

Discretionary Managed Portfolio Service

Blended Model

May 2023

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)	2.41%

*Not including platform fees
Source: FE Analytics as at 31.05.23

Investment update - May

May proved to be a weak month for equities with both developed and emerging markets falling. Alongside mixed economic data, core inflation numbers announced over the month proved to be generally higher than expected leading to concerns that there may be further monetary policy tightening to come. As expected, both the Bank of England and the European Central Bank went ahead with further 25 basis point rate rises, to 4.5% and 3.75% respectively. Given the recent inflation data, market expectations of peak interest rates in both regions have materially increased and expectations for the potential date of a reversal in policy tightening have also been pushed forward. Given the more hawkish backdrop government bond yields rose and the global index fell 2.2% over the month however, global corporate bonds proved more resilient. We are maintaining equity market exposure, with the strategy continuing to remain towards the upper end of its corresponding Dynamic Planner risk profile. Our positive view on equity markets remains given the improving macroeconomic backdrop and the prospect of economic and earnings growth recovery moving into 2024. We have taken advantage of better opportunities within fixed income markets over the winter months, increasing duration accordingly. A good exposure to alternative investments is also being maintained as they continue to act as a valuable risk management tool in times of market stress.

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.

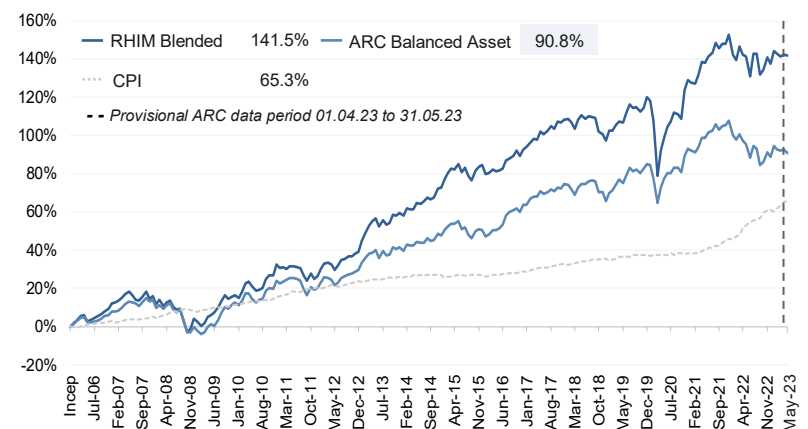
Discrete performance

	YTD	2022	2021	2020	2019	2018
RHIM Blended	1.8%	-6.0%	10.2%	4.1%	11.4%	-5.2%
ARC Balanced Asset PCI	1.0%	-9.1%	7.6%	4.3%	11.7%	-5.1%
CPI	2.5%	10.5%	5.4%	0.7%	1.3%	2.1%

Cumulative performance

	1yr	3yr	5yr	10yr
RHIM Blended	0.1%	21.4%	14.8%	54.2%

Inception performance



Annualised performance since inception

	Inception
RHIM Blended	5.2%
ARC Balanced Asset PCI	3.8%
CPI	2.9%

Source: FE Analytics and Morningstar as at 31.05.23. 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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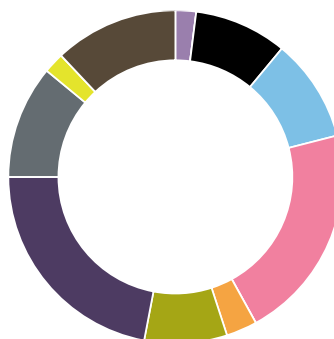
Headline asset allocation and positioning

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	9
Strategic bonds	10
Alternatives	21
UK equity income	3
UK equity growth	8
US equity	22
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	Janus Henderson Absolute Return	5
Vanguard US Equity Index	6	Janus Henderson Strategic Bond	5
Artemis Target Return Bond	5	Ninety One Global Environment	5

As at 31.05.23

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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