

RC Brown Investment Management Plc – Core Portfolios

Summary

The RC Brown Investment Management Plc (RCBIM) Core Portfolio range was launched in 2010 specifically for Private Clients and Financial Advisers wanting a UK bias.

We take a highly disciplined approach to managing investments, which begins by deciding on the overall structure of the portfolio, to ensure it contains the most appropriate balance between different asset types and geographical markets to achieve the particular investment objectives. By avoiding over-concentration in any one fund or market sector, we aim to achieve consistent, above average long-term performance without exposing our clients to undue volatility or risk.

We invest directly only in our core areas of expertise, primarily UK equities, and use a combination of talented third party managers and an index approach elsewhere. We have particular expertise and access to the 'wholesale markets' – Initial Public Offerings (IPOs), Rights Issues, Placings by companies to raise new share capital, and Placings by Known Sellers.

In selecting funds we favour managers with consistently good performance and a robust and coherent investment approach. However in addition to this we use sophisticated analytical tools to understand the style bias of each individual fund and that of the combined portfolio.

Asset Allocation

The Asset Allocation model for the RCBIM Core portfolios is:

Asset Class	Defensive	Conservative	Cautious	Cautious Balanced	Balanced	Balanced Growth	Growth
UK Equities	0-50%	30-50%	30-60%	30-70%	35-80%	35-85%	35-85%
Overseas Equities	0-20%	0-20%	0-20%	5-40%	5-45%	5-50%	10-60%
Alternatives	0-25%	0-25%	0-25%	0-25%	0-25%	0-25%	0-25%
Commodities	0-10%	0-10%	0-10%	0-15%	0-15%	0-15%	0-20%
Property	0-10%	0-10%	0-10%	0-15%	5-15%	5-15%	5-20%
Fixed Interest	40-70%	40-70%	30-60%	20-45%	5-35%	0-25%	0-20%
Cash	0-25%	0-10%	0-10%	0-10%	0-10%	0-10%	0-10%

Performance

The historic performance (after fees) of the RCBIM Core portfolios, across the 7 risk profiles, to 30th June 2024 was:

Risk Category	Portfolio	Last Quarter	1 Year	3 Years	5 Years	7 Years	10 Years
Defensive*	RCBIM Managed Funds	0.0%	6.3%	-11.1%	-3.2%	0.4%	22.2%
	RCBIM Direct Equity	n/a	n/a	n/a	n/a	n/a	n/a
	ARC £ Cautious	0.8%	6.0%	-0.1%	8.9%	13.0%	26.4%
Conservative*	RCBIM Managed Funds	0.5%	7.4%	-8.9%	-0.4%	3.2%	27.2%
	RCBIM Direct Equity	n/a	n/a	n/a	n/a	n/a	n/a
	ARC £ Cautious	0.8%	6.0%	-0.1%	8.9%	13.0%	26.4%
Cautious	RCBIM Managed Funds	1.1%	9.5%	-4.6%	4.6%	8.3%	33.0%
	RCBIM Direct Equity	n/a	n/a	n/a	n/a	n/a	n/a
	ARC £ Cautious	0.8%	6.0%	-0.1%	8.9%	13.0%	26.4%
Cautious Balanced	RCBIM Managed Funds	1.3%	11.1%	-0.7%	12.4%	18.0%	50.7%
	RCBIM Direct Equity	1.2%	10.5%	4.0%	17.8%	22.5%	56.7%
	ARC £ Balanced	1.3%	9.2%	3.3%	16.1%	22.8%	44.5%
Balanced	RCBIM Managed Funds	1.4%	12.0%	1.8%	18.0%	25.0%	63.2%
	RCBIM Direct Equity	1.4%	11.3%	6.8%	23.5%	29.3%	68.6%
	ARC £ Steady Growth	1.6%	10.9%	5.7%	21.9%	32.4%	63.3%
Balanced Growth	RCBIM Managed Funds	1.4%	12.6%	3.3%	21.7%	29.5%	70.8%
	RCBIM Direct Equity	1.4%	12.1%	8.7%	28.3%	35.1%	78.1%
	ARC £ Steady Growth	1.6%	10.9%	5.7%	21.9%	32.4%	63.3%
Growth	RCBIM Managed Funds	1.5%	13.8%	6.8%	28.2%	37.2%	83.9%
	RCBIM Direct Equity	1.6%	12.4%	10.9%	n/a	n/a	n/a
	ARC £ Equity Risk	1.9%	12.4%	7.0%	27.6%	41.2%	78.4%

(* Data for Defensive & Conservative strategies is indicative only and was obtained from FE Analytics. Please contact us if you wish to review those strategies listed as n/a above)

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Fees

Investment Management Fees (VAT may be added at the applicable rate)

Portfolio value	Option 1: Performance fee	Option 2: Conventional fee
	<input type="checkbox"/>	<input type="checkbox"/>
£15,000 to £374,999	0.325% pa	0.95% pa
£375,000 and over	0.10% pa	0.50% pa
	Plus 20% of the portfolio's annual return in excess of 4%	

Portfolio value	AIM / IHT Portfolio Service
	<input type="checkbox"/>
£50,000 and over	0.95% pa

Notes

- Fees are calculated calendar monthly and charged according to the total portfolio value at the month end.
- All fee options are INCLUSIVE of and administration costs.
- Portfolios close to / at the threshold will only switch once the value has moved as follows: Rising portfolios will have to have gone above £385,000 before switching Decreasing portfolios will have to have gone below £350,000 before switching
- Clients can switch between our Core portfolio range and Overseas Focus portfolio range for free.

Custody Fees

A flat-rate Custody Fee of 0.30% pa will be charged monthly, at the same time as the Investment Management fee. The Custody Fee is exempt from VAT.

Risk Warnings

Investing in equities involves risk. The value of investments, and the income from them, can go down as well as up. Investments may be subject to an initial charge. You may not get back all that you originally invested, particularly in the case of early withdrawal.

For portfolios invested in overseas markets, the value of investments may also rise and fall purely as a result of exchange rate changes. Investment in corporate bonds involves some risk to capital and income, particularly in the event of default by the issuer.

Some portfolios may include investment funds (including hedge funds and funds of hedge funds) that use gearing as part of their investment strategy. Such investment funds may be subject to sudden and large falls in value and you may get back nothing on this part of your portfolio if the fall in value is sufficiently large.

