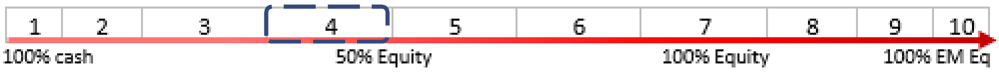
RICHMOND HOUSE
INVESTMENT MANAGEMENT

RHIM CAUTIOUS MODEL FACTSHEET

The RHIM Cautious model aims to deliver capital growth over the medium term, with lower volatility than the sector average using collective investment schemes (funds). Asset allocation will be actively managed whilst maintaining a cautious risk profile. This is a multi-asset portfolio which may invest between 25% and 45% in traditional equity funds which will include UK and overseas equities. The remainder will be invested in lower risk funds such as targeted absolute return funds and at least 35% across fixed income and property. The model is also permitted to hold up to 10% in cash when deemed appropriate. In order to deliver returns in excess of cash over the longer term investors must accept that the investment could fall in value, particularly in the short term. The model will sit within risk profile 4 on a scale of 1-10, where 1 is cash and 10 is 100% high risk equity markets. Please see the reverse for historical volatility and peak to trough data.

Risk Rating

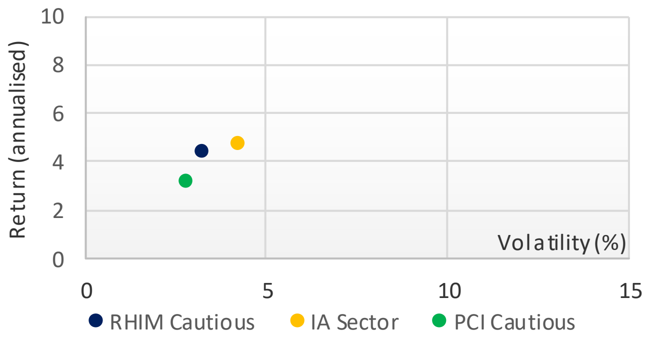


Commentary

SEPTEMBER 2018 UPDATE

The model lost 0.3% in September but retained a positive return over twelve months. Since April we have seen a marked divergence in returns with Europe and Asia/EM coming under pressure but US equities moving higher. This helped push the twelve month return for M&G Global Dividend to 14.7%. However, it was JPM Japan that generated the best return over twelve months; gaining 27.7%. Albeit this is a small position. The funds held for their more defensive qualities struggled to stay in positive territory over the twelve months on the whole. Given that yields have been rising this has capped total returns from bond funds. For example, Jupiter Strategic bond fund fell 0.46%. Targeted Absolute funds also struggled in this environment albeit they provided downside protection in the February and March correction and so smoothed the return profile. In addition, weaker data in Europe meant that European equities started to underperform this summer but this is an area we took profits on, reducing exposure before the more recent weakness.

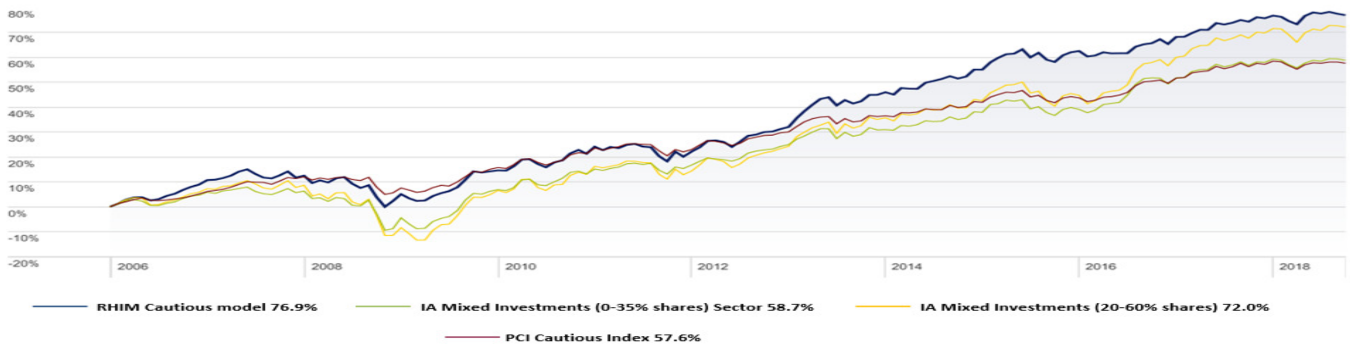
Risk Return (5 years)



