

RIO Prestige Performance Fund

A Good Investment?

Some people have asked me why I should wish to invest in a car hire company, especially one which chooses to limit its fleet to exotic machinery of the likes of Pagani Zonda and Koenigsegg.

First, it is important to understand that I am an extremely conservative investor. So conservative in fact that for many years I have been happy to get a 5% - 6% return having my spare cash in the bank.

However, for thirty-five years my hobby has been Vintage and Classic cars; not primarily as an investment but as a pure hobby to keep me busy in quiet times and latterly to enable me to enjoy the camaraderie associated with the specialised car world. In spite of that, I reckon that my dealings with these cars have delivered not only a lot of fun, but also a capital growth of in excess of 1000%.

So, what is it that made me choose to invest in RIO Prestige? Well firstly, I am in the fortunate position of having a little cash that I feel I can afford to invest for a few years. The evident success since its inception of RIO Prestige is obviously another factor. The main reason though is a clear belief that this business will flourish and that the assets of the company being limited to high quality motor cars, each at the pinnacle of its type category, ensures that the capital risk is significantly lower than that associated with companies with opaque business intent.

Some of the specifics that reinforce my belief that RIO Prestige is a sound and sensible investment are as follows:

The number of different high quality specialist cars available on the market today has never been greater. No longer are these temperamental, unreliable and uncomfortable vehicles only suitable for exceptionally wealthy masochists. This new breed of car is invariably well built, reliable, comfortable and magnificent to behold and to drive. The choice has increased dramatically with the result that those considering buying such a vehicle no longer have only one or two to select from. Porsche, Mercedes, Jaguar, Aston Martin, Maserati, Lamborghini, Ferrari and Bentley all produce highly desirable machines in a similar price bracket. Only the wealthiest (and most stupid) would ever buy one of each of these as their use would be extremely limited and the running costs per mile exceptionally high. However, there are a large number of wealthy car enthusiasts, eager to drive, compare and be seen in each one of them. RIO can provide that to them at a cost significantly lower than if they were to own them themselves and without all the hassle of ownership.

The amount of available cash amongst a significant portion of the country has increased dramatically over recent years. The demand therefore for access to such cars is increasing rapidly and the supply is severely limited. RIO Prestige is running out of competition and, as a result of the capital outlay necessary to build up a viable competitor, I believe that RIO is well positioned to capitalise on this increasing demand through its monopolistic position.

The above addresses where I see there will be an ongoing and indeed increasing demand from those wealthy car enthusiasts with ready money to spend. There is, however, another section of the population, "ordinary folk", where this demand will increase thereby ensuring that the success of RIO Prestige cars will continue to grow. In the current Nanny State environment that is Great Britain, there is an increasing need for some elements of escapism. Wealth is increasing, but not to the extent that the man in the street will be able to, or even want to, purchase an exotic car. That however does not reduce their burning desire to pretend, for a day even, to be one of the elite or to experience the dream of a lifetime that most thought they would never see. To drive the cars offered by RIO prestige will provide just that experience. Whether it be for a birthday, an anniversary, a wedding or whatever excuse, the conditions are perfect for the demand for RIO Prestige cars to grow.

As a comment on what else I'd like to see RIO Prestige invest in, I would like to see an increase in the number of rare classic cars - with a selection of the best and rarest cars that were made in each of the decades from the 20's through to the 70's. This would offer the possibility for anybody to experience driving the car that they had always dreamed of driving when they were young, or the car that their fathers may have told them stories of when watching at Le Mans. Imagine actually driving a Vintage Bentley or Bugatti or pre-war Rolls-Royce, just as the film stars of the past used to. Such vehicles invariably appreciate and are not expensive to maintain, so would be an ideal addition to the fund and help maintain its capital security.

The more the investment in RIO Prestige, the better the stock it can offer to its customers and the more profitable it will be. I can't think of a better time to invest in such an unusual and evocative venture.

Tony McEwan