

# 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.



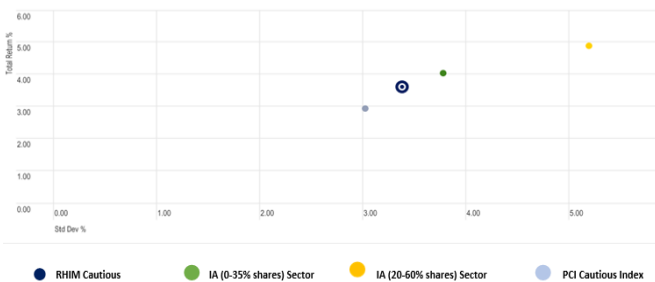
#### Commentary

**June 2019 UPDATE**

The Cautious model was up 2.1% over the last three months as equity markets started to factor in additional monetary stimulus from central banks even though the global economy is weakening. With a record amount of bonds with negative yields, when, effectively, you are paying to lend money to someone, gold, which has no yield, starts to look more attractive and the Merian Gold & Silver fund was up over 15% in June. Over the year, the Cautious model was up 1.1% as recent gains offset the dramatic falls in most assets at the end of 2018. US equities have performed better than other regional equity markets over the last twelve months and the Newton Global Income fund was the best performing fund, up 16%. The fixed income funds generated good bond returns of 3-7% over the last twelve months. The model's equity long/short funds were a drag on returns as US equities have risen but they performed well when equities fell at the end of 2018.

#### Risk Return (5 years) as at 30<sup>th</sup> June 2019

#### Performance (Cumulative) as at 30th June 2019



|                   | 1 year | 5 years | 10 years | Since Inception |
|-------------------|--------|---------|----------|-----------------|
| <b>RHIM Model</b> | 1.11%  | 19.29%  | 68.95%   | 79.47%          |
| <b>PCI Return</b> | 1.87%  | 15.48%  | 48.25%   | 60.52%          |
| <b>IA Sector</b>  | 3.11%  | 24.30%  | 79.65%   | 69.69%          |

#### Performance Chart since inception

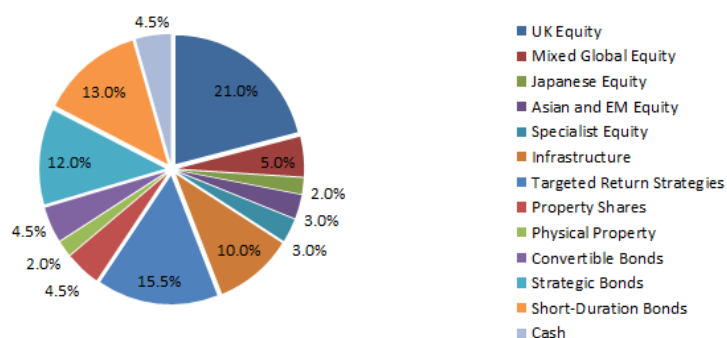


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|                                   |  |
|-----------------------------------|--|
| <b>Key Facts</b>                  | RHIM Cautious                                |
| <b>Launch Date</b>                | 1 <sup>st</sup> January 2006                 |
| <b>IA Sector</b>                  | 50% IA 0-35 % Sector<br>50% IA 20-60% Sector |
| <b>Private Client Index (PCI)</b> | PCI Cautious Index                           |
| <b>RHIM Fee</b>                   | 0.5% + VAT                                   |
| <b>No. Holdings</b>               | 20   |
| <b>Historical Yield</b>           | 2.8% (as at 30.06.19)                        |

### 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> June 2019 | Annualised Return | Annualised Volatility | Worst Peak to Trough |
|---|-------------------|-----------------------|----------------------|
| <b>RHIM Model – 3 years</b>                             | 3.56%             | 3.32%                 | -5.22%               |
| <i>IA Sector</i>  | 4.92%             | 4.36%                 | -5.43%               |
| <b>RHIM Model – 5 years</b>                             | 3.59%             | 3.38%                 | -5.22%               |
| <i>IA Sector</i>  | 4.44%             | 4.48%                 | -7.94%               |
| <b>RHIM Model – since inception</b>                     | 4.43%             | 4.58%                 | -13.96%              |
| <i>IA Sector</i>  | 3.99%             | 5.82%                 | -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 the Discretionary Manager charges and use provisional data.