



Investment Manager Comments

RIO Property Group has gained 1.38% for this the third quarter of 2016.

This investment is yet another RIO invest product which has produced 11 consecutive gains. RIO Property has an unblemished record with zero losses recorded since its launch. The 44.15% growth produced means it has exceeded its target returns since launch.

Looking ahead to the fourth quarter, although little time has passed since the referendum, the Scottish housing market looks to be resilient and in fine shape in the short term. Recent surveys reflect that, despite the prospect of the UK leaving Europe, there has been a negligible change since the Brexit vote in Scottish prime residential values above £400,000, which is RIO's target market. This is likely to be the case for the rest of 2016, in short it seems that the fundamentals for a healthy residential property market are still in place.

Looking ahead, it is important to note that RIO invests primarily in commercial property that lends itself to a change of use to residential development. It also seeks to identify land which is suitable for the granting of planning permission from the authorities. In doing this, the investment has the opportunity to achieve exponential capital growth, especially since RIO already holds a diversified portfolio of development land sites acquired several years ago.

With respect to the remaining RIO Property Group land bank, work is continuing with local authorities to obtain the planning approval for residential housing developments.

In the past this has translated into property sales and ultimately profits for those invested over the past two and a half years. RIO projects look set to continue to produce the desired results.

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