

# Discretionary Managed Portfolio Service

## Enterprise Model

July 2021

### Key information

#### Model details

Launch date	1 January 2006
Minimum initial investment	£1,000
Rebalancing strategy (minimum)	Quarterly
Currency	£ GBP
Annual management charge	0.50%*
Ongoing charges figure ('OCF')	0.37%
Annual yield (current)	1.52%

\*Not including platform fees  
Source: FE Analytics as at 31.07.21.

#### Investment update - July

Economic data and consumer confidence indicators continued to be positive throughout July. Sentiment was impacted, however, by concerns over the rise in case numbers of the COVID-19 Delta variant. This heralded a degree of caution for investors, triggering a decline in bond yields. In terms of equity markets, the US again led the way with the S&P 500 Index reaching new all-time highs. Q2 earnings announcements have also been very encouraging so far, with 90% exceeding expectations. In the eurozone, business activity growth hit a 20-year high in July and earnings expectations are also being widely exceeded. Returns were more muted from the UK where sterling strength impacted those companies with substantial US dollar earnings. It was a very different story across emerging markets, which lagged significantly, weighed down by the announcements from China of greater regulation of the technology and private education sectors. There were no changes made to the strategy during the month, with the strategy remaining at the upper end of the corresponding Dynamic Planner risk profile. Despite near-term inflation and policy change risks, substantial monetary and fiscal stimulus is likely to remain in place, underpinning equity markets. Our fixed income exposure is well diversified, with a bias towards both corporate and inflation-linked bonds, and also to strategic managers who can pivot quickly as conditions change. Our Investment Committee continues to favour 'market neutral' alternative investments, which are acting as good portfolio stabilisers in the current environment.

#### Discretionary Managed Portfolio Service

The service consists of six actively managed investment models, offering lower cost access to our discretionary fund management capabilities, through the combination of active and passive collective investments. The service provides a solution that, when cost considerations are paramount, does not compromise on quality. Investment models are monitored by our central Investment Committee to ensure consistency of performance from one portfolio to another.

#### Investment objective

To build capital in real (inflation-adjusted) terms over the medium to longer term. Investors should expect a high correlation to stock market behaviour and rewards, and be entirely comfortable with substantial volatility and very limited protection in times of market weakness.

#### Risk profile

The model is managed in accordance with Dynamic Planner risk profile 7 (Highest Medium), with the model's expected volatility targeted to stay within the assigned Dynamic Planner risk profile's boundaries.

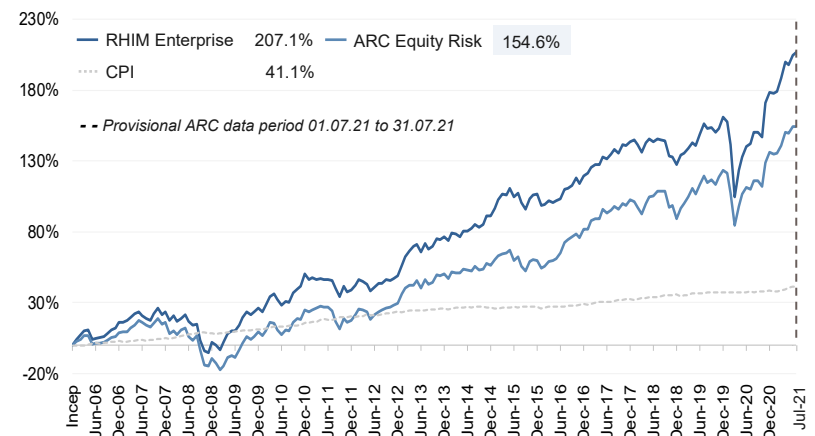
#### Discrete performance

	YTD	2020	2019	2018	2017	2016
RHIM Enterprise	10.2%	6.6%	14.9%	-6.5%	11.0%	6.0%
ARC Equity Risk PCI	7.6%	5.8%	18.0%	-6.5%	11.4%	16.8%
CPI	1.9%	0.7%	1.3%	2.1%	2.9%	2.1%

