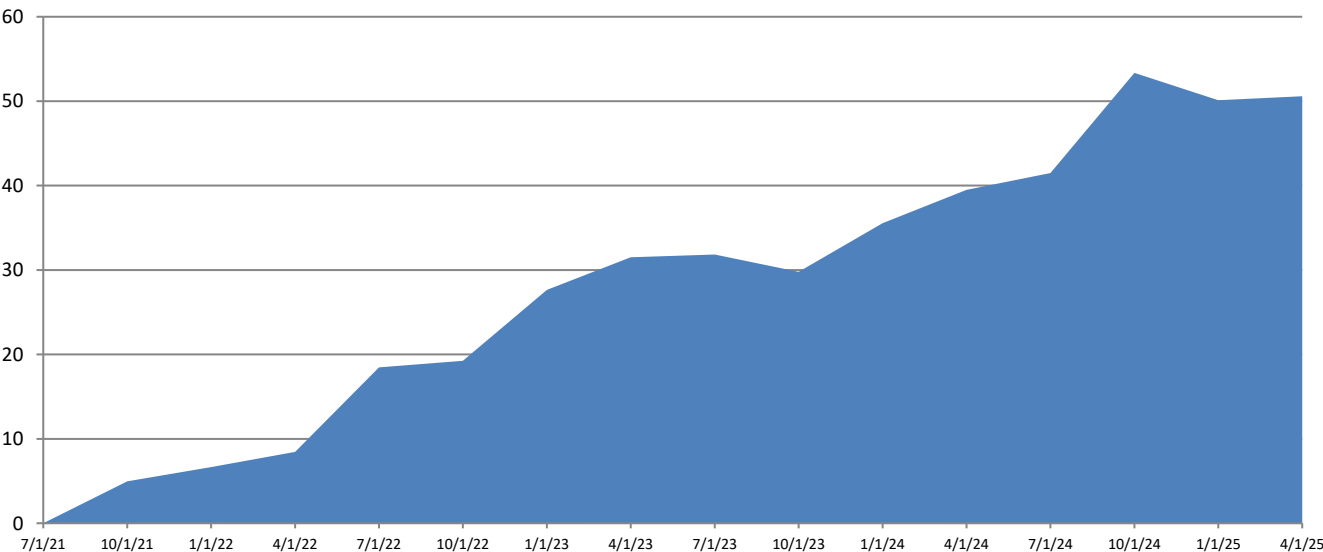
| | |
|-----------------------|--------------|
| NAV | 159.45 |
| Launch Date | July 2021 |
| Investment Manager | William Gray |
| Currency | USD |
| Minimum Investment | 20,000 |
| Membership Charge | 0.00 |
| Annual Membership Fee | 0.00% |
| Service Fee | 0.00% |
| Performance Fee | 20.00% |
| Dealing 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 |
|-------------|------|------|------|-------|-------|-------|-----|-------|
| | 6.22 | 5.89 | 6.22 | 12.70 | 20.95 | 34.59 | - | 59.45 |

CUMMULATIVE PERFORMANCE (Since Launch)



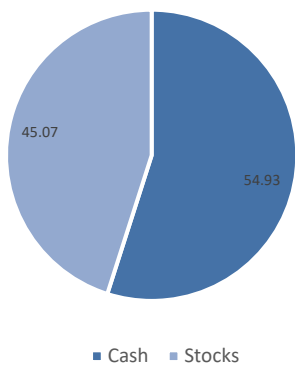
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ASSET ALLOCATION (%)



VOLATILITY & RISK (Since Launch)

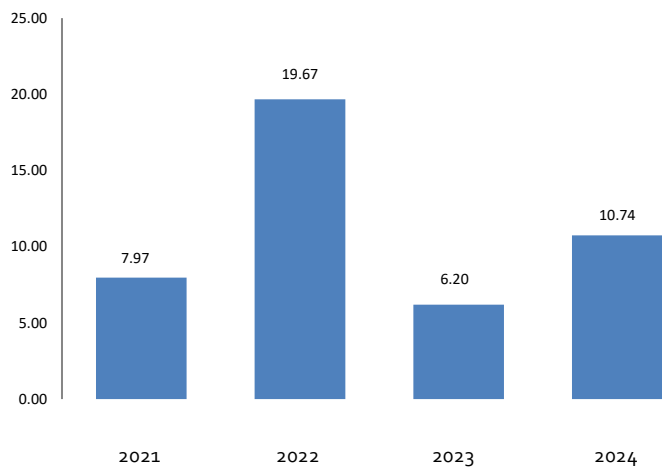
| | |
|------------------------|--------|
| Annualised Volatility | 17.17% |
| Return for Period | 20.95% |
| Best Quarterly Return | 8.39% |
| Worst Quarterly Return | -2.11% |
| Risk / Reward Ratio | 9.93:1 |

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 | 2023 | 2024 | 2025 |
|-----------|------|------|-------|-------|------|
| January | | - | - | - | - |
| February | | - | - | - | - |
| March | | 1.69 | 3.04 | 2.91 | 0.31 |
| April | | - | - | - | - |
| May | | - | - | - | - |
| June | | 9.23 | 0.24 | 1.42 | 5.89 |
| July | | - | - | - | |
| August | | - | - | - | |
| September | 4.96 | 0.65 | -1.56 | 8.39 | |
| October | - | - | - | - | |
| November | - | - | - | - | |
| December | 1.62 | 7.04 | 4.45 | -2.11 | |

PERFORMANCE FOR CALENDER YEARS (%)



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