

# Discretionary Managed Portfolio Service

## Enterprise Model

**October 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')	0.44%
Annual yield (current)	2.04%

\*Not including platform fees  
Source: FE Analytics as at 31.10.23

#### Investment update - October

October was a weak month for both equities and bonds as the market's 'higher-for-longer' expectation around interest rates rolled over from September. While the tragic events in the Middle East have not materially affected markets to date, the added level of geopolitical uncertainty did serve to further dampen market sentiment. Markets continue to look for more clarity in the outlook for interest rates and the global economy. While data remains mixed, we are positioned for our central view that inflation in developed regions will revert to close to central bank target levels by the end of next year and that we will see global growth of between 2-3% per annum over the next three years, a supportive level for risk assets, accompanied by a recovery in corporate earnings. This thesis leads us to continue to favour equities as an asset class, therefore no changes were made over the month with the strategy remaining at the upper end of its Dynamic Planner risk profile. We continue to actively manage our equity exposure and are looking closely at targeting companies most likely to benefit from advances in artificial intelligence via a specialist active manager, to complement our existing 'thematic' exposure to global infrastructure and sustainable energy. With inflationary pressures easing and the likelihood that interest rates have peaked, we also see attractive investment opportunities in fixed income. As such we are looking to increase investment grade credit exposure, by slightly reducing more defensive alternative funds. We will, however, be retaining some exposure to alternatives – the challenging environment for both equities and bonds recently has again showed the value of holding these funds.

#### 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, and be entirely comfortable with substantial volatility and very limited protection in times of market weakness.

#### Risk profile

The model is managed in accordance with Dynamic Planner risk profile 7 (Highest Medium), with the model's expected volatility targeted to stay within the assigned Dynamic Planner risk profile's boundaries.

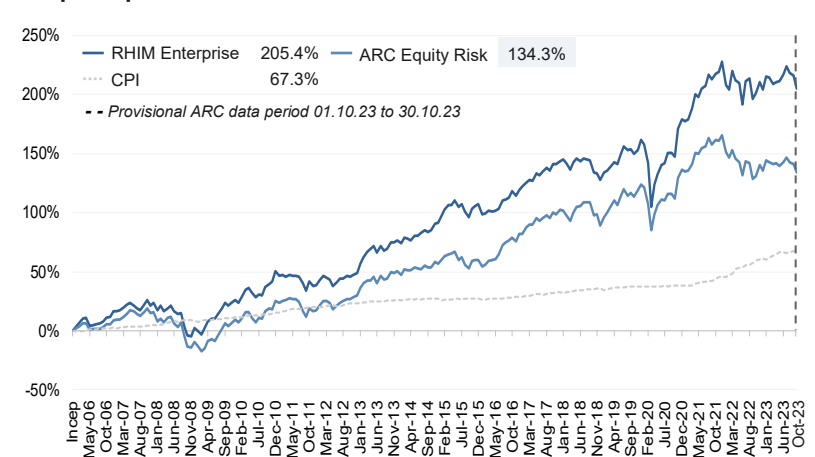
#### Discrete performance

	YTD	2022	2021	2020	2019	2018
RHIM Enterprise	0.4%	-7.2%	17.5%	6.6%	14.9%	-6.5%
ARC Equity Risk PCI	-0.5%	-11.4%	12.3%	5.8%	18.0%	-6.5%
CPI	3.8%	10.5%	5.4%	0.7%	1.3%	2.1%

#### Cumulative performance

	1yr	3yr	5yr	10yr
RHIM Enterprise	1.4%	23.5%	30.6%	74.4%

#### Inception performance



#### Annualised performance since inception

	Inception
RHIM Enterprise	6.5%
ARC Equity Risk PCI	4.9%
CPI	2.9%

Source: FE Analytics and Morningstar as at 31.10.23. 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

For further information on this model please contact us:

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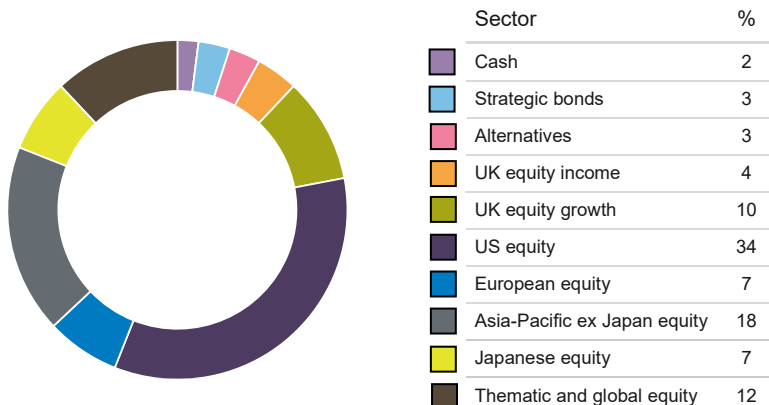
## Headline asset allocation and positioning

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 as we remain broadly optimistic about the economic outlook for the second half of 2024.
- We have trimmed our commitment to the US market and some thematic funds in favour of exposure to Europe and an increased allocation to Japan (excluding Strategic) where opportunities have arisen.
- 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



Active/Passive split	%
Active funds	43
Passive funds	57

## Top 10 holdings

Holding	%	Holding	%
HSBC Pacific Index	9	Artemis US Select	5
HSBC American Index	8	FTF ClearBridge Global Infrastructure Inc.	5
Fidelity Index US	7	Jupiter European	5
Premier Miton US Opportunities	7	Vanguard Pacific ex-Japan Index	5
Vanguard US Equity Index	7	Fidelity Index Japan	4

As at 31.10.23

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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