

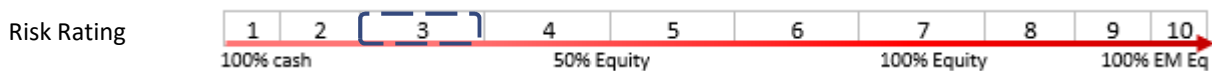


RICHMOND HOUSE

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

NOVEMBER 2018 UPDATE

The year to 30th November has been challenging, with most asset classes in negative territory. However, sterling weakness has protected UK clients from the full extent of the falls more recently. Volatility has returned and even typically defensive assets such as corporate bonds have failed to deliver a positive return, with the IA corporate bond sector down 1.4% over 12 months. Over six months the sell-off in equities has gained momentum, with the FTSE 100 down 7%. Of the mainstream indices, only the US equity market is in positive territory over 12 months, yet even that upward trend appears to have broken down more recently. For some time we have thought that the reversal of QE and higher interest rates would bring a return of risk awareness to markets. Within the Strategic model we have therefore retained a defensive position with exposure to absolute return funds (funds which aim to make positive returns regardless of market direction) and also a new holding in a gold fund this year. Together, these fund make up 16% of the model. During October, when equity markets fell in the region of 10%, Jupiter Absolute Return was up 2.3% and Merian Gold and Silver was up 1.7%. UK assets and sterling remain sensitive to Brexit developments, and a rally in sterling would be a risk to UK portfolios as overseas assets fall due to currency moves, all things being equal. This risk is relatively contained within RHIM Strategic with less than 10% exposure to overseas currencies at present.

Risk Return (5 years) as at 30th November

Performance (Cumulative) as at 30th November



	1 year	5 years	10 years	Since Inception
RHIM Model	-1.79%	15.53%	n/a	32.30%

Performance Chart since inception

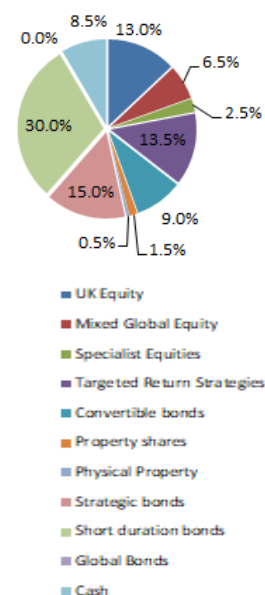


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Key Facts	RHIM Strategic
Launch Date	1 st October 2011
IA Sector	N/A
Private Client Index (PCI)	N/A
RHIM Fee	0.5% + VAT
No. Holdings	17
Historical Yield	2.5% (as at 30.06.18)

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

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 the Discretionary Manager charges and use provisional data.