

Discretionary Managed Portfolio Service

Enterprise 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')	0.39%
Annual yield (current)	1.69%

*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 signalled 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, no changes have been made over the month as we maintain our commitment to equities. The strategy remains at the upper end of its corresponding Dynamic Planner risk profile. We have previously positioned equity exposure towards regions or sectors that we feel will be more resilient to issues connected with the Ukraine conflict. Additions to global infrastructure, to gain some inflation protection, and a reduction in European exposure have worked well so far. We remain comfortable with our commitments to the US dollar – it should remain supported by expected policy moves and we see the US economy performing better than the UK and eurozone. The dollar also has the capacity to act as a safe-haven currency should even trickier conditions materialise.

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.

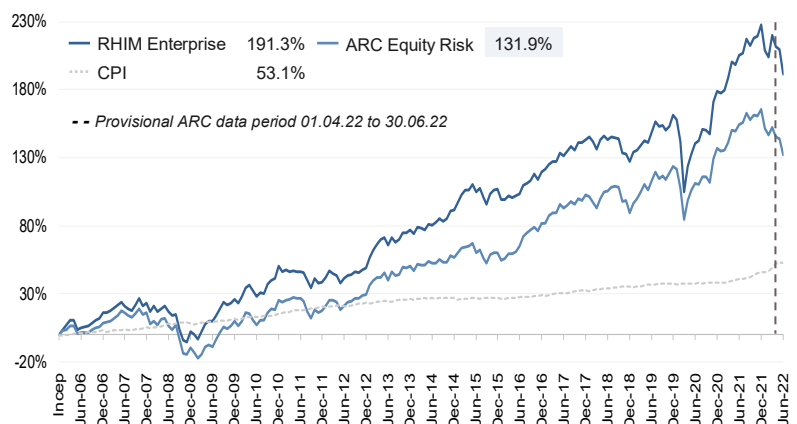
Discrete performance

	YTD	2021	2020	2019	2018	2017
RHIM Enterprise	-11.1%	17.5%	6.6%	14.9%	-6.5%	11.0%
ARC Equity Risk PCI	-12.7%	12.3%	5.8%	18.0%	-6.5%	11.4%
CPI	5.0%	5.4%	0.7%	1.3%	2.1%	2.9%

Cumulative performance

	1yr	3yr	5yr	10yr
RHIM Enterprise	-4.5%	17.0%	25.7%	106.4%

Inception performance



Annualised performance since inception

	Inception
RHIM Enterprise	6.7%
ARC Equity Risk PCI	5.2%
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

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Headline asset allocation and positioning

Summary of current Investment Committee positioning

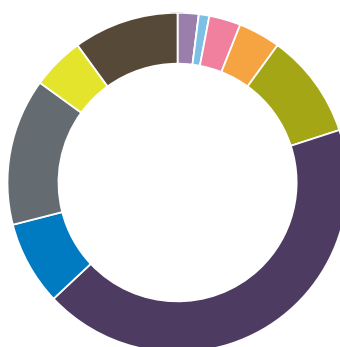
	UW (-)	N (=)	OW (+)	Key
Fixed interest	Current	Previous*		
Equities			Current	
Property	Current			
Alternative investments		Previous*	Current	
Cash	Current			

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 30.06.22

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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