#### Cumulative performance

	1yr	3yr	5yr	10yr
RHIM Enterprise	26.7%	25.0%	46.1%	210.4%

#### Inception performance



#### Annualised performance since inception

	Inception
RHIM Enterprise	7.5%
ARC Equity Risk PCI	6.2%
CPI	2.2%

Source: FE Analytics and Morningstar as at 31.07.21. Inception from 01.01.06. RHIM performance is net of fund charges, but does not include RHIM discretionary management fees, nor fees that may be incurred through your financial adviser. Highlighted ARC PCI figure is provisional. Past performance is not a guide to future results. See full risk warning overleaf.

## About Richmond House

We launched our discretionary management service in 2006, and have navigated the portfolios through good times and bad. We're proud to say that we've protected our clients' capital and today we have around £200 million of funds under management.

We focus on both actively managed funds and lower cost passive funds where appropriate, taking a sensible approach and always maintaining our awareness of downside risks. Adopting a global view, we continually identify where the risks and opportunities lie.

We offer a range of model portfolios, and the discretionary powers of our specialist team allow us to make alterations to these quickly and efficiently. Each portfolio typically holds between 25 and 30 funds selected from the whole of the market, ensuring diversification across asset classes, countries and sectors.

We conduct our own fund research using specialist tools such as Morningstar, but we also take the opportunity to meet fund managers regularly face-to-face to ensure each fund continues to meet its objectives and remains appropriate to our clients' needs.

## Contact Richmond House

For further information on this model please contact us:

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## Headline asset allocation and positioning

Summary of current Investment Committee positioning

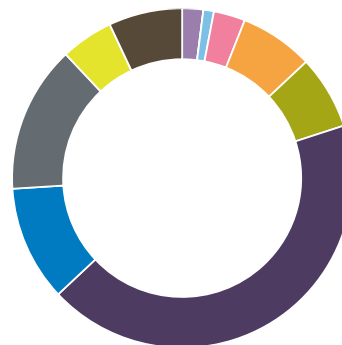
	UW (-)	N (=)	OW (+)	Key
Fixed interest				
Equities				
Property				
Alternative investments				
Cash				

■ Current  
■ Previous\*  
**UW (-)** Underweight  
**N (=)** Neutral  
**OW (+)** Overweight

- The strategy remains at the upper end of the corresponding Dynamic Planner risk profile with a bias in equity exposure to the US and Asia-Pacific ex. Japan.
- We maintain a diversified approach to our fixed income exposure, with increased allocations to corporate and inflation-linked bonds as well as to strategic bond managers.
- Cash levels remain reduced following our allocation to the thematic and global sector in December last year.
- There remains a focus on high levels of liquidity in everything we own.
- Market neutral alternative investments continue to act as stabilisers.

\*Positioning prior to last Investment Committee change (December 2020)

## Model asset allocation



Sector	%
Cash	2
Strategic bonds	1
Alternatives	3
UK equity income	7
UK equity growth	7
US equity	43
European equity	11
Asia-Pacific ex Japan equity	14
Japanese equity	5
Thematic and global equity	7

## Top 10 holdings

Holding	%	Holding	%
Artemis US Select	10	Fidelity Index US	7
Premier Miton US Opportunities	10	HSBC European Index	6
HSBC Pacific Index	9	Fidelity Index Japan	5
HSBC American Index	8	Ninety One Global Environment	5
Vanguard US Equity Index	8	Vanguard Pacific ex-Japan Index	5

As at 31.07.21

This document is issued and approved by Richmond House Investment Management Limited.

Past performance should not be seen as an indication of future performance. The price of shares/units and income from them may fall as well as rise and is not guaranteed. The models used are typical of portfolios managed by Richmond House Investment Management. Your actual portfolio may differ depending on your individual circumstances.

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