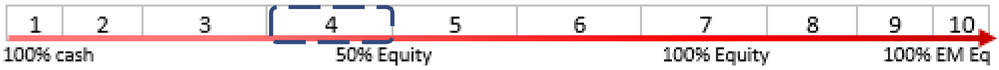
# RICHMOND HOUSE
## INVESTMENT MANAGEMENT

# 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

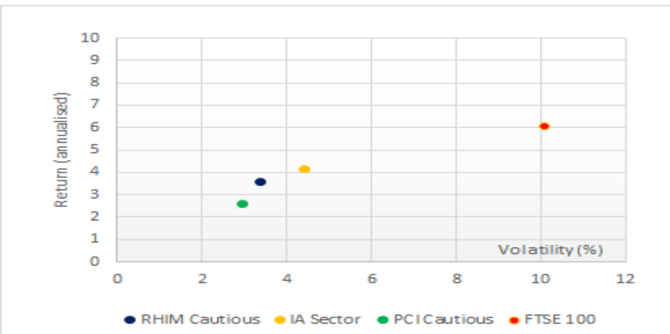



Commentary

**MARCH 2019 UPDATE**

The RHIM model gained 3.2% over the 3 months and 1.5% over the year. Equity markets have risen strongly in Q1, recovering most of their losses from the dramatic sell off in October and December of 2018. Comments from the US central bank that they will now pause on further monetary tightening has boosted equity markets, despite many regions still experiencing worsening economic data. We have protected the portfolio from the worst of the downside by holding a combination of Targeted Absolute Return funds, Strategic bonds and gold. The gold fund (Merian Gold & Silver) has been a strong diversifier recently, gaining 5.2% over 3 months and 10.9% over six months. We added to this position in October, at the expense of European equities. The best performing fund over the twelve months was Newton Global Income which gained 14.2%, followed by Polar Capital Global Convertibles which gained 11.3%. Offsetting these exceptionally strong returns were the Targeted Absolute Return funds which fell 8.5% and 4.2%. These funds however did serve to protect capital during the market corrections seen in October and December, each of them generating positive returns in falling markets and helping to cushion the downside in the model. Recent bouts of market strength over the last six months have been used as an opportunity to make the model slightly more defensive.

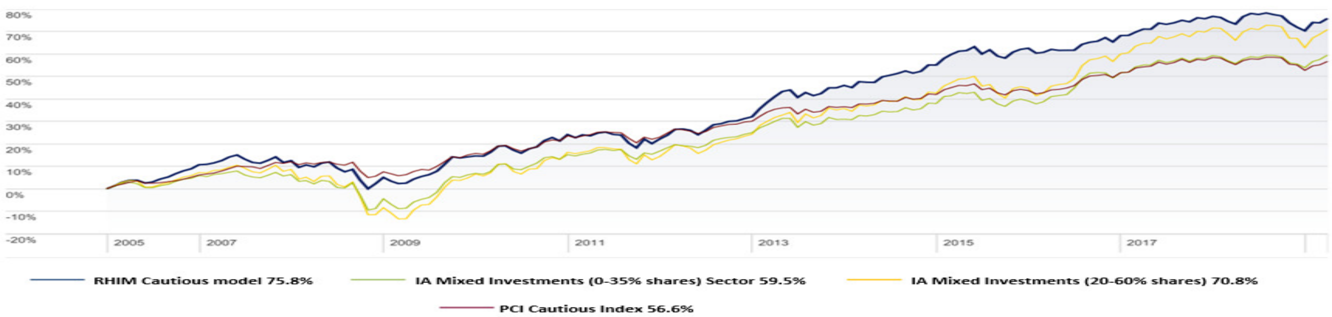
Risk Return (5 years) as at 31st March




Performance (Cumulative) as at 31st March 2019

| | 1 year | 5 years | 10 years | Since Inception |
|---|---|---|---|---|
| **RHIM Model** | 1.47% | 19.27% | 71.52% | 75.75% |
| PCI Return | 0.94% | 13.80% | 47.45% | 56.63% |
| IA Sector | 2.66% | 22.69% | 85.91% | 65.13% |

Performance Chart since inception

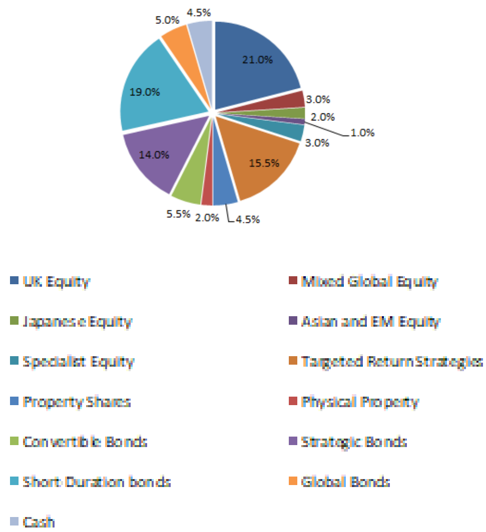


# RICHMOND HOUSE
## INVESTMENT MANAGEMENT

| | |
|---|---|
| **Key Facts** | RHIM Cautious |
| **Launch Date** | 1st January 2006 |
| **IA Sector** | 50% IA 0-35 % Sector<br>50% IA 20-60% Sector |
| **Private Client Index (PCI)** | PCI Cautious Index |
| **RHIM Fee** | 0.5% + VAT |
| **No. Holdings** | 19 |
| **Historical Yield** | 2.8% (as at 31.03.19) |

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 31st March** | **Annualised Return** | **Annualised Volatility** | **Worst Peak to Trough** |
|---|---|---|---|
| **RHIM Model – 3 years** | 2.76% | 3.21% | -5.22% |
| *IA Sector* | *4.8%* | *4.3%* | *-5.4%* |
| **RHIM Model – 5 years** | 3.59% | 3.37% | -5.22% |
| *IA Sector* | *4.2%* | *4.4%* | *-7.9%* |
| **RHIM Model – since inception** | 4.35% | 4.60% | -13.96% |
| *IA Sector* | *3.9%* | *5.8%* | *-20.4%* |

**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.