May 2024

REALM AGGRESSIVE PORTFOLIO: FACT SHEET

Portfolio Objective:

The investment objective is to grow the capital value of the portfolio with a view to outperform equity market returns. The Realm Aggressive Strategy is designed for an investor with a time horizon of more than 5 years, a higher tolerance for risk and can accept disruption to capital value and risk of high volatility, in order to achieve their longer-term objective.

The Realm Aggressive Strategy is a diversified portfolio of mainly equity investments 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. From time to time certain funds with limited liquidity may also be considered.

Annual Management Fees:	1%
Minimum Investment:	£100,000
Average number of holdings:	30-40
Rebalancing frequency	Dynamic
Base Currency:	Sterling
Strategy Inception:	May 2018
Benchmark:	IA Flexible

Asset allocation range

Asset type	Range Percentage
Equity	50-90
Fixed Income	0-30
Property	0-15
Alternatives	0-30
Cash	0-30

Market Commentary:

Global equities largely witnessed gains in May with developed markets outperforming their emerging market peers, as investors chose to ignore the uncertainty surrounding interest rates. Although the US Fed maintained the historic high rates at its meeting held in the beginning of May, US equities posted a strong performance driven by better than expected corporate earnings performance in 1Q2024. While the benchmark S&P 500 index gained by 4.8%, the MSCI Europe (Ex UK) gained by 3.5% on GBP terms aided by encouraging economic data in Eurozone. Among Emerging markets, China's Hangseng index was up by 1.6%, while India's benchmark Sensex index shed 0.6% in May ahead of general election results in early June.

US headline inflation fell to 3.3% in May from 3.4%, while core inflation (excludes food and energy costs) stood at 3.4% down from 3.6%. Lower inflation reading is expected to provide leeway to the Fed to consider rate cuts. Despite high interest rates, the country's economy remains reasonably strong as indicated by the surge in US Non-farm payrolls growth in May to a five-month high of 272,000 jobs (vs. forecasted 185,000 jobs). The S&P Global US Composite PMI rose to 54.5 points in May from 51.3 points in the previous month, aided by renewed rise in new orders and marginal increase in new export business.

UK's inflation rate fell to a 33-month low of 2.3% in April (vs. 3.2% in March) but remained slightly above market expectation of 2.1%. As per a recent poll by reuters, 63 out of 65 economists expected Bank of England to start cutting interest rates in August and most of them expect at least one more reduction this year.

Global bonds markets witnessed volatility with divergent performance across regions with US outperforming Europe. The US dollar depreciated in May despite the Fed's 'Higher for Longer' stance as mixed signals emerged on the state of the economy. Gold prices rose by 1% in May and closed above USD 2,300/ounce levels. Brent Crude prices fell by 4% during the month.

Investment strategy

As expected, the European Central Bank announced a rate cut in early June but cautioned the markets against expecting a linear declining path. On the other-side of the Atlantic, with the world's largest economy heading to the Presidential election on November 5th, the US Fed is caught in a fix between maintaining the rates amidst recession fears or cutting rates and risking reigniting inflation. Consensus is still optimistic about rate cuts before the year end and we share the same view.

US stock market rally was broad based in May with tech sector leading the way and supported by utilities and communication sectors. However, energy stocks fell due to decline in oil prices. While tech stocks trade at premium valuations. companies outside tech trade below their long term valuation averages despite exhibiting sound financials. European and Japanese equities offer investors attractive valuations, and are expected to rise due to upwards revisions to earnings.

With prospects emerging of declining interest rates, we have started to expand our exposure to small caps and added a position in European small caps. While the focus remains on the larger tech names driving equity markets higher, several overlooked parts of the market continue to offer good value. We retain our exposure to Government bonds, despite its recent lacklustre performance we believe that with declining interest rates and prospects of a slowing economy, particularly in the UK we remain positive on Government bonds.

Portfolio Performance (%)

Through to 31st May 2024

Name	Inception Date	1m	3m	6m	Ytd	1y	3y	5y	Inception
REALM Aggressive Portfolio	14-May-18	0.62	1.98	8.38	3.51	10.63	8.59	34.50	31.55
Portfolio Benchmark		0.76	2.88	8.65	4.73	10.39	8.28	30.32	30.43

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 Aggressive Portfolio	75	Moderate to Adventurous	Moderate	Moderate
Portfolio Benchmark	59			

Source: FE Analytics

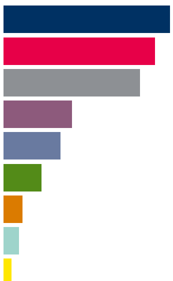
Total Portfolio: Asset Allocation (%)

North American Equities	17.7%
European Equities	15.2%
UK Equities	12.2%
Global Fixed Interest	11.5%
Asia Pacific Emerging EQ	8.2%
Japanese Equities	6.7%
International Equities	5.0%
Asia Pacific Equities	4.7%
Property	2.6%
Other Assets	6.1%
Money Market & Cash	10.1%

Top 10 Holdings

JO Hambro UK Opportunities	4.2%
M&G North American Value Fund	4.2%
Jupiter Japan Income	4.1%
Fundsmith Equity	3.9%
Marlborough Global Bond	3.9%
BNY Mellon Asian Income	3.9%
iShares S&P 500 ETF	3.8%
L&G Global Health & Pharms Index Trust	3.7%
Jupiter European	3.6%
Blackrock Continental Europe	3.3%

Top Regional Weightings (%)



UK	22.0%
North America	21.6%
Europe Ex UK	18.5%
Pacific Basin	10.1%
Japan	7.0%
Emerging Americas	4.5%
Australasia	2.5%
Asia Pacific	1.8%
Other Regions	1.1%

HOW TO INVEST:

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CONTACT DETAILS

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