



Investment Manager Comments

The RIO Property Group Fund has added another 1.57% to its gains during the third quarter. This investment has recorded fifteen consecutive gaining quarters since the product was launched in October 2013. To date the return generated is 54.18% to the satisfaction of all invested. It is yet another successful investment, being one of the top performing ungeared investments in the property sector, it has also outperformed its benchmark return by 24.52%.

RIO's third property project pushed the second quarter to a more than reasonable gain, with the third quarter profits boosted on receipt of a final settlement figure for dilapidation works. The previous tenant, a prominent high street Bank, had negotiated an exit of its lease during August and was served with schedule of works which they promptly settled, with further money due from the early surrender which falls due in November. Importantly the Scottish government is interested in leasing the property, and the building is now under refit in preparation for occupation.

I do not expect Brexit negotiations to bring the region's prices down at all. In fact, I predict prices to rise. Brexit will dominate the press, but it will not affect the land cycle. Quite simply, sentiment should not be allowed to cloud judgment; one should instead see past the media facade!

Homebuilder companies, Berkeley, Persimmon, Crest Nicholson and Taylor Wimpey are sharply higher following the PM's pledge of £10bn for further Help to Buy funding. The move will assist younger buyers get on the property market.

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