Performance (Cumulative)

	1 year	5 years	10 years	Since Inception
RHIM Model	1.51%	24.29%	70.37%	76.85%
IA Sector	1.95%	26.46%	70.97%	65.37%
PCI	0.89%	17.22%	46.14%	57.57%

Performance Chart since inception



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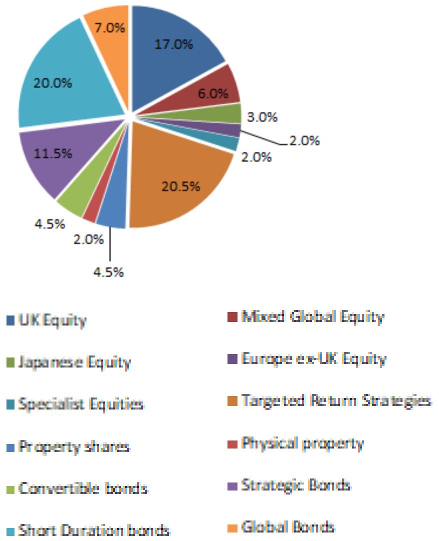
Key Facts	RHIM Cautious
Launch Date	1st January 2006
IA Sector	50% IA 0-35 % Sector 50% IA 20-60% Sector
Private Client Index (PCI)	PCI Cautious Index
RHIM Fee	0.5% + VAT
No. Holdings	20
Historical Yield	2.4% (as at 30.06.18)

The Historic Yield reflects distributions declared over the past twelve months as a percentage of the valuation as at the date shown. Investors may be subject to tax on their distributions.

Asset allocation



Risk Statistics - Data as at 30th September	Annualised Return	Annualised Volatility	Worst Peak to Trough
RHIM Model – 3 years	3.81%	2.82%	-3.72%
IA Sector	*6.08%*	*4.03%*	*-4.95%*
RHIM Model – 5 years	4.45%	3.17%	-4.16%
IA Sector	*4.80%*	*4.20%*	*-7.94%*
RHIM Model – since inception	4.57%	4.59%	-13.96%
IA Sector	*4.02%*	*5.85%*	*-20.37%*

Risk
Higher-risk investments tend to experience greater volatility, which means they are likely to go up and down in value more often and by larger amounts than lower-risk investments. In return, higher-risk investments have the potential to produce higher returns over the long term, although this is not guaranteed. If you do not understand the risks involved with the portfolio it is important that you seek clarification from your Financial Adviser before making an investment.

This Factsheet
This factsheet demonstrates the exposure, characteristics and performance of the named RHIM model. Your actual portfolio may differ depending on your individual circumstances. All features described in this fact sheet are current at the time of publication and may be changed in the future.

Currency
Some funds will hold overseas assets and as a result will also have exposure to overseas currencies. Exchange rates can fluctuate and may cause the value of the investment to rise or fall.

Investment Term
It is generally accepted that equity investments should be regarded as long term investments and should be held for a minimum of five years, ideally longer. Your time horizon and capacity for loss are important considerations when selecting the most appropriate RHIM model.

Property Funds
The value of property is generally a matter of a valuer's opinion which may not be readily realisable. There are liquidity risks associated with investing in property whereby encashments may be delayed waiting for properties to be sold.

Performance
It should be noted that past performance is not necessarily a guide to future performance. The price of shares/units and income from them may fall as well as rise and is not guaranteed. RHIM Performance illustrated is net of fund charges, but does not include Richmond House Investment Management discretionary management fees, nor fees that may be incurred through your Financial Adviser. PCI returns are net of Discretionary Manager charges.