

# Discretionary Managed Portfolio Service

## Cautious Model

**October 2020**

### Key information

#### Model details

Launch date	1 January 2006
Minimum initial investment	£1,000
Rebalancing strategy (minimum)	Quarterly
Currency	£ GBP
Annual management charge	0.50%*
Ongoing charges figure ('OCF')	0.69%
Annual yield (current)	2.39%

\*Not including platform fees  
Source: FE Analytics as at 31.10.20.

#### Investment update - October

A rise in COVID-19 cases during October resulted in the re-introduction of widespread restrictions across Europe, leading to a fall in world equity markets towards the end of the month. Investor sentiment had remained relatively neutral throughout the majority of October as the US presidential election dominated headlines and Boris Johnson missed his self-imposed Brexit deadline as the impasse continues.

Our Investment Committee remain confident with the make-up of the strategy, therefore no changes were made during October. The total allocation to global stockmarkets across our strategies remain at broadly neutral levels, with around 80% of equity exposure lying outside of the UK where we believe greater longer-term opportunities exist. Our fixed income positioning continues to target high quality, investment grade corporate bonds, which offer prospects for attractive income and capital growth. The absolute return funds that make up the alternatives sector of the strategy should continue to act as market stabilisers.

The ongoing uncertainty and impact of COVID-19 means our Investment Committee continues to closely monitor current events and will modify the strategies' positioning, including utilising our additional cash weightings, if new buying opportunities arise.

#### Discretionary Managed Portfolio Service

The service consists of six actively managed investment models, offering lower cost access to our discretionary fund management capabilities, through the combination of active and passive collective investments. The service provides a solution that, when cost considerations are paramount, does not compromise on quality. Investment models are monitored by our central Investment Committee to ensure consistency of performance from one portfolio to another.

#### Investment objective

To assist investors looking to preserve their capital in real (inflation-adjusted) terms over the medium to longer term but who feel comfortable with some moderate fluctuation in values.

#### Risk profile

The model is managed in accordance with Dynamic Planner risk profile 4 (Lowest Medium), with the model's expected volatility targeted to stay within the assigned Dynamic Planner risk profile's boundaries.

#### Discrete performance

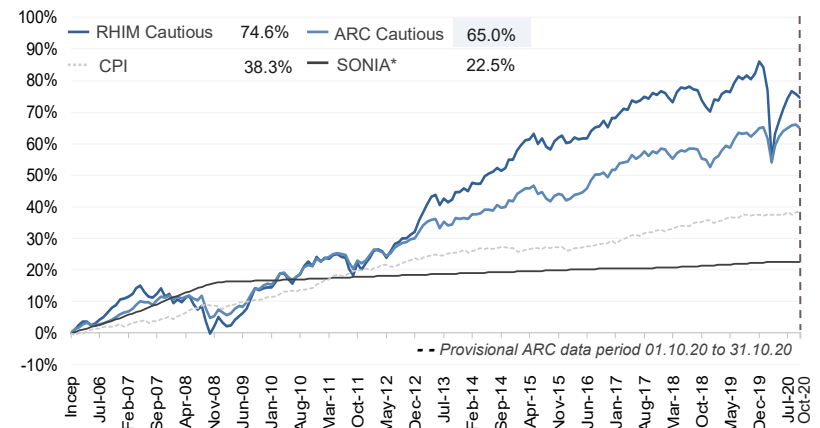
	YTD	2019	2018	2017	2016
RHIM Cautious	-6.1%	9.2%	-3.6%	5.1%	3.5%
ARC Cautious PCI	0.1%	8.1%	-3.6%	4.5%	6.2%
SONIA*	0.2%	0.7%	0.6%	0.3%	0.4%
CPI	0.6%	1.3%	2.1%	2.9%	2.1%

#### Cumulative performance

	1yr	3yr	5yr	10yr
RHIM Cautious	-3.4%	-0.8%	8.6%	42.2%

Source: FE Analytics as at 31.10.20. \*Sterling Overnight Index Average.  
RHIM performance is net of fund charges, but does not include RHIM discretionary management fees, nor fees that may be incurred through your financial adviser. Highlighted ARC PCI figure is provisional.

#### Inception performance



Source: FE Analytics as at 31.10.20. Inception from 01.01.06. \*Sterling Overnight Index Average.  
RHIM performance is net of fund charges, but does not include RHIM discretionary management fees, nor fees that may be incurred through your financial adviser. Highlighted ARC PCI figure is provisional.  
Past performance is not a guide to future results. See full risk warning overleaf.

## About Richmond House

We launched our discretionary management service in 2006, and have navigated the portfolios through good times and bad. We're proud to say that we've protected our clients' capital and today we have around £200 million of funds under management.

We focus on both actively managed funds and lower cost passive funds where appropriate, taking a sensible approach and always maintaining our awareness of downside risks. Adopting a global view, we continually identify where the risks and opportunities lie.

We offer a range of model portfolios, and the discretionary powers of our specialist team allow us to make alterations to these quickly and efficiently. Each portfolio typically holds between 25 and 30 funds selected from the whole of the market, ensuring diversification across asset classes, countries and sectors.

We conduct our own fund research using specialist tools such as Morningstar, but we also take the opportunity to meet fund managers regularly face-to-face to ensure each fund continues to meet its objectives and remains appropriate to our clients' needs.

## Contact Richmond House

For further information on this model please contact us:

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## Headline asset allocation and positioning

Summary of current Investment Committee positioning

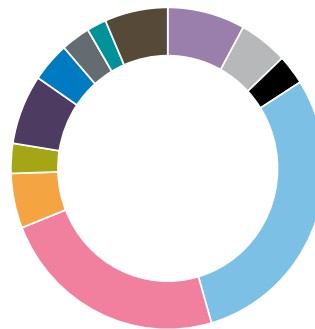
	UW (-)	N (=)	OW (+)	Key
Fixed interest				
Equities				
Property				
Alternative investments				
Cash				

■ Current  
■ Previous\*  
**UW (-)** Underweight  
**N (=)** Neutral  
**OW (+)** Overweight

- Equity exposure remains around neutral, with approximately 80% of our stockmarket exposure outside of the UK.
- We maintain our increased corporate fixed income exposure, specifically targeting the higher quality investment grade space.
- Cash levels remain at neutral.
- There remains a focus on high levels of liquidity in everything we own.
- Market neutral alternative investments continue to act as stabilisers.

\*Positioning prior to last Investment Committee meeting

## Model asset allocation



Sector	%
Cash	8
UK fixed interest	5
International fixed interest	3
Strategic bonds	29.5
Alternatives	23.5
UK equity income	5.5
UK equity growth	3
US equity	7
European equity	4
South East Asian equity	3
Emerging markets	2
Thematic and global	6.5

## Top 10 holdings

Holding	%	Holding	%
BNY Mellon Real Return	12.5	Man GLG UK Income	5.5
Janus Henderson Strategic Bond	12.5	TwentyFour Corporate Bond	5
Jupiter Strategic Bond	12.5	Merian Gold and Silver	5
Royal London Cash Plus	8	BNY Mellon Global Dynamic Bond	4.5
Artemis US Select (GBP Hedged)	6	M&G Global Dividend	3.5

As at 31.10.20

This document is issued and approved by Richmond House Investment Management Limited.

Past performance should not be seen as an indication of future performance. The price of shares/units and income from them may fall as well as rise and is not guaranteed. The models used are typical of portfolios managed by Richmond House Investment Management. Your actual portfolio may differ depending on your individual circumstances.

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