

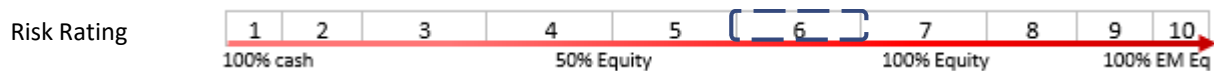


# RICHMOND HOUSE

## INVESTMENT MANAGEMENT

## RHIM ENTERPRISE MODEL FACTSHEET

The RHIM Enterprise model aims to achieve long term capital growth by investing in collective investment schemes. This is a multi-asset portfolio with an equity weight of between 60% and 85% which will involve investing in UK and overseas equities, including emerging markets. In seeking higher returns, the model may also utilise specialist sectors which may experience periods of higher volatility. However, the model will also hold between 15%-40% in medium or lower risk investments such as targeted absolute return funds, fixed interest and/or property. The model will sit within risk profile 6 on a scale of 1-10, where 1 is cash and 10 is 100% high risk equity markets. Investors accept that this model has historically experienced volatility of around 10% per annum. Please see the reverse for historical volatility and peak to trough data.

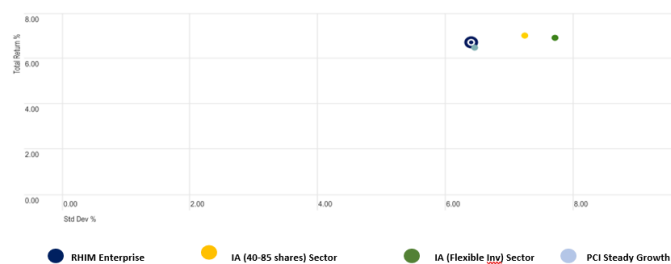


### Commentary

**October 2019 UPDATE**

The Enterprise model was down 2.4% over the three months to October 2019 as weak corporate earnings put pressure on share prices. In addition, the rise in sterling as a result of the Brexit deal agreed between the Prime Minister and the European Union meant that the model's overseas holdings were worth less in UK currency. UK-focused equities, however, did well on signs of a Brexit deal and the Franklin UK Managers' Focus fund was up 2.1% while the FTSE 100 index of multinational companies was down 3.1%. The model's strategic bond and infrastructure funds that are hedged back into sterling also made positive returns. The rise in bond yields over the period has caused a rotation in equity markets as the net present value of future earnings is now worth less as the discount factor has increased. This meant that companies with predictable growth became less valuable while companies with assets that rise in value with inflation did better. Over three months, though, the defensive healthcare and utilities companies have outperformed the cyclical commodity sectors. Over the year, the model was up 7.0% as equities and bonds have benefitted from easier financial conditions.

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

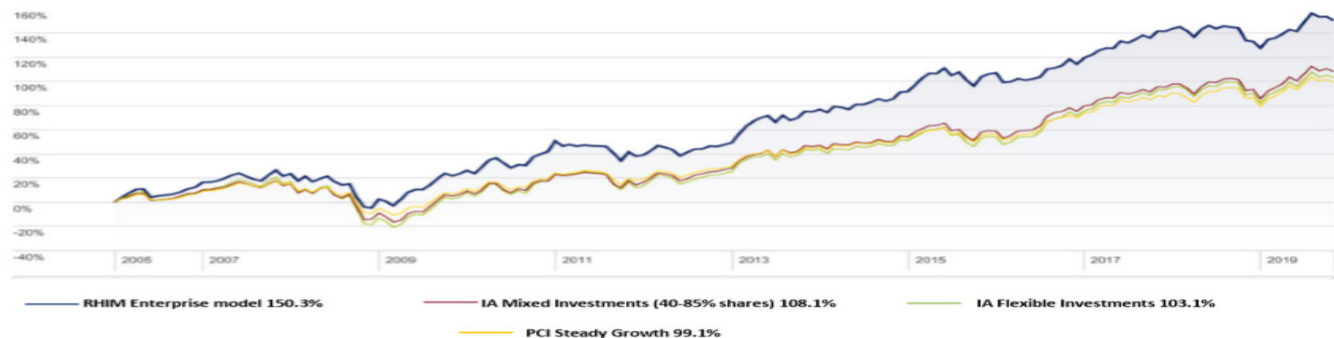


\*For illustrative purposes only.

### Performance (Cumulative) as at 31st October 2019

	1 year	5 years	10 years	Since Inception
<b>RHIM Model</b>	7.03%	34.98%	105.70%	150.29%
<b>PCI Return</b>	7.00%	33.23%	86.96%	99.09%
<b>IA Sector</b>	7.95%	38.54%	98.18%	105.66%

### Performance Chart since inception



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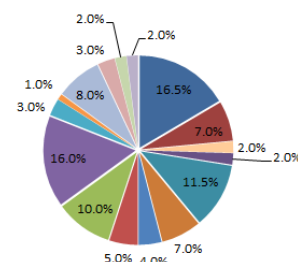
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# RICHMOND HOUSE

## INVESTMENT MANAGEMENT

<b>Key Facts</b>	RHIM Enterprise
<b>Launch Date</b>	1 <sup>st</sup> January 2006
<b>IA Sector</b>	50% IA 40-85% Sector 50% IA Flexible Sector
<b>Private Client Index (PCI)</b>	PCI Steady Growth
<b>RHIM Fee</b>	0.5% + VAT
<b>No. Holdings</b>	22
<b>Historical Yield</b>	2.48% (as at 31.10.19)

### Asset allocation



- UK Equity
- Asia ex-Japan Equity
- North American Equity
- Europe ex-UK equity
- Infrastructure
- Property Shares
- Convertible Bonds
- Strategic Bonds
- Emerging Market Equity
- Mixed Global Equity
- Japanese Equity
- Specialist Equity
- Targeted Return Strategies
- Physical Property
- Emerging Market Debt
- Short-Duration Bonds

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 2019	Annualised Return	Annualised Volatility	Worst Peak to Trough
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Risk Statistics-Data as at 30 <sup>th</sup> September 2019	Annualised Return	Annualised Volatility	Worst Peak to Trough
<b>RHIM Model – 3 years</b>	5.97%	6.01%	9.10%
<i>IA Sector</i>	<i>6.32%</i>	<i>7.02%</i>	<i>9.62%</i>
<b>RHIM Model – 5 years</b>	6.67%	6.41%	10.54%
<i>IA Sector</i>	<i>6.94%</i>	<i>7.49%</i>	<i>13.33%</i>
<b>RHIM Model – since inception</b>	7.00%	9.12%	28.01%
<i>IA Sector</i>	<i>5.46%</i>	<i>10.31%</i>	<i>34.54%</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 the Discretionary Manager charges and use provisional data.