



13 February 2017

Re: Today's News from Pennington's Analysts - - Wall Street Says "Invest Now"

Dear Client,

January, 2017 offered a good opportunity to confirm the obvious - The world markets are happy with President Trump's pro-business approach, and almost every investment expert is predicting high growth in the year ahead for all investment classes, but especially for the precious metals and energy sectors.

America's Dow-Jones and the UK's FTSE 100 - Predictor of Stocks :

2016 was a profitable year for investors who had exposure to Britain's leading share index, particularly those who chose the passive route.

The index ended 2016 above the 7,100 points mark, before surging to a record high over the past couple of trading sessions.

So where will the index end 2017? According to Pennington's independent asset advisors, the consensus view - held by two-thirds of those asked - is that the FTSE 100 will end up somewhere around 7,000 to 7,500.

On 25-January, the American Dow-Jones average topped 20,000 for the first time ever, with all markets reigniting, riding the Trump pro-business wave to profits.

Gold Prices :

The gold price rose from \$1,095 at the start of 2016 to \$1,366 by July, benefiting from heightened levels of uncertainty surrounding events such as the UK's referendum on European Union membership. This led to outstanding gains for funds focused on precious metals, including Pennington's Commodities Fund.

Gold will be seen as both a safe haven and an investment opportunity in 2017, with a high probability of a return to \$1,920 per ounce or even higher by year's end.

Oil Prices :

Crude oil is recovering nicely from the collapse which started in June 2014, when oil was trading at over \$110 a barrel and we saw it fall to below \$30 in early 2016. That collapse has ended, and investors are scrambling to buy oil, which further drives up prices, due in no small part to uncertainty of supply from the Middle East. We expect to see oil prices reach \$75 or higher per barrel by the end of 2017.



The “Rule-of-Thirds” :

Pennington recommends that risk-averse investors follow the classic “rule-of-thirds” for conservative investing in these troubled economic times:

(a.) We recommend that every investor should keep one-third of his portfolio as liquid savings on a Trading Platform that invests in Gold and Oil.

(b.) We recommend that every investor should have one-third of his portfolio in well-managed investment funds that have proven records of high-growth and continuous profits. The best choices are Growth Funds, Commodities Funds, and REIFs.

(c.) We recommend that every investor should have one-third of his portfolio in high-yield medium-term Asian government sovereign obligations and related bond funds.

In summary, every investor should take advantage of near-term trading profits in oil and gold, and then diversify and reinvest those profits in medium to long-term investment fund holdings, for the purpose of building and maintaining a strong portfolio. The 2017 "Trump Market" offers a unique opportunity.

Sincerely,

A handwritten signature in black ink that reads "Charles Pennington".

Charles Pennington
Chairman and CEO, Pennington Fund