

Discretionary Managed Portfolio Service

Dynamic Model

April 2021

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')	0.41%
Annual yield (current)	1.67%

*Not including platform fees
Source: FE Analytics as at 30.04.21.

Investment update - April

April was another strong month for equities with developed markets rising nearly 5%. The rollout of vaccines in the UK and US continues apace and is accelerating in Europe – giving markets greater confidence in the extent and speed of the economic recovery. Recent economic data is also proving supportive – the US economy grew by an annualised 6.4% in Q1. In the UK, both manufacturing and services Purchasing Managers' Indexes continue to rebound strongly. Economic recovery remains more muted in the eurozone although there are tentative signs of a return to positive territory. Within emerging markets, most economies remain resilient (including China), however the worsening situation with the virus in India is clearly a cause for concern. Inflation data and expectations remain key. Shorter-term indicators in most key regions continue to shift upwards, however there has been no change in rhetoric from central banks, which continue to refer to this as a transitory rise. No changes were made to the strategy, which remains at the upper end of the corresponding Dynamic Planner risk profile. Fixed income exposure remains well diversified, with allocations to investment grade corporate and inflation-linked bonds as well as to strategic bond managers who can dynamically manage exposures to interest rates, currencies and credit quality as market expectations and yields shift. Our alternatives exposure is positioned to stabilise portfolio returns and provide a degree of protection against any shorter-term periods of market weakness.

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 build capital in real (inflation-adjusted) terms over the medium to longer term. Investors should expect a high correlation to stock market behaviour and rewards, including significant fluctuations in value, with only moderate protection in times of market weakness.

Risk profile

The model is managed in accordance with Dynamic Planner risk profile 6 (High Medium), with the model's expected volatility targeted to stay within the assigned Dynamic Planner risk profile's boundaries.

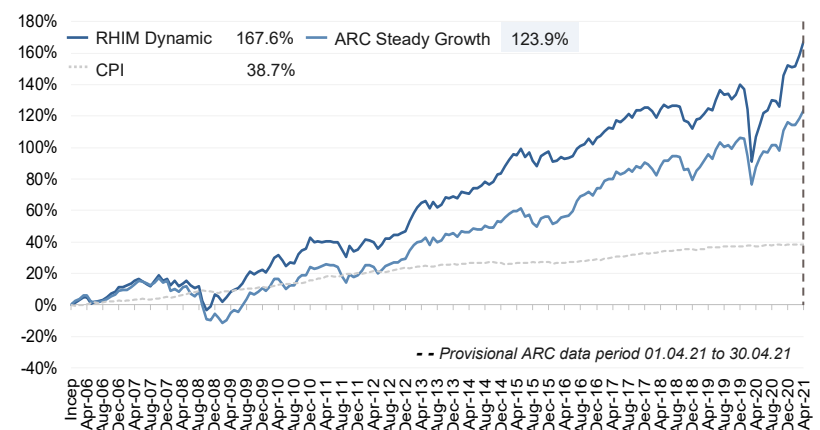
Discrete performance

	YTD	2020	2019	2018	2017	2016
RHIM Dynamic	6.1%	4.9%	13.4%	-5.9%	9.2%	4.6%
ARC Steady Growth PCI	3.7%	4.6%	15.0%	-5.6%	9.4%	14.0%
CPI	0.2%	0.7%	1.3%	2.1%	2.9%	2.1%

Cumulative performance

	1yr	3yr	5yr	10yr
RHIM Dynamic	29.4%	19.2%	38.9%	190.2%

Inception performance



Annualised performance since inception

	Inception
RHIM Dynamic	6.6%
ARC Steady Growth PCI	5.4%
CPI	2.2%

Source: FE Analytics and Morningstar as at 30.04.21. Inception from 01.01.06.

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

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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

- The strategy remains at the upper end of the corresponding Dynamic Planner risk profile with a bias in equity exposure to the US and Asia-Pacific ex. Japan.
- We maintain a diversified approach to our fixed income exposure, with increased allocations to corporate and inflation-linked bonds as well as to strategic bond managers.
- Cash levels remain reduced following our allocation to the thematic and global sector in December last year.
- 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	2
UK fixed interest	6
International fixed interest	2
Strategic bonds	6
Alternatives	6
UK equity income	7
UK equity growth	7
US equity	35
European equity	7
Asia-Pacific ex Japan equity	11
Japanese equity	3
Thematic and global equity	8

Top 10 holdings

Holding	%	Holding	%
Premier Miton US Opportunities	8	Artemis US Select	5
HSBC American Index	7	Fidelity Index US	5
HSBC Pacific Index	7	Janus Henderson UK Absolute Return	5
Ninety One Global Environment	6	AXA Framlington Global Technology	4
Vanguard US Equity Index	6	Fidelity Index UK	4

As at 30.04.21

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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