



January 2021

# 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:	0.25%
Minimum Investment:	£50,000
Average number of holdings:	25-30
Rebalancing frequency	Dynamic
Base Currency:	Sterling
Strategy Inception:	Aug 2016
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:

Equity markets ended 2020 on a high note with major global indices posting healthy returns in the range of 2-11% for December. South Korea's Kospi index posted the highest return of 11%. Markets reacted positively to US Congress' long-awaited approval to an additional stimulus package which eventually was to the tune of US\$ 900bn. December also witnessed the announcement of a historic trade deal between UK and EU block, just days before the end of the transition period. These positive developments in the US and Europe were partially overshadowed by the surge in Covid-19 infections in both the regions. The upcoming months are expected to witness a massive Covid-19 vaccination drive all over the world with vaccines developed by three major players. Successful roll-out of vaccines is expected to reduce the fears over the pandemic and aid economic revival.

Key benchmark indices in the US reached new all-time highs in December, with Tech Heavy Nasdaq posting a healthy 5.6% gain for the month. Various economic data released in US painted a mixed picture on the country's economy. As per report released by ADP, Private sector employment in US fell by 123,000 jobs in December as against expectations of an increase of 88,000. However ISM's manufacturing PMI rose to 60.7 in December after dipping to 57.5 in November.

Announcement of a fresh lockdown amidst recent spike in infections and the discovery of a new mutant with faster transmission rate threaten to delay economic recovery in the UK. IHS Markit Services PMI reading for December remained below 50 indicating contraction in activities. However, a higher figure of 49.4 vs 47.6 in November reflected a slower rate of contraction. The Eurozone private sector too contracted for the second straight month in December with a PMI reading of 49.1 in December (vs. 45.3 in November). China's service sector expanded in December, with Cixin services PMI coming at 56.3.

On the commodities front while gold prices rose by ~6.5% in December, Brent crude prices too witnessed a strong 9% increase in the month.

## Our Strategy:

With the advent of the vaccine and visibility emerging of the roll out plans globally, several industries that had substantially underperformed for most of 2020, saw major gains in November and December. Areas such as Transportation, Retail, Industrials and Retail banking led the recent equity rally. Along with commodity prices which also gained. As highlighted in our previous monthly commentaries, we continue the gradual build-up of investments in funds pursuing a value approach along with increasing our exposure to equities outside the US.

We moved to increase our weightings to large cap UK equities and this process has continued, along with increasing our weighting to other markets in Asia and Europe. Commodity prices are set to see a recovery and we have taken steps to increase our weightings in this area by looking at certain commodity funds and ETFs to gain exposure.

Our view is that the Asian economies having weathered the pandemic far better than the developed world are likely to present attractive opportunities, we continue to maintain a positive view on Asian and Emerging market equities.

The surge in value of technology companies along with abundant monetary support globally, has led to overall stock markets reaching all time highs in most parts of the world. However, within the broader market there are several areas of opportunities that had been left behind but to which there is a potential catalyst for change now emerging. We continue our steps to increase exposure to such areas in our portfolios as the opportunities emerge.

While it is most likely that interest rates would need to rise globally as economic activities gather steam, we believe that this is sometime away and that conditions are still supportive of a broader economic recovery.

## Portfolio Performance (%)

Through to 31st December 2020

Name	Inception Date	1m	3m	6m	Ytd	1y	3y	Inception
REALM Aggressive Portfolio	14-May-18	2.62	8.13	12.79	12.88	12.88		16.97
Portfolio Benchmark		2.44	7.94	10.67	6.84	6.84		14.59

Source: FE Analytics

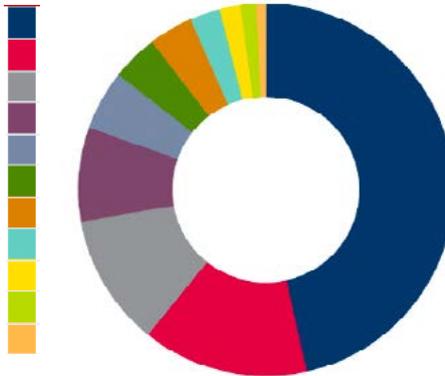
## Risk Statistics

Risk Statistics	FE Risk Score	Portfolio Risk Level Suitability		
		Short Term (3-7yrs)	Medium Terms (8-15yrs)	Long Terms (15yrs+)
Realm Aggressive Portfolio	57	Moderate to Adventurous	Moderate	Moderate
Portfolio Benchmark	51			

Source: FE Analytics

## Total Portfolio: Asset Allocation (%)

International Equities	50.8%
UK Equities	13.3%
International Bonds	11.0%
Cash and Equivalents	6.2%
UK Corporate Bonds	4.7%
Investment Trusts	4.0%
Managed Funds	3.2%
Other	2.4%
UK Gilts	1.9%
Alternative Trading Strategies	1.2%
Property	1.2%



## HOW TO INVEST:

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## Top 10 Holdings

Baillie Gifford American	5.4%
Fundsmith Equity	4.9%
Liontrust Emerging Markets	4.6%
AXA Framlington Emerging Markets	4.4%
JPMorgan Europe Smaller Companies	4.4%
iShares Core FTSE 100	4.3%
Aegon Investment Grade Bond	4.2%
T. Rowe Price SICAV	4.2%
iShares S&P 500	4.0%
Jupiter European	3.8%

## Top 10 Country Weightings (%)

United States	28.6%
United Kingdom	19.9%
Non-Classified	10.2%
Cash and Equivalents	6.3%
Managed Funds	3.2%
Germany	3.0%
France	2.6%
Hong Kong	2.4%
Netherlands	2.2%
Other	21.6%