

# Discretionary Managed Portfolio Service

## Enterprise Model

**April 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')	0.39%
Annual yield (current)	1.60%

\*Not including platform fees  
Source: FE Analytics as at 30.04.22

#### Investment update - April

April proved to be a difficult month for markets with both global equities and bonds falling 8% and 5% respectively. The continued conflict in Ukraine and the prospect of tightening monetary policy to combat rising inflation weighed heavily on sentiment. With inflation in the US rising to 8.5%, the rhetoric from US Federal Reserve members continues to turn towards further increases in interest rates. This resulted in both shorter - and longer-term bond yields sharply rising. Central banks are facing a difficult balancing act of tightening policy to curb inflationary pressures without causing too much impact on growth and consumption. Weakening economic growth data and rising inflation again impacted growth stocks. The economic backdrop is undoubtedly complicated at present and there is uncertainty across markets. However, we think it is right to maintain stockmarket positions at their current levels, with no changes made to the strategy during the month. The strategy's positioning, which remains at the upper end of its corresponding Dynamic Planner risk profile, provides the opportunity to generate returns that can combat rising inflation. Outside of stockmarkets, our strategic bond managers and positions in index-linked bonds are helping to offset the difficulties in conventional bond markets from rising inflation and interest rates, whilst market neutral 'alternative' investment funds are acting as good diversifiers of return during more challenging times for markets.

#### 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.

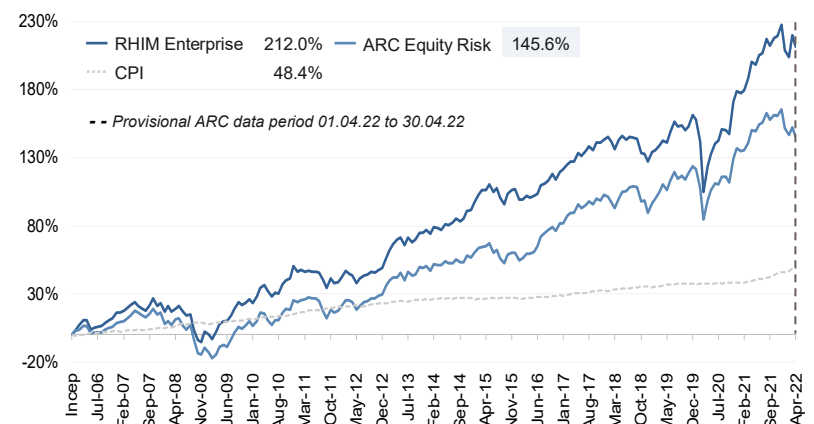
#### Discrete performance

	YTD	2021	2020	2019	2018	2017
RHIM Enterprise	-4.8%	17.5%	6.6%	14.9%	-6.5%	11.0%
ARC Equity Risk PCI	-7.6%	12.3%	5.8%	18.0%	-6.5%	11.4%
CPI	1.7%	5.4%	0.7%	1.3%	2.1%	2.9%

#### Cumulative performance

	1yr	3yr	5yr	10yr
RHIM Enterprise	3.9%	28.5%	37.2%	217.8%

#### Inception performance



#### Annualised performance since inception

	Inception
RHIM Enterprise	7.2%
ARC Equity Risk PCI	5.7%
CPI	2.5%

Source: FE Analytics and Morningstar as at 30.04.22. 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

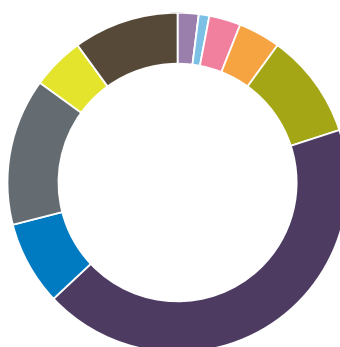
	UW (-)	N (=)	OW (+)	Key
Fixed interest	Current	Previous*		
Equities			Current	
Property	Current			
Alternative investments		Previous*	Current	
Cash	Current			

**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
Strategic bonds	1
Alternatives	3
UK equity income	4
UK equity growth	10
US equity	43
European equity	8
Asia-Pacific ex Japan equity	14
Japanese equity	5
Thematic and global equity	10

Active/Passive split	%
Active funds	38
Passive funds	62

## Top 10 holdings

Holding	%	Holding	%
Artemis US Select	10	Fidelity Index US	7
Premier Miton US Opportunities	10	Fidelity Index Japan	5
HSBC Pacific Index	9	FTF ClearBridge Global Infrastructure Inc.	5
HSBC American Index	8	Ninety One Global Environment	5
Vanguard US Equity Index	8	Vanguard Pacific ex-Japan Index	5

As at 30.04.22

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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