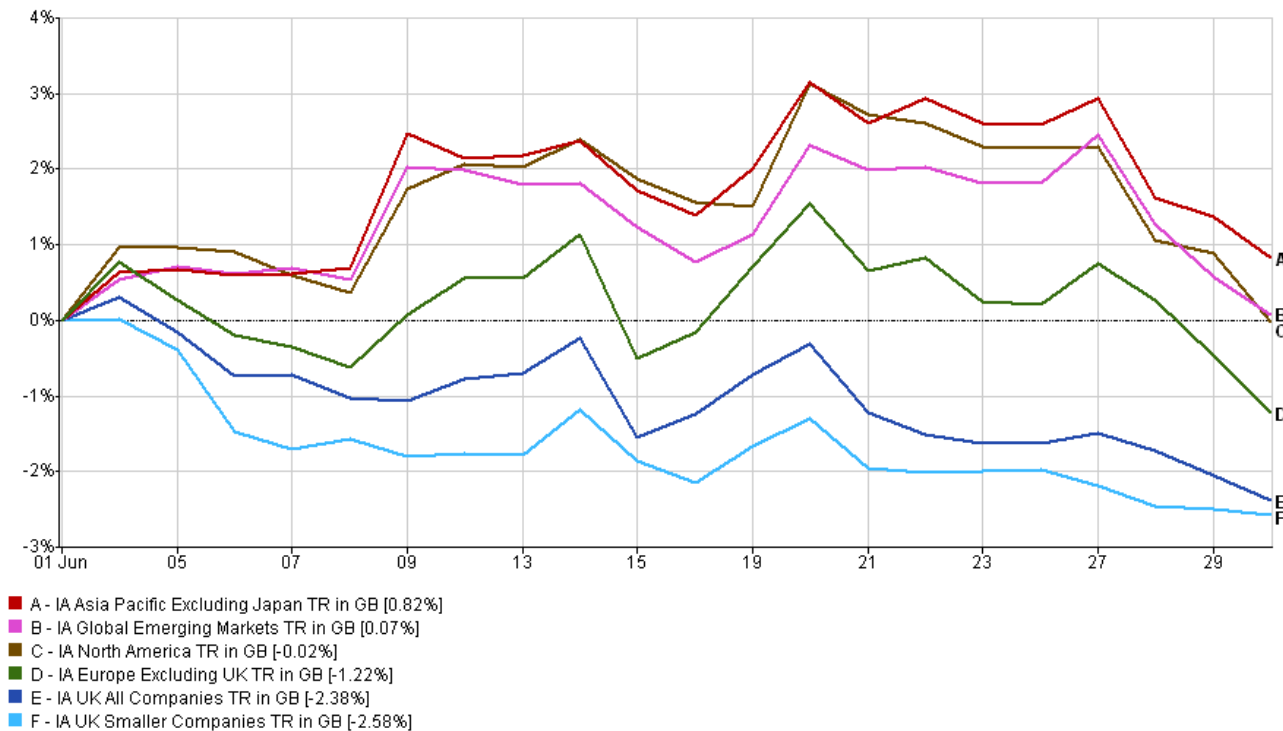


## Monthly Performance Update

NOVIA

30<sup>th</sup> June 2017

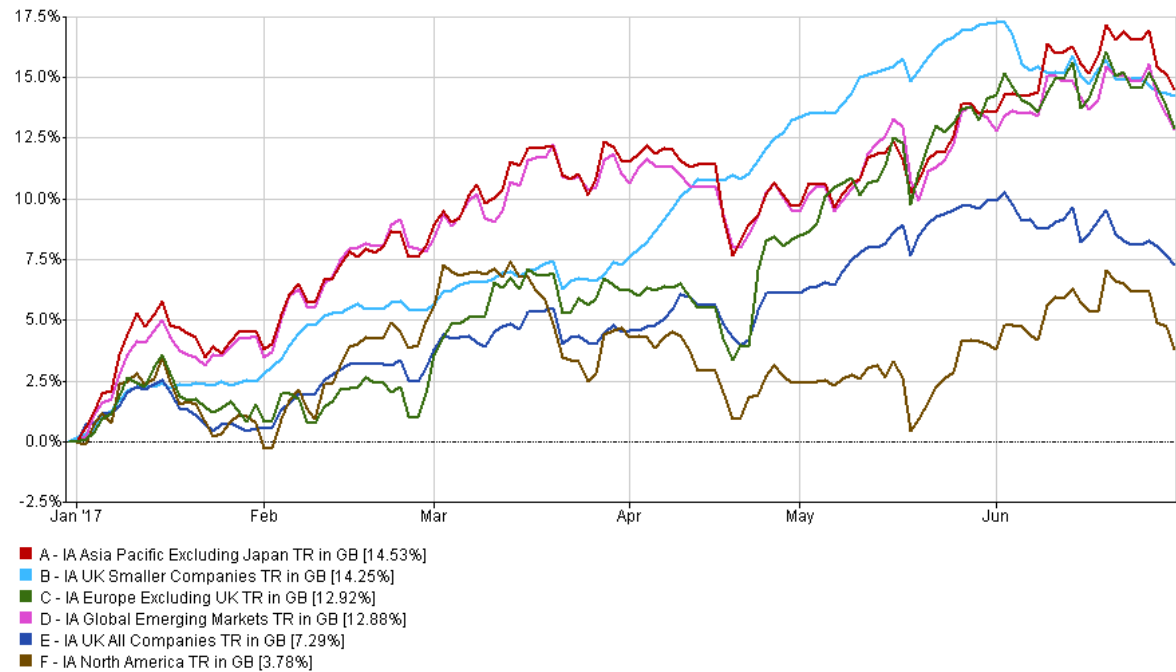
## IA Global Sectors June 2017



01/06/2017 - 30/06/2017 Data from FE 2017

The UK was the standout underachiever in June and it didn't make much difference whether you favoured large or small caps. What is also interesting here, is that when the markets wobbled at the end of the month the UK fared relatively well. One reason for this was the downturn, led by US tech giants (FANG stocks) which then spread more globally, but the FTSE 100 in particular has a paltry representation of impossibly hard to value behemoths and whilst it might hurt in the tech rallies, these stocks can capitulate almost as quickly. The UK market is arguably duller than many of its peers but with global, and especially US, valuations remaining at eye watering levels, as well as central banks talking about less QE/raising interest rates, we are happy to miss out on the sex and violence of much of the more speculative stocks and unfathomable business models.

