



December 2020

REALM CAUTIOUS PORTFOLIO: FACT SHEET

Portfolio Objective:

The investment objective is to grow the capital value of the portfolio with a focus on capital preservation. The Realm Cautious Strategy is designed for an investor with a time horizon of more than 5 years and a low tolerance for risk and does not wish to expose their portfolios to major capital disruption or volatility.

The Realm Cautious 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, cash holdings, 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:	50% IA Mixed Investment 0-35 50% IA Mixed Investment 20-60

Asset allocation range

Asset type	Range Percentage
Equity	10-50
Fixed Income	20-50
Property	0-15
Alternatives	0-20
Cash	0-30

Market Commentary:

November was a stellar month for global equity markets with many of the major indices posting double digit monthly returns. Markets heaved a sigh of relief after the US Presidential elections gave a decisive mandate to Democrat candidate Joe Biden thereby clearing the political uncertainty which was hindering policy making in the world's largest economy. A Biden victory is also expected to calm the trade tensions between US and China which was one of the overarching features of Trump's Presidency tenure. Investors were also buoyed by the plethora of good news on the Covid vaccine front with encouraging results reported by various vaccine developers during the course of the month. The UK became the first country in the world to announce the roll-out of a vaccine by approving the use of Pfizer-Biontech's vaccine for its citizens.

Key benchmark indices in the US posted positive returns of ~12%, with the Dow Jones, S&P and Nasdaq reaching their respective all-time highs during the month. Interestingly since the beginning of the second week of November when the US Presidential election results became clear, US Value index, which tend to be biased but not exclusive to sectors such as Industrials, Banking, Utilities and Retail have out-performed the Growth index. Value out performance could gather momentum with the roll-out of Covid Vaccines.

Stalemate continues on the talks between the UK and Europe to find a post Brexit deal, with the deadline for transition set for December 31st. The UK construction sector continued to expand in November as new orders grew the most since late 2014 as indicated by rise in IHS Markit PMI to 54.7 in November from 53.1 in October. Eurozone economy continues to exhibit improvement with Germany's factory order growing by 2.9% mom in October much higher than the estimated 1.5%. China reported manufacturing sector PMI of 52.1 for November indicating ninth successive month of industrial growth in the country. The country's imports and exports too picked up steadily during the month.

On the commodities front while gold prices fell by ~5% in November, Brent crude prices witnessed a strong 27% increase in the month.

Our Strategy:

We are continuing to build up exposure in our portfolios to funds that are pursuing a more value driven approach and where appropriate investing in ETFs of sectors or countries where we believe positive investment returns could be achieved over a two to three year period. In line with this, we have increased our exposure to UK, European, Japanese and Emerging markets/Asian equities. US equity markets have had a sustained period of outperformance over the past 10 years and we believe with the positive economic momentum developing, the rest of the world provides attractive investment opportunities at more modest valuations.

We have increased our exposure to equities across the portfolios at the expense of high yield and Government bonds, however we retain our cash weighting to have some ballast in our portfolios as opportunities arise.

One area where we have added is to large cap UK equities, the FTSE 100. Several companies which operate globally and are listed in the FTSE 100 are on attractive valuations and the FTSE 100 also provides exposure to global leaders in the Oil & Gas and Mining industries, both sectors likely to benefit in a broader economic recovery.

As always we need to look ahead and be wary of the recent build up of debt at both Government and corporate level. The recent indications from the Chancellor of certain austerity measures are perhaps early warning signs of what is to come not just in the UK but globally. However, our view is that the continuing global economic recovery towards pre-covid levels provides an opportunity to invest in equities and corporate bonds at current valuations.

Portfolio Performance (%)

Through to 30th November 2020

Name	Inception Date	1m	3m	6m	Ytd	1y	3y	Inception
REALM Cautious Portfolio	29-Aug-16	4.12	3.82	6.91	3.11	4.23	8.61	12.43
Portfolio Benchmark		4.67	3.48	6.20	2.02	2.98	8.74	10.25

Source: FE Analytics

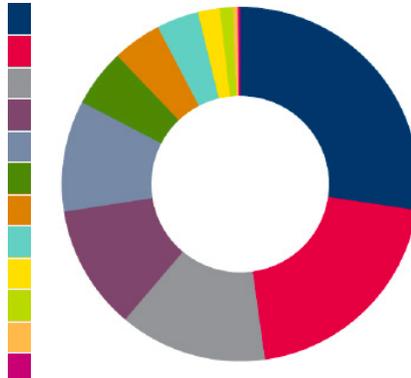
Risk Statistics

Risk Statistics	FE Risk Score	Portfolio Risk Level Suitability		
		Short Term (3-7yrs)	Medium Terms (8-15yrs)	Long Terms (15yrs+)
Realm Cautious Portfolio	37	Moderate	Cautious	Cautious
Portfolio Benchmark	36			

Source: FE Analytics

Total Portfolio: Asset Allocation (%)

International Bonds	25.2%
International Equities	23.8%
Cash and Equivalents	13.7%
UK Corporate Bonds	12.1%
UK Equities	9.8%
Property	5.1%
Investment Trusts	3.6%
UK Gilts	2.7%
Alternative Trading Strategies	1.9%
Other	1.6%
Money Market	0.4%
Managed Funds	0.1%



HOW TO INVEST:

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Top 10 Holdings

Aegon Investment Grade Bond	7.7%
M&G Strategic Corporate Bond	6.2%
Aegon High Yield Bond	5.6%
Invesco Monthly Income Plus	5.2%
Invesco Money	4.8%
ARC TIME Commercial Long Income	4.7%
Fundsmith Equity	4.6%
Marlborough Global Bond	3.7%
Ninety One UK Alpha	3.5%
BlackRock iShares Overseas Corporate Bond	3.3%

Top 10 Country weightings (%)

United Kingdom	24.6%
United States	22.0%
Cash and Equivalents	14.1%
Other	13.2%
Non-Classified	9.9%
Direct Property and REITs	5.1%
Germany	3.5%
France	3.1%
Netherlands	2.9%
Luxembourg	1.5%