

The RIO Club Investment Fund up date and forecast.

08 February 2007

RIO Professional Investor Fund

The Club's new Professional Investor Fund started well and enjoyed strong support from members; there was a surprisingly strong volume of interest shown for this fund. During December several investment applications were processed from the Club membership, the first trade for this new fund being executed on 18th December. It produced a gain of 1.56% in two days, when the position was closed and profits taken. The second trade was posted on the 20th December and remains in position to date. This Fund is the latest addition to the RIO Fund selection.

The second trade is positioned to benefit from further US Dollar weakness, which is strongly predicted by RIO. Note that the US Dollar's demise was forecast by us back in 2004 and volatile times are still ahead for this currency. The third trade will be positioned within the next few days as the fund picks up Uranium related stocks.

Hansard Pinnacle Accounts

RIO closed both funds previously housed by Hansard during 2005, for reasons outlined at that time. Almost all members then holding lump sum investments with Hansard at that point subsequently transferred full value of their investments held with Hansard to direct RIO funds. However, since those members holding regular investment contributions are bound by the terms and conditions of their Hansard Pinnacle accounts, we shall continue, as promised, to provide a service for them through the duration of their selected policy term and, as such, continue to manage members' money invested with Hansard.

All holdings from all members with investments within this product on the 22nd December 2006 were repositioned. The trade sold 40% of USD cash to MC85 Aliquot Gold Fund. Pinnacle is a very limited product and cannot buy Gold Bullion directly. It can only invest within the current Hansard Fund selection. Since execution, this trade has produced a 1.5% gain for members and RIO predicts further growth in line with the Gold forecast for 2007. **RIO's Gold Forecast and recent switch graph** (following Friday).

RIO Prestige Performance Fund

November 2006 proved to be the best performing month of 2006 for this Fund gaining 3.5%, which was partly due to remarkable volume of bookings received at the MPH motor shows in Birmingham and London. These events continue to be highly successful promotions for RIO Prestige who secured record hires at the venues during October 2006, with most of the customers coming from England.

December's post Christmas TV adds campaign also proved to be successful for RIO, this producing a very large increase in hire enquiries; advance bookings are now in hand for much of 2007, resulting in a further gain of 0.5% in the Fund resulting from increased revenue.

The continued demand for the services of RIO Prestige Performance UK Ltd led to the need to commission the building of a second custom built truck last November, in order to be able to improve the transport of cars throughout the UK. This new truck is due imminently, in time for the next three months for which there are multiple confirmed car hire deliveries booked, with over 50% from the English market. A third truck is anticipated to be required later in the year. A second truck driver was employed during November in time to service the extremely busy month that followed. RIO Prestige is becoming noted for its custom built trucks, and has been approached by two Ferrari dealers, who wish to rent the trucks for both delivery and collection of super cars to and from their clients.

The current location of RIO Prestige on the M8 has been a resounding success, offering rapid access to the whole of the UK. Steady and continuing expansion has meant that the warehouse is now being stretched to the limit, and relocation to larger premises with appropriate office space to accommodate more staff during spring/summer 2007 is necessary.

Four multinational corporate clients, who have been using the RIO Prestige service, with complete satisfaction, have all expressed interest in membership of the Rio Prestige Members (RPM) Club. One has already completed the necessary paperwork with another now in the final stages of becoming a corporate member.

RIO Prestige Performance UK Ltd continues its marketing campaign throughout the UK and is witnessing continued growth in business, the significant increase in actual hires being an obvious example. The month of December 2006 produced a 40% increase in hire, compared with a year earlier. With the increase in enquires standing at over double that of 2005, this is a serious indicator that RIO Prestige is now firmly established in Scotland. A similar picture is unfolding rapidly south of the border as the English market embraces RIO Prestige Performance UK Ltd. Repeat business from this market is now a regular occurrence.

I was personally delighted to see the Fund ending 2006 at an all time high.

William Gray
The RIO Club
Executive Chairman.