RICHMOND HOUSE
INVESTMENT MANAGEMENT

Discretionary Managed Portfolio Service
Blended Model

July 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)	1.85%

*Not including platform fees
Source: FE Analytics as at 31.07.22

Investment update - July

Weaker economic data raised expectations of a softening, and potential reversal, in interest rate policy in the US, perhaps as early as next year, driving equity markets sharply higher over the month. The growth and technology-heavy US market was the key beneficiary while emerging markets lagged, pulled down by US dollar strength and weak returns from China. The eurozone continues to face the most acute energy supply risk stemming from the conflict in Ukraine and, notably, the euro dipped below parity against the dollar during July as recession fears heightened. In the UK, the resignation of Boris Johnson has to date caused little discernible effect on markets. The European Central Bank announced its first rate increase (50bps) in 11 years ending the negative rate environment seen since 2014. The US Federal Reserve also announced a further 75bps rise in rates as expected. No changes were made to the strategy, which remains at the upper end of its corresponding Dynamic Planner risk profile, as we prefer to remain invested and follow longer-term themes during times of market volatility that may create opportunities. Indeed, within the equity component of the strategy we are looking to further reduce exposure to Europe in favour of a higher allocation to Asia. The eurozone economy still looks vulnerable to continued energy supply disruption and tighter borrowing conditions. In contrast, we expect Asia to produce stronger levels of economic activity globally with China in particular expected to pursue more expansive monetary and economic policy.

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.

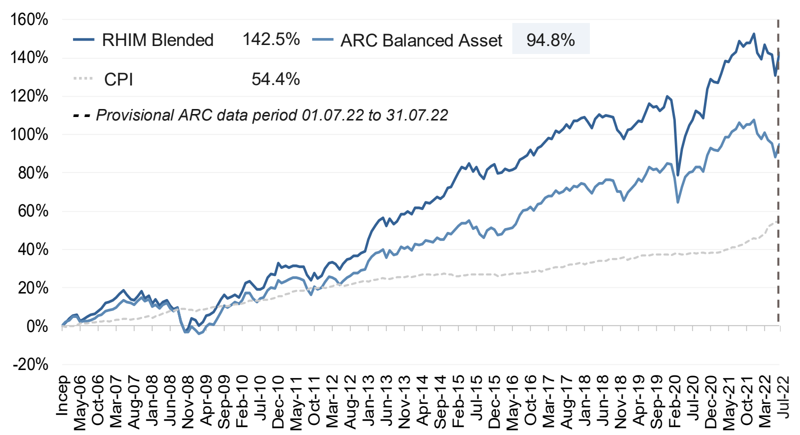
Discrete performance

	YTD	2021	2020	2019	2018	2017
RHIM Blended	-3.9%	10.2%	4.1%	11.4%	-5.2%	8.1%
ARC Balanced Asset PCI	-6.3%	7.6%	4.3%	11.7%	-5.1%	6.7%
CPI	5.8%	5.4%	0.7%	1.3%	2.1%	2.9%

Cumulative performance

	1yr	3yr	5yr	10yr
RHIM Blended	-0.3%	12.1%	19.6%	79.8%

Inception performance



Annualised performance since inception

	Inception
RHIM Blended	5.5%
ARC Balanced Asset PCI	4.1%
CPI	2.7%

Source: FE Analytics and Morningstar as at 31.07.22. 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.

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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

Key

Current

Previous*

UW (-) Underweight

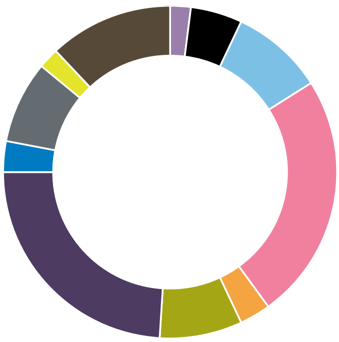
N (=) Neutral

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 31.07.22