October 2024

REALM ACTIVE PORTFOLIO: FACT SHEET

Portfolio Objective:

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

The Realm Active 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. 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:	Aug 2016
Benchmark:	IA Mixed Investment 40-85

Asset allocation range

Asset type	Range Percentage
Equity	40-80
Fixed Income	10-40
Property	0-15
Alternatives	0-25
Cash	0-30

Market Commentary:

Global equities fell in October with Emerging markets leading the declines due to a steep 6% fall in India, attributed to expensive valuation multiples and lacklustre corporate earnings for the second quarter of FY2025. The Shanghai and Hangseng indices were down 1.7% and 3.8% respectively, thereby shedding some of the huge gains of September.

The first week of November witnessed the return of Donald Trump as the President of United States. Widely seen as pro-business, he is likely to renew the tax cut package enacted during his first term, which is due to expire at the end of 2025. Meanwhile, The US Fed followed up its 50bp rate cut in September with another 25bp rate cut even as the non-farm payroll additions in October fell drastically to the lowest level since December 2020, signalling a clear weakness in job growth. Although the impact of the recent Hurricanes in the US could be mitigating factors.

The new Labour government in the UK, in its first budget has increased the rate of capital gains tax from the range of 10%-20% to 18%-24%. The country's tax revenue as a proportion of GDP is now at levels last seen at the end of WW2, is expected to rise further by 2026 thus limiting flexibility in government spending. The S&P Global UK Composite PMI fell to 51.8 in October from 52.6 in September. The Bank of England reduced the policy rates by 25bp in early November and could be prompted to cut rates further as the UK unemployment rate rose more than expected in the third quarter to 4.3% (from 4.0% in three months to August period).

Brent Crude prices were volatile in October and ended flat for the month at USD70/barrel levels after surging by 15% in the first week. Gold prices which crossed USD 2,700/ounce levels in October has declined after the US Presidential elections and is trading close to USD 2,600/ ounce levels.

Investment strategy

US equity markets continue to dominate global equity returns, with the S&P500 at all time highs buoyed by declining interest rates. The top 10 largest companies in the S&P500, mainly from the technology sector now account for more than a third of the market. With declining interest rates and a slowdown in overall economic growth, we see opportunities in various industries across the board in both the US and outside where companies are exhibiting features such as high return on equity, low leverage, healthy margins and good dividend growth.

Sterling which witnessed an appreciation of 19% versus the USD during the two years ended September 2024 has depreciated by 4.5% since then, which would benefit our portfolios due to the large weighting in overseas assets. We continue to remain positive on US and European smaller companies, both of which are likely to benefit from a benign interest rate environment. With the return of President Trump some expectations are beginning to emerge that earnings growth of US corporates would continue to be strong as we ahead into 2025. While this supports US equity markets, we also see opportunities in Asia and Europe where close to similar earnings growth are available at far lower valuations. With bond yields now yielding higher than the earnings yield of equity markets, bond markets are also presenting a potential opportunity, however the fiscal situation of various major western counties makes us cautious on bonds at this time.

Portfolio Performance (%)

Through to 31st October 2024

Name	Inception Date	1m	3m	6m	Ytd	1y	3y	5y	Inception
REALM Active Portfolio	29-Aug-16	-1.20	-0.26	2.39	5.05	14.87	5.65	29.76	51.28
Portfolio Benchmark		0.13	1.10	3.92	7.92	16.85	7.73	29.13	54.69

Source: FE Analytics. Note: The performance numbers in the table above are shown before deduction of fees.

Risk Statistics

Risk Statistics	FE Risk Score	Portfolio Risk Level Suitability		
		Short Term (3-7yrs)	Medium Terms (8-15yrs)	Long Terms (15yrs+)
Realm Active Portfolio	74	Moderate to Adventurous	Moderate	Moderate
Portfolio Benchmark	64			

Source: FE Analytics.

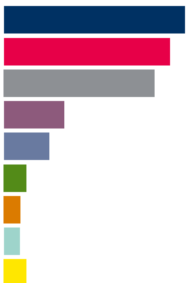
Total Portfolio: Asset Allocation (%)

European Equities	17.5%
North American Equities	16.3%
UK Equities	13.9%
Global Fixed Interest	8.5%
Asia Pacific Emerging EQ	7.3%
Japanese Equities	6.2%
International Equities	5.0%
Asia Pacific Equities	4.4%
UK Fixed Interest	3.2%
Other Assets	11.9%
Money Market & Cash	5.9%

Top 10 Holdings

JO Hambro UK Opportunities	4.6%
Marlborough Global Bond	4.1%
Fundsmith Equity	3.8%
L&G Global Health & Pharms Index Trust	3.8%
X-trackers X DAX	3.8%
iShares S&P 500 ETF	3.7%
Blackrock Continental Europe	3.6%
Jupiter European	3.5%
JPM Emerging markets	3.3%
Jupiter Japan Income	3.2%

Top Regional Weightings (%)



UK	23.7%
North America	22.1%
Europe Ex UK	20.4%
Pacific Basin	9.0%
Japan	6.2%
Emerging Americas	2.5%
Australasia	2.2%
Emerging Europe	2.2%
Other Regions	2.9%

HOW TO INVEST:

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CONTACT DETAILS

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