

# Discretionary Managed Portfolio Service

## Blended Model

**June 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')	0.52%
Annual yield (current)	1.68%

\*Not including platform fees  
Source: FE Analytics as at 30.06.22

#### Investment update - June

Continued concerns over inflation and weakening growth led to a further equity market sell off in June. Global equities have now fallen over 18% in local currency terms this year representing the worst H1 period in over 50 years. Consumer confidence continues to fall in most regions and has hit record lows in the UK, which is facing one of the most acute squeezes in (negative) real wage growth. The Bank of England and the US Federal Reserve once again raised rates whilst the European Central Bank signaled that it would raise rates once it had ceased asset purchases. Equity valuations overall look undemanding and positive economic growth is still widely forecast over the next two or three years in most regions. Taking a medium-term view that the current downturn will be relatively short-lived, we are maintaining our commitment to equities, with the strategy remaining at the upper end of its corresponding Dynamic Planner risk profile. With attention potentially turning to protecting growth rather than curbing inflation, an opportunity has arisen to take a little more risk within bond markets. We have therefore reduced some of the more defensive biases to fixed interest positioning. Where appropriate, we have also added to alternative investments, by allocating to the TM Tellworth UK Select fund, at the expense of some fixed interest exposure. Genuinely alternative investments are likely to continue to act as strategy stabilisers and sources of good risk diversification and return if traditional assets continue to come under some pressure.

#### 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 reasonable correlation to stock market behaviour and rewards, including quite sharp fluctuations in values, but also some protection in times of market weakness.

#### Risk profile

The model is managed in accordance with Dynamic Planner risk profile 5 (Low Medium), with the model's expected volatility targeted to stay within the assigned Dynamic Planner risk profile's boundaries.

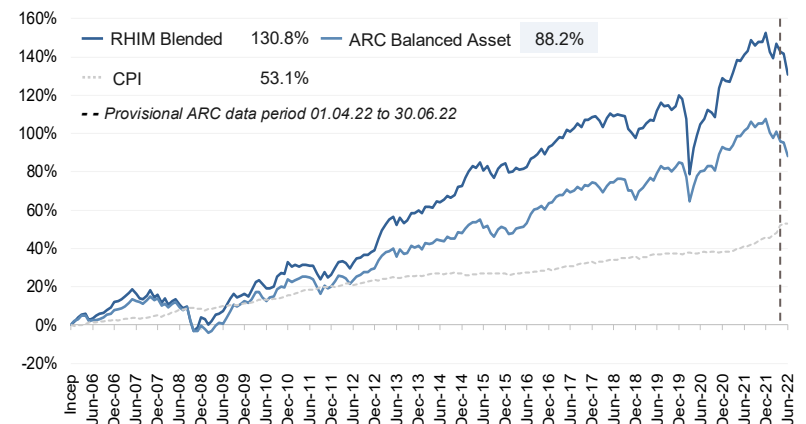
#### Discrete performance

	YTD	2021	2020	2019	2018	2017
RHIM Blended	-8.5%	10.2%	4.1%	11.4%	-5.2%	8.1%
ARC Balanced Asset PCI	-9.4%	7.6%	4.3%	11.7%	-5.1%	6.7%
CPI	5.0%	5.4%	0.7%	1.3%	2.1%	2.9%

#### Cumulative performance

	1yr	3yr	5yr	10yr
RHIM Blended	-4.3%	8.9%	14.9%	74.5%

#### Inception performance



#### Annualised performance since inception

	Inception
RHIM Blended	5.2%
ARC Balanced Asset PCI	3.9%
CPI	2.6%

Source: FE Analytics and Morningstar as at 30.06.22. 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

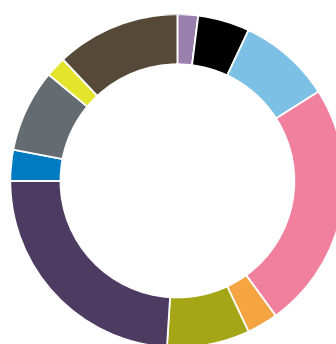
	UW (-)	N (=)	OW (+)	Key
Fixed interest				
Equities				
Property				
Alternative investments				
Cash				

■ 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
International fixed interest	5
Strategic bonds	9
Alternatives	24
UK equity income	3
UK equity growth	8
US equity	24
European equity	3
Asia-Pacific ex Japan equity	8
Japanese equity	2
Thematic and global equity	12

Active/Passive split	%
Active funds	64
Passive funds	36

## Top 10 holdings

Holding	%	Holding	%
Premier Miton US Opportunities	8	Fidelity UK Index	5
FTF ClearBridge Global Infrastructure Inc.	7	HSBC American Index	5
TM Tellworth UK Select	6	HSBC Pacific Index	5
Artemis Target Return Bond	5	Janus Henderson Absolute Return	5
Artemis US Select	5	Janus Henderson Strategic Bond	5

As at 30.06.22

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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