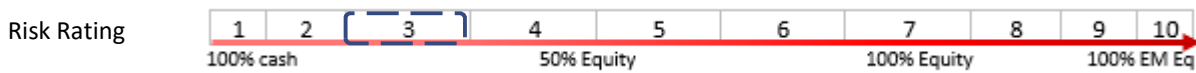


# RICHMOND HOUSE

## INVESTMENT MANAGEMENT

### RHIM STRATEGIC MODEL FACTSHEET

The RHIM Strategic model is a defensive multi-asset portfolio which aims to generate growth ahead of inflation over a rolling 3 year period yet operate with a low level of volatility, using collective investment schemes (funds). The emphasis is on capital preservation and steady returns. The majority of the model will be invested in lower risk funds, with a maximum of 30% permitted in traditional equity funds. Targeted absolute return funds and fixed income will be used, in addition to property and cash as deemed appropriate. Asset allocation will be actively managed whilst maintaining a low risk profile. Any falls in the value of a portfolio should usually be small. However, potential returns are also likely to be modest. The model will sit within risk profile 3 on a scale of 1-10, where 1 is cash and 10 is 100% in emerging markets. Please see the reverse for historical volatility and peak to trough data.

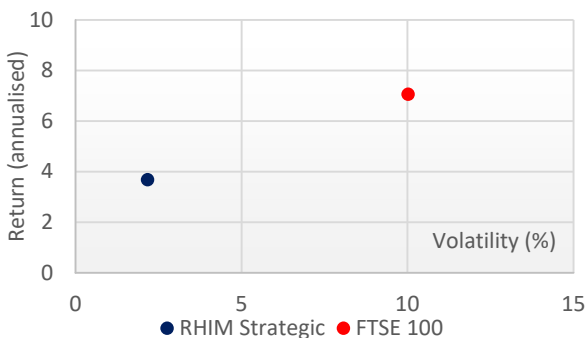


#### Commentary

**SEPTEMBER 2018 UPDATE**

The model fell slightly over the month, down by 0.32%, as most non-US equity markets fell and bond yields rose. Equities are falling in part because yields are rising and we have been wary of this scenario for some time. Hence the model remains diversified through other sectors and asset classes, not just bonds, such as targeted absolute return funds and more recently some gold exposure. The best performing fund in September was RWC Enhanced Income which rose 1.2% whilst the weakest was Newton International Bond which fell 1.4%. The latter is held in case of a sterling depreciation should we fail to reach a satisfactory exit from the EU. Over the year the model benefited most from its exposure to Polar Capital Global Convertibles which rose 12.7% and M&G Global Dividend which gained 14.7%. We de-risked some of our equity holdings earlier in the year, taking profits on Unicorn UK Income in favour of the more defensive RWC Enhanced Income fund. The more defensive elements of the model held back returns overall, whilst gold acted as a detractor over the six months.

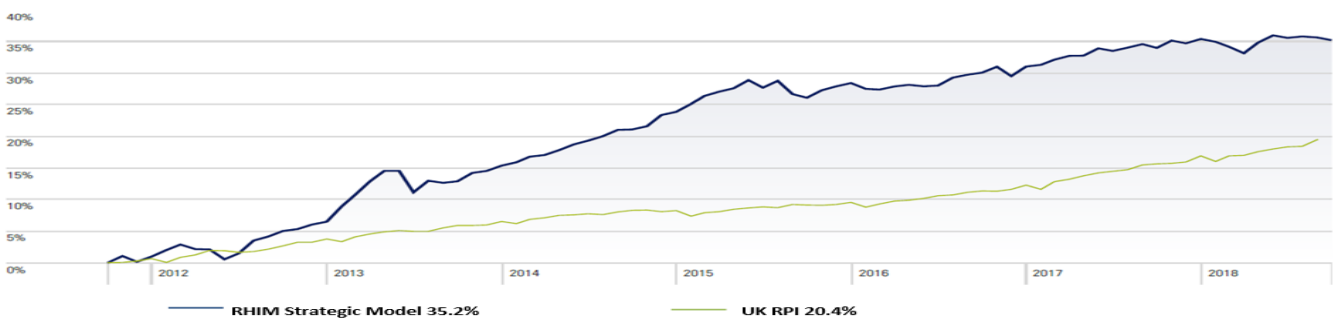
#### Risk Return (5 years)



#### Performance (Cumulative)

	1 year	5 years	10 years	Since Inception
<b>RHIM Model</b>	0.91%	19.78%	n/a	35.20%

#### Performance Chart since inception

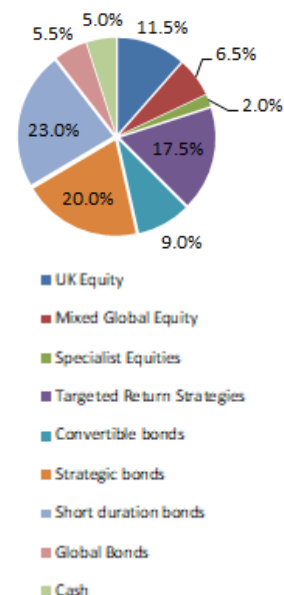


# RICHMOND HOUSE

## INVESTMENT MANAGEMENT

<b>Key Facts</b>	RHIM Strategic
<b>Launch Date</b>	1 <sup>st</sup> October 2011
<b>IA Sector</b>	N/A
<b>Private Client Index (PCI)</b>	N/A
<b>RHIM Fee</b>	0.5% + VAT
<b>No. Holdings</b>	15
<b>Historical Yield</b>	2.5% (as at 30.06.18)

### Asset allocation



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.

Risk Statistics - Data as at 30 <sup>th</sup> September	Annualised Return	Annualised Volatility	Worst Peak to Trough
<b>RHIM Model – 3 years</b>	2.35%	2.00%	-2.49
<i>(FTSE 100 for info only)</i>	<i>11.77%</i>	<i>9.25%</i>	<i>-13.51%</i>
<b>RHIM Model – 5 years</b>	3.68%	2.17%	-2.79%
<i>(FTSE 100 for info only)</i>	<i>7.06%</i>	<i>10.02%</i>	<i>-20.02%</i>
<b>RHIM Model – since inception</b>	4.40%	2.87%	-4.61%
<i>(FTSE 100 for info only)</i>	<i>9.69%</i>	<i>10.52%</i>	<i>-20.02%</i>

### 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.