

Discretionary Managed Portfolio Service

Cautious Model

November 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') | 0.47% |
| Annual yield (current) | 1.81% |

*Not including platform fees
Source: FE Analytics as at 30.11.20.

Investment update - November

World equity markets had one of the best months on record since 1989 in November, rallying on the back of the news of effective vaccines against COVID-19 and the possibility of vaccine roll outs in the near future. This, much needed, positive news was preceded by Joe Biden's US presidential election, which was also viewed favourably by markets.

The 'Goldilocks' outcome of a potentially divided Senate / House of Representatives and avoidance of a 'Blue Wave' was viewed as the best outcome from a market perspective, in part because it seemingly makes significant tax increases and reforms of 'big tech' and sectors such as healthcare less likely. No changes were made to the strategy in November. The total allocation to global stockmarkets remains unchanged, with around 80% of equity exposure lying outside of the UK where we believe greater longer-term opportunities exist.

Our Investment Committee continue to closely monitor current events and are actively looking at economic areas and themes that will now be best placed to capitalise from the recent global policy shifts in Europe (European Green Deal), China (carbon neutral by 2060) and the US (Biden's presidential election victory – renewables and infrastructure).

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

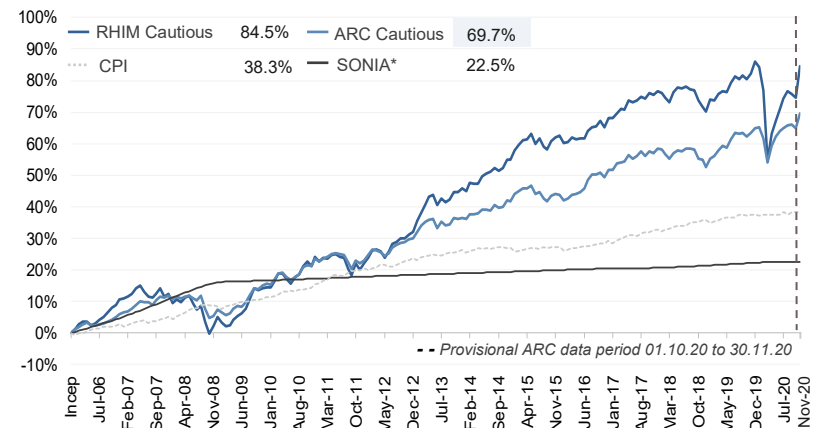
| | YTD | 2019 | 2018 | 2017 | 2016 |
|------------------|-------|------|-------|------|------|
| RHIM Cautious | -0.8% | 9.2% | -3.6% | 5.1% | 3.5% |
| ARC Cautious PCI | 2.9% | 8.1% | -3.6% | 4.5% | 6.2% |
| SONIA* | 0.2% | 0.7% | 0.6% | 0.3% | 0.4% |
| CPI | 0.6% | 1.3% | 2.1% | 2.9% | 2.1% |

Cumulative performance

| | 1yr | 3yr | 5yr | 10yr |
|---------------|------|------|-------|--------|
| RHIM Cautious | 1.3% | 5.1% | 13.9% | 152.2% |

Source: FE Analytics and Morningstar as at 30.11.20. *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 and Morningstar as at 30.11.20. 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.

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

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Headline asset allocation and positioning

Summary of current Investment Committee positioning

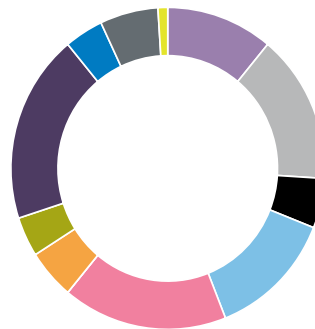
| | UW (-) | N (=) | OW (+) | Key |
|-------------------------|--------|-------|--------|-----|
| Fixed interest | | | | |
| Equities | | | | |
| Property | | | | |
| Alternative investments | | | | |
| Cash | | | | |

■ 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 | 11 |
| UK fixed interest | 15 |
| International fixed interest | 5 |
| Strategic bonds | 13 |
| Alternatives | 17 |
| UK equity income | 5 |
| UK equity growth | 4 |
| US equity | 19 |
| European equity | 4 |
| South East Asian equity | 6 |
| Japanese equity | 1 |

Top 10 holdings

| Holding | % | Holding | % |
|------------------------------------|----|---|---|
| Royal London Cash Plus | 11 | TwentyFour Corporate Bond | 5 |
| Premier Miton US Opportunities | 7 | Vanguard UK Government Bond Index | 5 |
| HSBC American Index | 6 | Vanguard UK Short-Term Inv Grade Bond Index | 5 |
| Janus Henderson UK Absolute Return | 6 | BlackRock Absolute Return Bond | 4 |
| Janus Henderson Strategic Bond | 5 | BNY Mellon Global Dynamic Bond | 4 |

As at 30.11.20

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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