



October 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:

Global Equities were largely weak in September as inflation continues to remain high across the world, driven by the surge in energy prices and supply chain bottlenecks. China's Evergrande group, which is the world's most leveraged property developer with a total debt of USD 300bn defaulted on its interest payment in late September. With China's property sector being highly leveraged, investors fear that the financial troubles in Evergrande group could trigger a contagion in the country and spread to other markets as well.

US manufacturing PMI rose to 61.1 in September (vs.59.9 in August). Factory orders too rose by 1.2% in August after climbing by an upwardly revised 0.7% in July. While manufacturing activity remains strong in the US despite supply chain issues, consumer sentiment remained weak due to the surge in covid cases caused by delta variant and persistently high inflation.

UK's manufacturing PMI fell to a seven month low of 57.1 in September from 60.3 in August impacted by supply chain delays, slower new order growth and rising material and labour shortages. Eurozone inflation rose to 13-year high in September as many parts of Europe are currently reeling under an energy crisis due to shortage and increase in prices of natural gas, which is threatening to dampen economic recovery in the region. Eurozone's manufacturing PMI too fell to 58.6 in September, down from 61.4 in August.

Brent Crude prices rose by 8% in September to USD 80/barrel (up 60% since the beginning of 2021). Crude prices are expected to be at elevated levels after OPEC countries in their recent meeting deciding not to increase production. US Bond yields rose by 15bp in September to close at 1.48%. Meanwhile, Gold prices fell by 3.5% in September to USD 1,753/ounce.

Strategy

After a period of underperformance, Asian markets recovered

some ground and recovering economic activity combined with attractive valuations underpin several Asian markets. Recent political change in Japan has been supportive to the Japanese market and with the overall Japanese equity market now offering a dividend yield of close to 2%, indicating the value that is evident in Japanese equities which has historically been a low yielding market. In the past few months we have been increasing our exposure to Asia including Japan.

We maintain our view that the rapid growth seen in economic activity is continuing to moderate. Supply side pressures continue to push up global inflation, however it is likely that as these pressures ease we would see a moderation in commodity prices and other factors now contributing to this increase in inflation. In addition the elevated levels of Government debt to GDP would act as a restraining factor and support our view that economic activity is likely to moderate from current levels. We continue to take profits in US equities and recently started to add to our exposure to global bonds, global pharmaceuticals and Asian equities. While a lot of attention is given to the growth versus value narrative in equities increasingly referring to Technology versus cyclical, there are a range of sectors with strong earnings prospects combined with strong balance sheets that are trading at well below their long term average valuations. Among these are global pharmaceuticals which are now trading at valuations below their long term averages and with stable earnings growth.

The recent rise in US treasury yields, has presented an opportunity in Government bonds. While in the Corporate bond market the continuing progress of economic recovery adds support to the credit quality of corporate bonds.

Overall we are positioning the portfolio for a more moderate growth environment and as such continue to take profits in certain equity markets and build exposure to cash, Asian equities and selectively to global bonds.

Portfolio Performance (%)

Through to 30th Sept 2021

Name	Inception Date	1m	3m	6m	Ytd	1y	3y	Inception
REALM Balanced Portfolio	29-Aug-16	-1.21	1.55	6.20	6.87	13.54	15.18	27.92
Portfolio Benchmark		-1.24	0.78	4.41	5.30	12.21	15.32	25.67

Source: FE Analytics

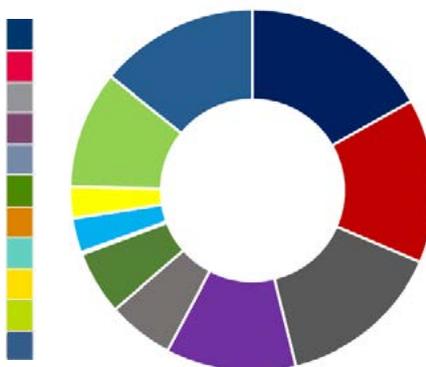
Risk Statistics

Risk Statistics	FE Risk Score	Portfolio Risk Level Suitability		
		Short Term (3-7yrs)	Medium Terms (8-15yrs)	Long Terms (15yrs+)
Realm Balanced Portfolio	49	Moderate to Adventurous	Moderate	Cautious to Moderate
Portfolio Benchmark	42			

Source: FE Analytics

Total Portfolio: Asset Allocation (%)

North American Equities	16.6%
Global Fixed Interest UK	14.2%
UK Equities	14.1%
European Equities	11.7%
Asia Pacific Emerging EQ	5.6%
UK Fixed Interest	5.4%
Japanese Equities	3.2%
Commodity & Energy	2.9%
International Equities	2.7%
Other Assets	10.1%
Money Market & Cash	13.5%



HOW TO INVEST:

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Top 10 Holdings

Aegon Investment Grade Bond	5.0%
Marlborough Global Bond	4.8%
JO Hambro UK Opportunities	4.5%
Invesco Monthly Income Plus	4.2%
Fundsmith Equity	4.1%
Jupiter European	4.1%
T. Rowe US Smaller Cos	3.6%
ARC TIME Commercial Long Income	3.0%
Invesco Bond Income Plus Ltd	2.7%
iShares S&P 500 ETF	2.7%

Top Regional Weightings (%)

UK	24.9%
North America	19.2%
Europe Ex UK	16.1%
International	13.2%
Pacific Basin	6.3%
Japan	3.4%
Asia Pacific	1.0%
Australasia	1.0%
Other Regions	0.5%
Money Market & Cash	13.5%