

Discretionary Managed Portfolio Service

Enterprise Model

August 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 31.08.21

Investment update - August

Global equities rose by 2.5% in August as markets continue to perform strongly, whilst volatility remained perhaps surprisingly low. Sentiment among equity investors was buoyed by US Federal Reserve Chair Jerome Powell's comments playing down the prospect of earlier than expected interest rate increases or an acceleration in the anticipated schedule of asset purchase tapering. Strong earnings announcements have driven US indices to new all-time highs, whilst those announced in Europe have also been encouraging. Investor interest in the UK market was centered on the smaller cap end of the market, where several M&A bids have been announced recently. Emerging market equities initially declined but ended the month in positive territory. Government bond yields rose globally as headline inflation rates increased, bringing the potential prospect of tighter monetary policy. However, central bank rhetoric continues to emphasise that inflation is expected to moderate into next year and that policy should remain supportive for risk assets. As such, no changes were made to the strategy during the month, with the strategy remaining at the upper end of the corresponding Dynamic Planner risk profile. This decision is proving beneficial as markets respond to positive economic and corporate data. Our fixed income exposure remains well diversified whilst our Investment Committee believe that our alternative investments that are deploying 'market neutral' strategies could provide a valuable tool against the possibility of some elevated market volatility.

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.

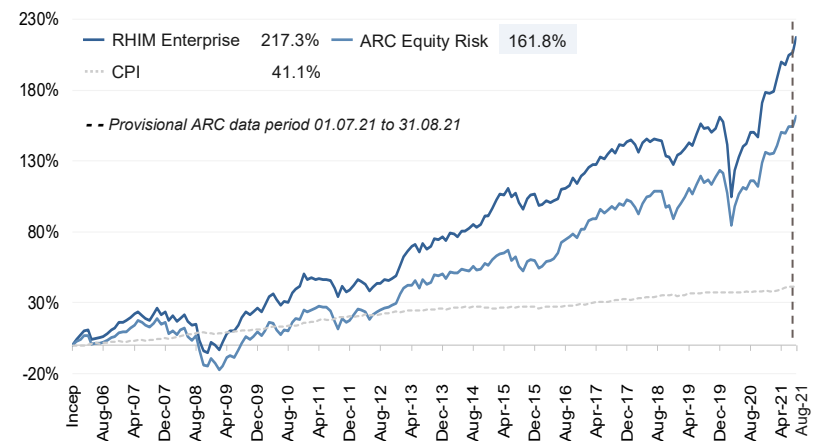
Discrete performance

	YTD	2020	2019	2018	2017	2016
RHIM Enterprise	13.8%	6.6%	14.9%	-6.5%	11.0%	6.0%
ARC Equity Risk PCI	10.6%	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	26.6%	29.6%	50.3%	226.4%

Inception performance



Annualised performance since inception

	Inception
RHIM Enterprise	7.6%
ARC Equity Risk PCI	6.3%
CPI	2.2%

Source: FE Analytics and Morningstar as at 31.08.21. 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

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Headline asset allocation and positioning

Summary of current Investment Committee positioning

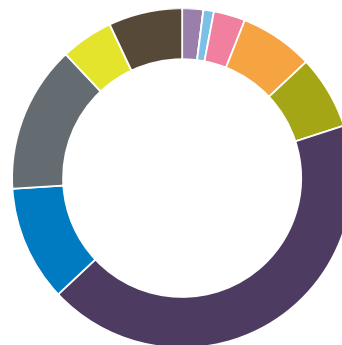
	UW (-)	N (=)	OW (+)	Key
Fixed interest				
Equities				
Property				
Alternative investments				
Cash				

■ 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 31.08.21

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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