

# Discretionary Managed Portfolio Service

## Dynamic Model

**March 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')	0.43%
Annual yield (current)	1.57%

\*Not including platform fees  
Source: FE Analytics as at 31.03.22

#### Investment update - March

Global developed equity markets rallied 2.5% during March, recovering some of the losses seen earlier in the quarter. There was disparity in regional market returns, with the US market gaining over 3% whilst European markets fell. The US Federal Reserve, looking to address inflationary pressures, raised rates (by 0.25%) for the first time since 2018. In the UK, the latest forecasts suggest that inflation might peak at close to 9% before subsiding next year. Focus remains on how central bank policy combats these heightened levels of inflation versus supporting potentially fragile economic growth. The conflict in Ukraine is having a profound effect on energy prices, and in turn on inflation, given Russia's importance as a provider of oil and gas. Food and other commodity prices have also been significantly impacted. Financial markets have experienced a nervy start to the year; however, history dictates that it is often best to sit tight in terms of headline equity exposure during these periods. We continue to maintain equity allocations at their current level, with the strategy remaining at the upper end of its corresponding Dynamic Planner risk profile. We have, however, altered underlying equity exposures, reducing our weighting to Europe – which is currently facing the brunt of the geopolitical conflict between Russia and Ukraine – and topping up allocations to infrastructure, which not only boasts both defensive and inflation-protection characteristics, but also provides greater exposure to regions outside of Europe.

#### 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, including significant fluctuations in value, with only moderate protection in times of market weakness.

#### Risk profile

The model is managed in accordance with Dynamic Planner risk profile 6 (High Medium), with the model's expected volatility targeted to stay within the assigned Dynamic Planner risk profile's boundaries.

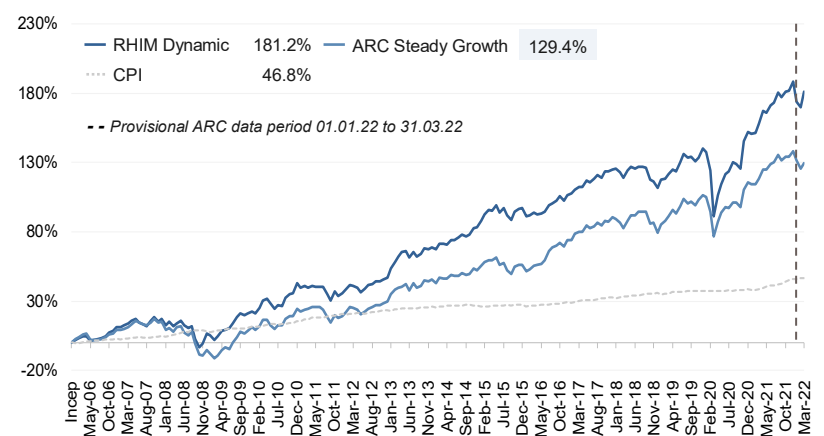
#### Discrete performance

	YTD	2021	2020	2019	2018	2017
RHIM Dynamic	-2.4%	14.2%	4.9%	13.4%	-5.9%	9.2%
ARC Steady Growth PCI	-3.6%	10.2%	4.6%	15.0%	-5.6%	9.4%
CPI	0.6%	5.4%	0.7%	1.3%	2.1%	2.9%

#### Cumulative performance

	1yr	3yr	5yr	10yr
RHIM Dynamic	8.8%	26.9%	32.4%	199.1%

#### Inception performance



#### Annualised performance since inception

	Inception
RHIM Dynamic	6.6%
ARC Steady Growth PCI	5.2%
CPI	2.4%

Source: FE Analytics and Morningstar as at 31.03.22. 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 strategies remain at the upper end of their corresponding Dynamic Planner risk profiles with good exposure to those parts of the world less likely to be exposed to the economic fall-out from war in Ukraine.
- We have reduced or removed entirely our exposure to Europe and increased our allocations to infrastructure, which not only boasts both defensive and inflation-protection characteristics, but also provides greater exposure to regions outside of Europe.
- In our lower risk strategies, we continue to favour inflation-linked bond funds, actively managed strategic 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 (December 2021)

## Model asset allocation



Sector	%
Cash	2
UK fixed interest	3
International fixed interest	2
Strategic bonds	6
Alternatives	9
UK equity income	4
UK equity growth	10
US equity	35
European equity	4
Asia-Pacific ex Japan equity	11
Japanese equity	3
Thematic and global equity	11

Active/Passive split	%
Active funds	46
Passive funds	54

## Top 10 holdings

Holding	%	Holding	%
Premier Miton US Opportunities	9	Ninety One Global Environment	6
Artemis US Select	7	Vanguard US Equity Index	6
HSBC American Index	7	FTF ClearBridge Global Infrastructure Inc.	5
HSBC Pacific Index	7	Janus Henderson Absolute Return	5
Fidelity Index US	6	BlackRock Absolute Return Bond	4

As at 31.03.22

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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