



The Fund gained 1.68% during July; the gain mostly attributed to astute profit taking implemented by myself ahead of the Scottish referendum. This gain would provide a form of buffer to short term Sterling volatility, particularly since I had forecast currency volatility as matter of course due to the political uncertainty.

As members know RIO Professional Investors Fund is valued in US Dollars, it has achieved its objectives of gradual capital appreciation whilst keeping exposure to the US Dollar to a minimum, given the Dollar's shortcomings which I have detailed in several previous reports. On the 1st of September Sterling based assets represented 80.19% of the Fund's total asset base.

Due to political events and speculative currency traders Sterling fell 6% against the Dollar; those invested perhaps would expect the Fund to witness some short term loss in currency terms, well I can report that the effects of volatility were very limited. The reason being that the underlying assets showed their relative strength and continued their positive performance in Sterling terms, the gains simply offsetting almost all of the short term currency volatility witnessed by the market place.

Looking forward, with the referendum firmly behind us, the currency markets will begin to return to normality. Sterling will move toward its pre referendum jitters trading range of 1.6310-1.6450. Today there is strong resistance at 1.6220.

As for the positive effects of the referendum, well the results are positive for the Fund. The No vote will lead to further upside in the property assets in coming months as these assets look set to gain another 3-3.5% in the next quarter, they represent 25.40% of the current asset allocation.

This upside potential from the Funds hard assets when coupled with the weighting to fixed return holdings offer a degree stability combined with capital growth and limited down side. This is reflected clearly in the Funds historic statistics and the graph at top of this report clearly shows the lack of volatility thus making this investment attractive for those seek to maximize any possible return and yet minimize risk.

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