

# Discretionary Managed Portfolio Service

## Enterprise Model

**September 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)	2.33%

\*Not including platform fees  
Source: FE Analytics as at 30.09.23

#### Investment update - September

September proved to be a weak month for equities. The key influence on markets remains expectations around central bank rate policy, which shifted towards a 'higher-for-longer' stance. Rather than focusing on where rates will peak, markets are now looking at when policy might start loosening. Expectations for this were pushed forward by cautionary comments from both US Federal Reserve Chair, Jerome Powell, and Monetary Policy Committee Chair, Andrew Bailey. Data pointing to unexpected resilience in the US economy (and to an extent developed economies) and to a resilient consumer contributed to this view. Volatility in markets is currently high, as rate expectations fluctuate, however our positive thesis for equities remains. Therefore, no changes were made during the month as the strategy remains at the upper end of its corresponding Dynamic Planner risk profile. Our expectation of a recovery in global corporate earnings, and of modest but positive economic growth looking ahead, provides a supportive environment for risk assets given current valuations. Inflationary pressures are receding steadily and the possibility, next year, of looser fiscal policy offers the prospect of a recovery in bond markets. Attractive opportunities are presenting themselves in investment grade credit which the Investment Committee is monitoring closely. In the face of the current volatility, our alternatives holdings continue to prove their worth with our key underlying managers posting positive returns in September.

#### 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.

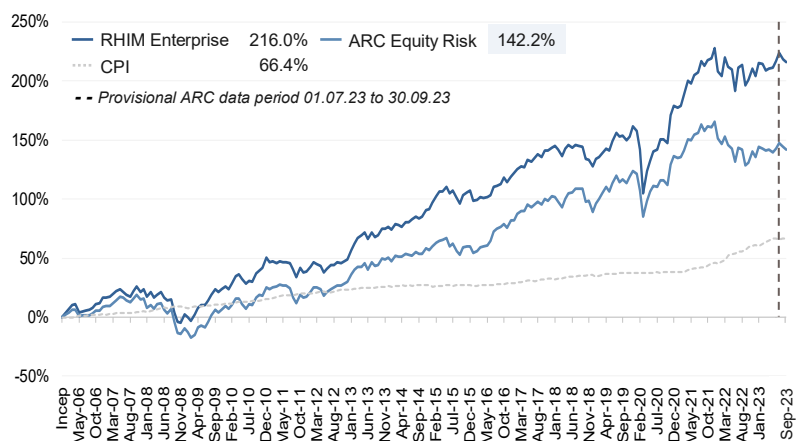
#### Discrete performance

	YTD	2022	2021	2020	2019	2018
RHIM Enterprise	3.9%	-7.2%	17.5%	6.6%	14.9%	-6.5%
ARC Equity Risk PCI	2.8%	-11.4%	12.3%	5.8%	18.0%	-6.5%
CPI	3.2%	10.5%	5.4%	0.7%	1.3%	2.1%

#### Cumulative performance

	1yr	3yr	5yr	10yr
RHIM Enterprise	6.6%	26.3%	29.4%	86.2%

#### Inception performance



#### Annualised performance since inception

	Inception
RHIM Enterprise	6.7%
ARC Equity Risk PCI	5.1%
CPI	2.9%

Source: FE Analytics and Morningstar as at 30.09.23. 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

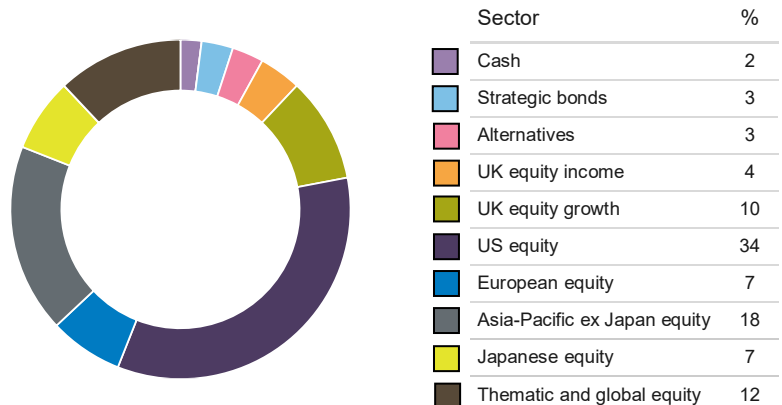
Summary of current Investment Committee positioning

	UW (-)	N (=)	OW (+)	Key
Fixed interest				
Equities				
Property				
Alternative investments				
Cash				

■ Current  
**UW (-)** Underweight  
**N (=)** Neutral  
**OW (+)** Overweight

- 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 30.09.23

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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