

RIO Professional Investors Fund – Fund Manager Comments June

The fund produced a +0.68% gain this month as it continues its up trend. Gold-backed ETFs, have accounted for 6.5% of global gold demand over the last three years, this paper gold has seen outflows of 350 tonnes (t) out of a total of 2,700t held, from the beginning of the year through to the end of April. However just as I had previously forecast the demand for gold in physical form is high. Gold bars or coins etc (which represent an important form of investment), accounting for a large part of global demand has begun to increase in Q1 2013. Indeed many retailers have no stock, but strong demand; refineries have begun introducing waiting lists for buyers.

In this month's investment report I highlight that Premiums paid for gold in Asian markets (that's the price paid to obtain physical gold over and above the spot price) - I report these were quick to emerge following the price fall in April. I expect trading opportunity to emerge in Gold very soon and will take advantage to place trades as the window opens.

Sterling has regained ground as forecasted moving back in to its recent trading range 1.52-1.575 the fund is likely to post further gains later this year as this currency moves closer to its historic trading range.

The funds UK property holdings are set to see upside in coming months partly due to the factoring in of the positive effects realised on the completion of renovation works are evaluated - target date September 2013.

I have added further to fixed interest weightings which were 32.69% to the 1st May these were increased to 40.26% to 1st June - as always these assets continue to provide an attractive fixed return and importantly as always added stability for the fund.