

Discretionary Managed Portfolio Service

Dynamic Model

October 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')	0.51%
Annual yield (current)	1.78%

*Not including platform fees
Source: FE Analytics as at 31.10.22.

Investment update - October

Despite weak economic data, developed market equities staged a strong recovery over October. The US market led the way thanks to better-than-expected company earnings announcements. In the UK, the appointment of Rishi Sunak as Prime Minister, and Chancellor Jeremy Hunt's reversal of much of the now infamous 'mini-budget', was favourably received by investors. In the eurozone, Purchasing Managers' Indices, which were already indicating recession, fell further. However, support from the European Commission to tackle the energy crisis was positively received by investors. Emerging markets fell over the month, mainly driven by the weakness of the Chinese market – investors were disappointed to see no let-up in the zero-covid policy and the re-election of Xi Jinping whose economic policies are perceived as restrictive to growth for companies with an international reach. Fixed interest markets remain volatile in the face of acute inflationary pressures and continuing central bank actions across the globe. During the month no changes were made to the strategy, which remains towards the upper end of its corresponding Dynamic Planner risk profile. We continue to favour equities as an asset class and remain comfortable with having significant exposure to the US market given the relatively robust economic outlook for the US versus much of the developed world. We have also targeted exposure to two important investment themes – global infrastructure assets, and environmental and climate change initiatives – which we believe may produce significant returns over the long term given the ever-increasing commitment from governments across the globe to these themes.

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, including significant fluctuations in value, with only moderate protection in times of market weakness.

Risk profile

The model is managed in accordance with Dynamic Planner risk profile 6 (High Medium), with the model's expected volatility targeted to stay within the assigned Dynamic Planner risk profile's boundaries.

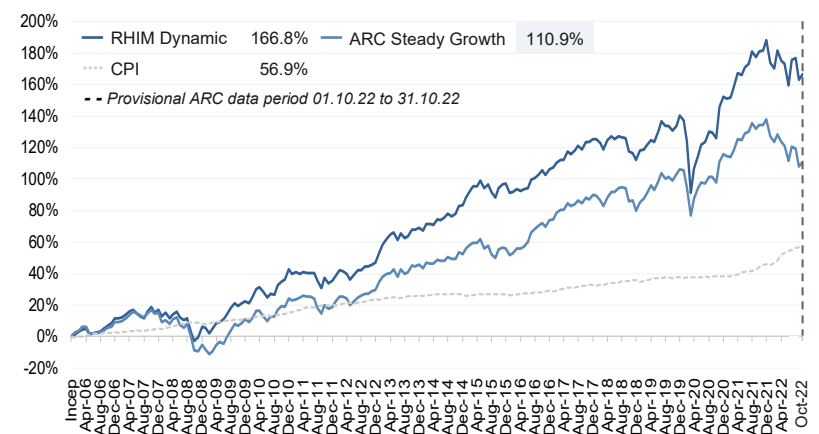
Discrete performance

	YTD	2021	2020	2019	2018	2017
RHIM Dynamic	-7.4%	14.2%	4.9%	13.4%	-5.9%	9.2%
ARC Steady Growth PCI	-11.4%	10.2%	4.6%	15.0%	-5.6%	9.4%
CPI	7.6%	5.4%	0.7%	1.3%	2.1%	2.9%

Cumulative performance

	1yr	3yr	5yr	10yr
RHIM Dynamic	-5.0%	15.5%	19.3%	84.9%

Inception performance



Annualised performance since inception

	Inception
RHIM Dynamic	6.0%
ARC Steady Growth PCI	4.5%
CPI	2.7%

Source: FE Analytics and Morningstar as at 31.10.22. 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 UW (-) Underweight N (=) Neutral OW (+) Overweight
Equities				
Property				
Alternative investments				
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 allocate to 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	2
Strategic bonds	6
Alternatives	12
UK equity income	4
UK equity growth	10
US equity	35
European equity	1
Asia-Pacific ex Japan equity	14
Japanese equity	3
Thematic and global equity	11

Active/Passive split	%
Active funds	54
Passive funds	46

Top 10 holdings

Holding	%	Holding	%
Premier Miton US Opportunities	9	Fidelity Index US	6
Artemis US Select	7	Ninety One Global Environment	6
HSBC American Index	7	Vanguard US Equity Index	6
HSBC Pacific Index	7	FTF ClearBridge Global Infrastructure Inc.	5
TM Tellworth UK Select	7	Janus Henderson Absolute Return	5

As at 31.10.22

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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