

Discretionary Managed Portfolio Service

Blended Model

August 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') | 0.50% |
| Annual yield (current) | 1.85% |

*Not including platform fees
Source: FE Analytics as at 31.08.22

Investment update - August

After a strong July, developed market equities sold off sharply in August following hawkish comments from both US Federal Reserve Chair, Jerome Powell, and the European Central Bank's Monetary Policy Committee. Both implied that greater than anticipated interest rate rises might be required to tackle inflationary pressures, this is despite economic indicators generally pointing to a continued slowdown in growth. Powell cautioned that the US may see slower growth for a 'sustained period' while Bank of England Governor, Andrew Bailey, warned of the possibility of a prolonged recession for the last quarter of 2022. As such, central banks continue to face the ongoing dilemma of how to mitigate inflation without overly impacting their economies. Within our equity exposure, we maintained our skew towards the US where inflation may have peaked, and economic indicators look relatively resilient. We also continue to favour Asia, where fundamentals and valuations look fairly attractive, and policy is more supportive for risk assets. Therefore, we further reduced our exposure to European equities in favour of an increased allocation to Asia-Pacific ex Japan. The eurozone economy still looks vulnerable and faces numerous headwinds in terms of inflation, energy disruption and fragmentation risk. 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. The strategy remains at the upper end of its corresponding Dynamic Planner risk profile.

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.

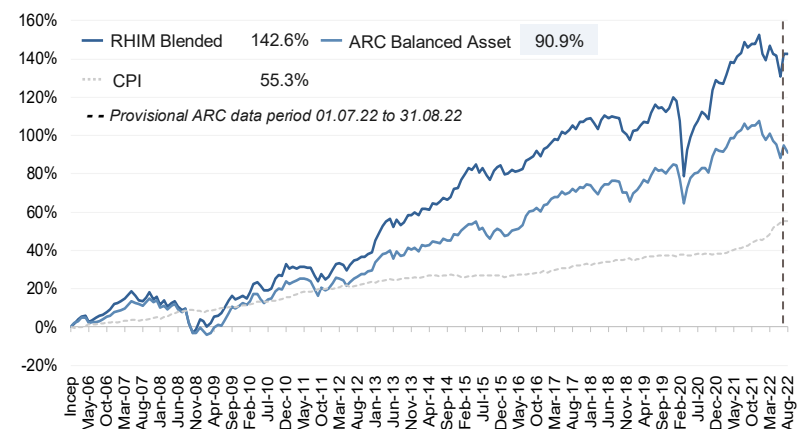
Discrete performance

| | YTD | 2021 | 2020 | 2019 | 2018 | 2017 |
|------------------------|-------|-------|------|-------|-------|------|
| RHIM Blended | -3.8% | 10.2% | 4.1% | 11.4% | -5.2% | 8.1% |
| ARC Balanced Asset PCI | -8.2% | 7.6% | 4.3% | 11.7% | -5.1% | 6.7% |
| CPI | 6.4% | 5.4% | 0.7% | 1.3% | 2.1% | 2.9% |

Cumulative performance

| | 1yr | 3yr | 5yr | 10yr |
|--------------|-------|-------|-------|-------|
| RHIM Blended | -2.4% | 13.2% | 18.3% | 79.5% |

Inception performance



Annualised performance since inception

| | Inception |
|------------------------|-----------|
| RHIM Blended | 5.5% |
| ARC Balanced Asset PCI | 4.0% |
| CPI | 2.7% |

Source: FE Analytics and Morningstar as at 31.08.22. 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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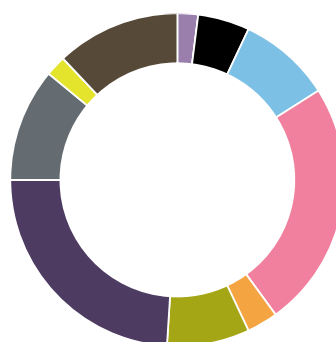
Headline asset allocation and positioning

Summary of current Investment Committee positioning

| | UW (-) | N (=) | OW (+) | Key |
|-------------------------|--------|-------|--------|----------------------|
| Fixed interest | | | | ■ Current |
| Equities | | | | ■ UW (-) Underweight |
| Property | | | | ■ N (=) Neutral |
| Alternative investments | | | | ■ OW (+) Overweight |
| Cash | | | | |

- 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 allocation to Asia-Pacific ex Japan, where fundamentals and valuations look fairly attractive, and policy is more supportive for risk assets.
- 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.

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 |
| Asia-Pacific ex Japan equity | 11 |
| Japanese equity | 2 |
| Thematic and global equity | 12 |

| Active/Passive split | % |
|----------------------|----|
| Active funds | 61 |
| Passive funds | 39 |

Top 10 holdings

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

As at 31.08.22

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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