July 2021

REALM BALANCED PORTFOLIO: FACT SHEET

Portfolio Objective:

The investment objective is to grow the capital value of the portfolio. The Realm Balanced Strategy is designed for an investor with a time horizon of more than 5 years, and a medium tolerance for risk that can accept moderate variation or disruption to capital value or current income in order to achieve their longer-term objective.

The Realm Balanced Strategy is a diversified portfolio of investments in a range of asset classes that is managed by a process of active asset allocation and investment selection. The portfolio is composed of active funds, passive trackers where applicable and investment trusts.

Annual Management Fees:	0.25%
Minimum Investment:	£50,000
Average number of holdings:	25-30
Rebalancing frequency	Dynamic
Base Currency:	Sterling
Strategy Inception:	Aug 2016
Benchmark:	IA Mixed Investment 20-60

Asset allocation range

Asset type	Range Percentage
Equity	30-60
Fixed Income	15-50
Property	0-15
Alternatives	0-30
Cash	0-30

Market Commentary:

Despite largely moderate performance in June, key benchmark equity indices across the globe posted returns in the range of 3-15% for the first half of 2021 aided by accommodative Central Bank policies in the form of ultra-low interest rates and massive liquidity support. South Korea's Kospi index posted the highest gain among the key indices, while China's Shanghai index reported the lowest gain of 3.4%.

The US economy added 850K jobs in June (vs. upwardly revised 583K in May), with unemployment rate rising marginally to 5.9% at the end of the month. While the Dow Jones Index remained flat in June, the S&P 500 and Nasdaq index rose by 2% and 6% defying concerns about rising inflation and accelerated timelines for tightening measures by US Fed to curtail the same. Investors will keenly await 2021 second quarter corporate earnings which will kick-off in the next few days.

UK GDP dropped 1.6% sequentially in the first quarter of the year (vs. estimated 1.5% fall). The level of GDP is now 8.8% below pre-pandemic levels at the end of 2019. UK house prices continued to increase in May driven by robust demand. Meanwhile, the Bank of England, Monetary Policy Committee has indicated that it does not intend to tighten monetary policy at least until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% inflation target sustainably.

Brent crude prices crossed $70/barrel mark in June and are currently trading at a three year high of $75/barrel. The recent talks between major oil producing nations failed to reach an oil output deal, which is expected to keep oil prices high at around current levels. Copper prices fell by 8% in June after surging by 30% since the beginning of the year.

Strategy

Developed markets are set for a strong economic performance in the second half of the year aided by a higher level of immunisation, businesses ramping up operations and surge in demand fuelled by consumers' eagerness to spend as lockdown restrictions are eased. This is expected to result in strong corporate earnings growth in the range of 25-30% in these markets after the declines witnessed in 2020. That said, the threat to global economic growth could arise from newer covid variants with a major proportion of the world population yet to be covered by vaccination.

The continued dovish stance of global central banks, led by the US Fed is expected to continue as labour markets are yet to reach close to pre pandemic levels. Our view remains that some of the recent surges in commodity prices would start to moderate combined with demand returning to more stable levels after the pent up demand witnessed in the immediate aftermath of the lockdowns. We continue to reduce our exposure to high yield debt, given that even a moderate change in the benign interest rate environment would have a negative impact on this market.

We are faced with market conditions where most asset classes are at all-time highs, be it equities, commodities or government bonds, and allocation to equities from global investors has also reached close to historic highs. Furthermore there has been a historic high inflow of money into passive equity tracking funds. We are concerned by these developments and have used the recent gains to reduce exposure to areas where we believe that the asset values have overrun fundamentals.

UK equities continue to trade at a discount to other major global markets and the recent episode with one of the UK's leading grocery retailers, Morrisons, being subject to multiple private equity bids is evidence of the value that is emerging in UK Plc. One of the few areas where we have been adding has been to UK equities.

Portfolio Performance (%)

Through to 30th June 2021

Name	Inception Date	1m	3m	6m	Ytd	1y	3y	Inception
REALM Balanced Portfolio	29-Aug-16	1.43	4.58	5.24	5.24	15.02	13.95	26.25
Portfolio Benchmark		1.14	3.61	4.49	4.49	12.74	15.28	24.06

Source: FE Analytics

Risk Statistics

Risk Statistics	FE Risk Score	Portfolio Risk Level Suitability		
		Short Term (3-7yrs)	Medium Terms (8-15yrs)	Long Terms (15yrs+)
Realm Balanced Portfolio	48	Moderate to Adventurous	Moderate	Cautious to Moderate
Portfolio Benchmark	42			

Source: FE Analytics

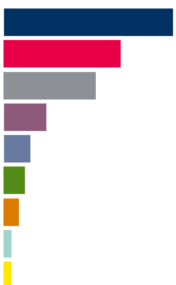
Total Portfolio: Asset Allocation (%)

UK Equities	16.5%
North American Equities	16.2%
Global Fixed Interest UK	14.3%
European Equities	13.8%
UK Fixed Interest	5.6%
Asia Pacific Emerging EQ	5.5%
Japanese Equities	3.2%
Property	2.9%
Commodity & Energy	2.5%
Other Assets	7.3%
Money Market & Cash	12.3%

Top 10 Holdings

Aegon Investment Grade Bond	5.0%
JO Hambro UK Opportunities	4.5%
Invesco Monthly Income Plus	4.2%
Fundsmith Equity	4.2%
Jupiter European	4.2%
Marlborough Global Bond	4.0%
T. Rowe US Smaller Cos	4.0%
iShares S&P 500 ETF	3.9%
ARC TIME Commercial Long Income	3.5%
M&G Global High Yield Bond	2.9%

Top Regional Weightings (%)



UK	28.6%
North America	22.6%
Europe Ex UK	18.5%
Pacific Basin	6.1%
International	5.9%
Japan	2.9%
Emerging Americas	1.2%
Asia Pacific	0.9%
Australasia	0.7%

HOW TO INVEST:

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CONTACT DETAILS

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