RICHMOND HOUSE
INVESTMENT MANAGEMENT

Discretionary Managed Portfolio Service

Income Model

July 2023

Key information

Model details

Launch date	1 January 2007
Minimum initial investment	£1,000
Rebalancing strategy (minimum)	Quarterly
Currency	£ GBP
Annual management charge	0.50%*
Ongoing charges figure ('OCF')	0.46%
Annual yield (current)	2.79%

*Not including platform fees
Source: FE Analytics as at 31.07.23

Investment update - July

Equity markets rose over July, driven in part by weaker-than-expected inflation data from the US. This led to hopes that interest rate policy could reverse before the end of the year and increased optimism of a 'soft landing' (i.e. the economy holding up while inflation steadily recedes). However, the monetary backdrop is somewhat complicated as spending moves towards services while goods prices fall. Central banks are unlikely to feel comfortable shifting policy until tight labour markets (and persistent wage growth) show signs of weakening. Markets are drawing encouragement from the most recent earnings updates, which continue to prove resilient and inconsistent with what we would expect to see ahead of a recessionary period. We remain broadly optimistic about the outlook for the second half of the year as investors increasingly start to look to a generally improving economic picture in 2024 – our commitment to equities is therefore maintained, with the strategy remaining at the upper end of its corresponding Dynamic Planner risk profile. We are, however, proposing to trim our commitment to the US market and some thematic funds in favour of a small re-entry to Europe and an increase to Japan. European equity markets have shown more resilience than anticipated to tough economic conditions and a valuation gap relative to the US is increasingly hard to ignore. Japan is finally showing signs that it can escape from its deflationary malaise of the past few decades.

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 generate income and 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.

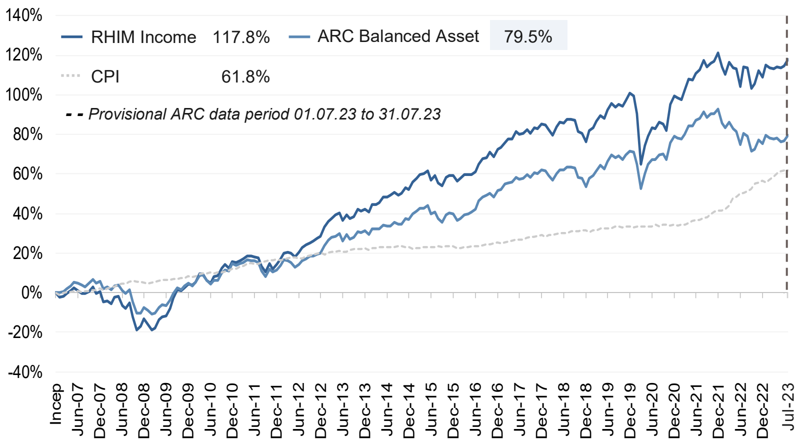
Discrete performance

	YTD	2022	2021	2020	2019	2018
RHIM Income	4.2%	-5.6%	11.0%	-0.6%	13.7%	-4.7%
ARC Balanced Asset PCI	2.5%	-9.1%	7.6%	4.3%	11.7%	-5.1%
CPI	3.4%	10.5%	5.4%	0.7%	1.3%	2.1%

Cumulative performance

	1yr	3yr	5yr	10yr
RHIM Income	1.7%	19.1%	16.0%	56.2%

Inception performance



Annualised performance since inception

	Inception
RHIM Income	4.8%
ARC Balanced Asset PCI	3.5%
CPI	3.0%

Source: FE Analytics and Morningstar as at 31.07.23. Inception from 01.01.07.
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

For further information on this model please contact us:

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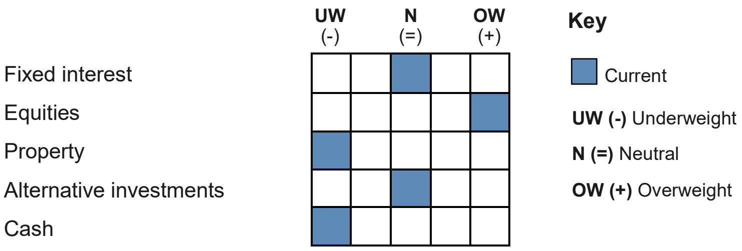
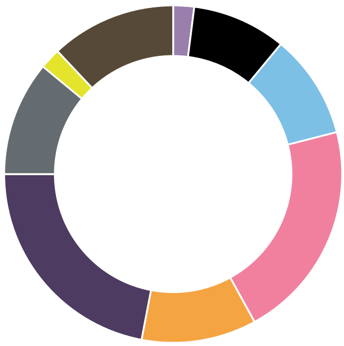
Headline asset allocation and positioning

Summary of current Investment Committee positioning



- 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	11
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.	8	TM Tellworth UK Select	6
HSBC American Index	8	Artemis Target Return Bond	5
Vanguard US Equity Index	8	Janus Henderson Absolute Return	5
Fidelity Index US	6	Janus Henderson Strategic Bond	5
HSBC Pacific Index	6	TwentyFour Absolute Return Credit	5

As at 31.07.23