RICHMOND HOUSE
INVESTMENT MANAGEMENT

# RHIM INCOME MODEL FACTSHEET

The RHIM Income model aims to produce a yield in the region of the FTSE All Share and modestly grow the capital over the medium term. The model is likely to experience similar volatility to the IA sector given that it stays invested within income producing assets throughout the cycle. This is a multi-asset global income portfolio with an equity weight between 40% and 55% which will include overseas equity exposure, balanced with at least 35% in fixed interest and property as deemed appropriate. Asset allocation will be actively managed whilst maintaining a balanced risk profile. Income generated can be withdrawn or reinvested. Investors should be comfortable with periods of volatility, although this is expected to be less than a pure equity portfolio. Withdrawing income will reduce growth potential. The model will sit in profile 5 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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|

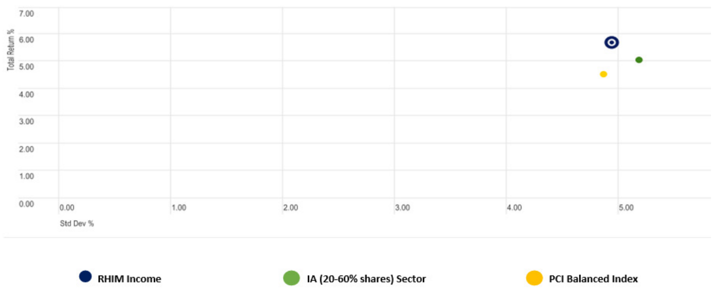
100% cash — 50% Equity — 100% Equity — 100% EM Eq

Commentary

**January 2020 UPDATE**

The Income model was up 2.6% over the last three months as its UK equity funds rose strongly into the general election and afterwards before falling back in January. Smaller, more domestically-focused businesses performed the best. The model is overweight the UK and Asian markets and the latter were strong as the US dollar weakened on the back of more monetary easing by the U.S. Federal Reserve. Asian markets pulled back in January when the coronavirus struck China. The model's global equity funds also performed well as US equities continued to rise and the M&G Global Dividend was up over 4% and the M&G Global Listed Infrastructure fund was up 8%. The model's infrastructure funds performed well, up 2-4% over the three months, while the strategic bond funds were only up a percent or two. The gold equity fund performed strongly after the Fed restarted quantitative easing before giving up some gains in January even though the gold price rose 5% in the month. Over the year, the Income model was up 9.5% as all assets have risen on the back of easier monetary conditions even though global growth has slowed.

Risk Return (5 years) as at 31st December 2019

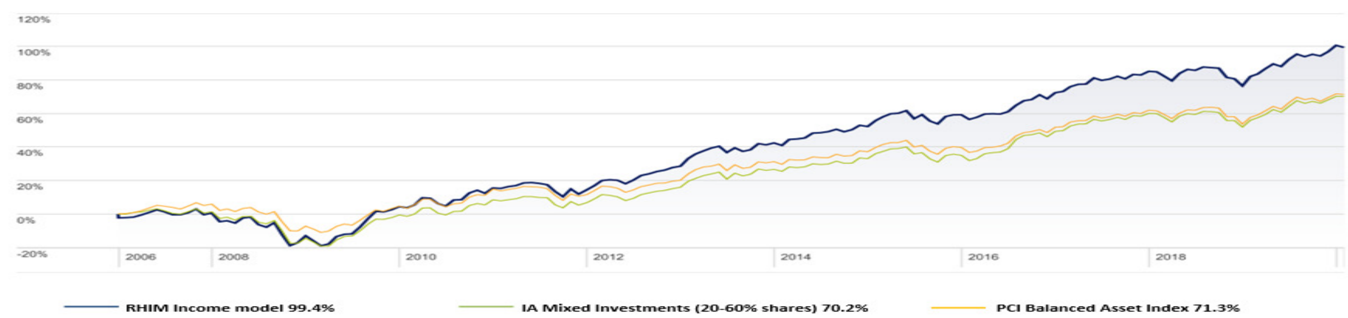



*For illustrative purposes only.

Performance (Cumulative) as at 31st January 2020

| | 1 year | 5 years | 10 years | Since Inception |
|---|---|---|---|---|
| **RHIM Model** | 9.51% | 28.04% | 92.34% | 99.40% |
| PCI Return | 8.69% | 22.67% | 65.74% | 71.34% |
| IA Sector | 9.19% | 25.15% | 72.61% | 70.23% |

Performance Chart since inception



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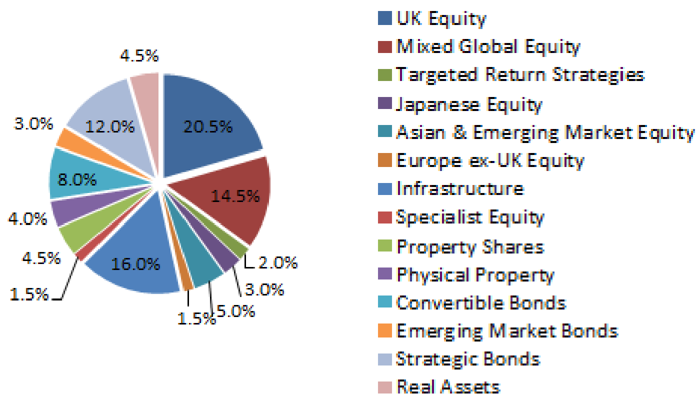
| | |
|---|---|
| **Key Facts** | RHIM Income |
| **Launch Date** | 1st January 2007 |
| **IA Sector** | IA 20-60% Sector |
| **Private Client Index (PCI)** | PCI Balanced Index |
| **RHIM Fee** | 0.5% + VAT |
| **No. Holdings** | 21 |
| **Historical Yield** | 3.95% (as at 31.01.20) |

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 December 2019** | **Annualised Return** | **Annualised Volatility** | **Worst Peak to Trough** |
|---|---|---|---|
| **RHIM Model – 3 years** | 5.19% | 4.76% | -5.98% |
| *IA Sector* | *4.46%* | *4.65%* | *-5.79%* |
| **RHIM Model – 5 years** | 5.68% | 4.94% | -5.98% |
| *IA Sector* | *5.05%* | *5.19%* | *-6.46%* |
| **RHIM Model – since inception** | 5.50% | 7.30% | -21.32% |
| *IA Sector* | *4.18%* | *6.65%* | *-21.64%* |

**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.