

# Discretionary Managed Portfolio Service

## Enterprise Model

**January 2022**

### 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)	1.50%

\*Not including platform fees  
Source: FE Analytics as at 31.01.22

#### Investment update - January

Markets declined sharply in January as concerns over potential central bank policy tightening and tensions between Russia and Ukraine weighed heavily on investor sentiment. Developed market equities fell over 5%, though returns were dispersed across sectors. 'Growth' stocks took the brunt of the sell off, particularly those companies trading on elevated valuations or perceived as vulnerable to a potentially higher cost of borrowing. However, the 'value' side of the market proved more resilient, specifically sectors that are perceived as being beneficiaries of a higher interest rate environment such as financials. There were no changes made during the month, with the strategy remaining at the upper end of its corresponding Dynamic Planner risk profile – the current economic and corporate backdrop, whilst dramatic, has not changed in a way that alters our constructive view on equities. Indeed, several of our active underlying managers have been treating the market sell off as a buying opportunity to add to favoured positions. Elsewhere in the strategy, our bond positioning remains defensive, focusing on inflation linked and absolute return strategies, and continues to work well as government bond yields rise. Our market neutral 'alternative' funds are also again proving their worth in a period of weakness for both equities and fixed income. Our Investment Committee continue to keep a watchful eye on markets – further changes in the economic and geo-political environment may prompt action.

#### 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.

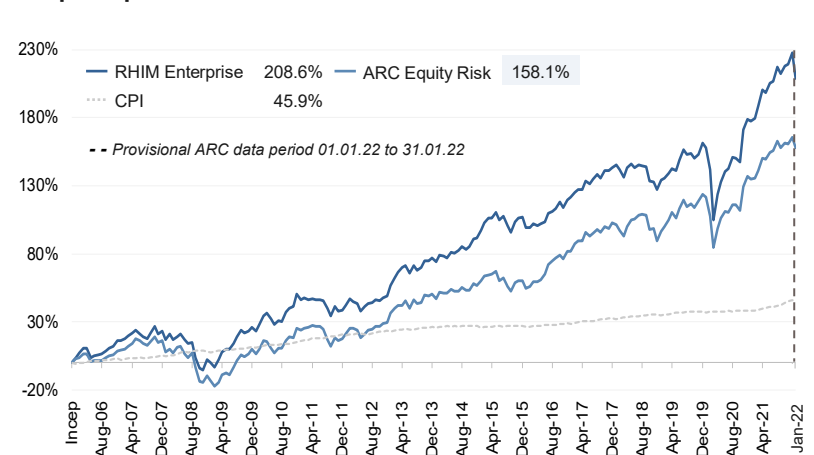
#### Discrete performance

	YTD	2021	2020	2019	2018	2017
RHIM Enterprise	-5.8%	17.5%	6.6%	14.9%	-6.5%	11.0%
ARC Equity Risk PCI	-2.9%	12.3%	5.8%	18.0%	-6.5%	11.4%
CPI	-	5.4%	0.7%	1.3%	2.1%	2.9%

#### Cumulative performance

	1yr	3yr	5yr	10yr
RHIM Enterprise	11.1%	31.6%	39.1%	216.8%

#### Inception performance



#### Annualised performance since inception

	Inception
RHIM Enterprise	7.3%
ARC Equity Risk PCI	6.1%
CPI	2.4%

Source: FE Analytics and Morningstar as at 31.01.22 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

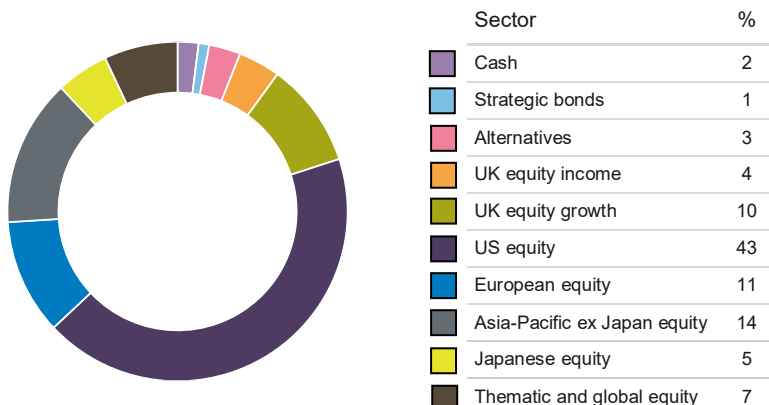
	UW (-)	N (=)	OW (+)	Key
Fixed interest				
Equities				
Property				
Alternative investments				
Cash				

■ 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.
- Within our active equity exposure, we maintain a blend of both 'growth' and 'value' investment styles, with a preference towards flexible all-cap managers that can rotate into mid/small caps to help enhance longer term growth.
- In our lower risk strategies, we have reduced exposure to corporate bond funds in favour of flexible strategic bond funds, inflation-linked bond funds and 'market neutral' alternative investments, which continue to act as good portfolio stabilisers, diversifiers of risk and sources of return.
- Cash exposure remains low and there continues to be focus on high levels of liquidity in everything that we own.

\*Positioning prior to last Investment Committee change (October 2021)

## Model asset allocation



Active/Passive split	%
Active funds	35
Passive funds	65

## 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 31.01.22

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. Please note that the calculated OCF from FE Analytics may vary from that stated by your chosen platform provider.

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