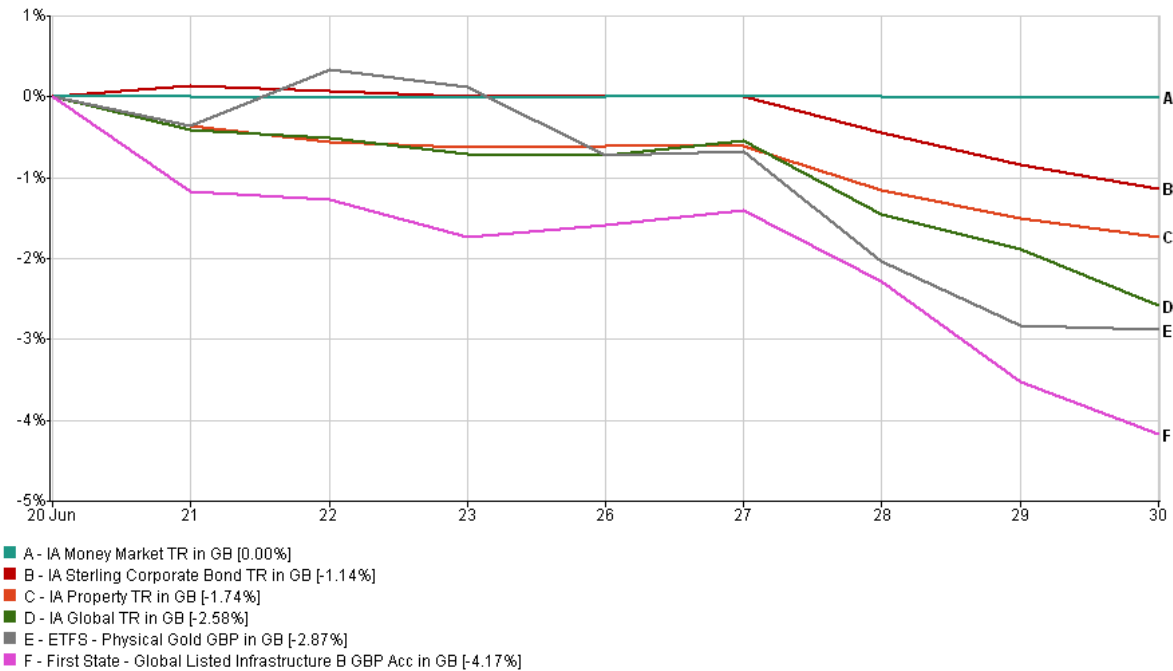
IA Global Sectors Year to Date



30/12/2016 - 30/06/2017 Data from FE 2017

In our opinion, the macro backdrop hasn't really changed much during June. The aftermath of the conservative election shambles, which has resulted in a weak Tory/DUP coalition held together by the political equivalent of sticky tape, continues to bumble on. At the same time, the frankly shambolic Brexit negotiations have finally started with, in truth, nobody having the faintest ideas what is going on, let alone the outcome. Over the pond, the Trump administration continues to achieve absolutely nothing other than bringing together their enemies. As we have said before, China looks like the potential main beneficiary from four more (surely not eight?) years of the US government's failure to capitalise on their global economic position.

We think the next chart is particularly important and it highlights an issue we have talked about for the last seven years, namely how diversified is a portfolio if a single factor has been the main driver of several different assets going up at the same time and for a sustained period?

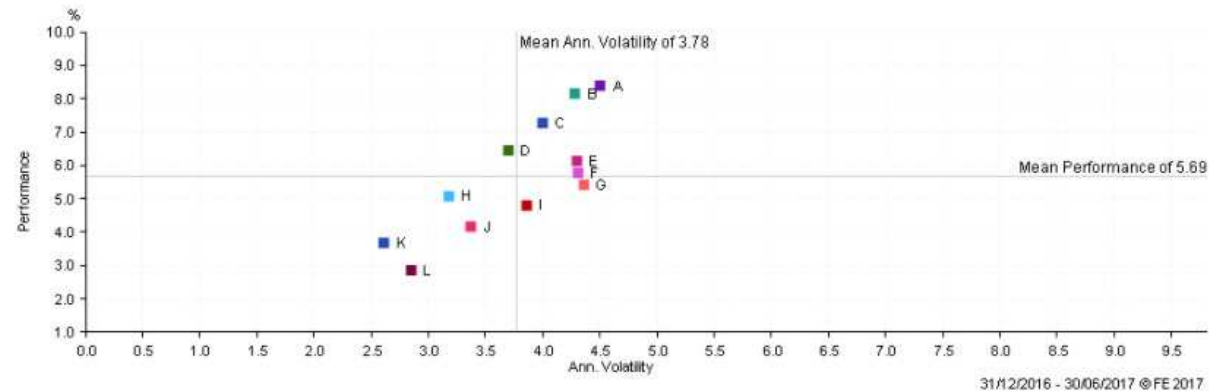
Risk Assets vs. Money Market 20<sup>th</sup>-30<sup>th</sup> June

20/06/2017 - 30/06/2017 Data from FE 2017

Equity, bond and property markets have been basically broken since the birth of QE (in all its forms) and the ultra-low, super accommodative interest rate environment that pervades the world. At the recent meeting of the world's central bankers, the tone was decidedly more hawkish (i.e. higher rates or less QE) and markets reacted accordingly by falling in unison and across asset classes. The move wasn't very large but that's not the point, we spend considerable time looking at how markets react to central bank language, and in our opinion, nothing else really matters except these central banks, so these so far brief market falls are a potential playbook for moves of greater magnitude. The money market returned precisely nothing to the second decimal place but bonds, equities and property all lost value simultaneously, as did infrastructure and gold.

We continue to hold relatively large cash positions and shorter duration bonds and it's for one basic reason, if the source behind the single factor which has elevated all major assets to historically elevated levels is removed, then these same markets can fall in unison just as they rose.

PMS vs. Benchmark 2017



Key	Name	Performance	Annualised Volatility
A	Investment Portfolio 6 TR in GB	8.40	4.50
B	Investment Portfolio 5 TR in GB	8.16	4.28
C	Investment Portfolio 4 TR in GB	7.27	4.00
D	Investment Portfolio 3 TR in GB	6.45	3.70
E	IA Flexible Investment TR in GB	6.14	4.30
F	Composite Benchmark 5* TR in GB	5.78	4.31
G	IA Mixed Investment 40-85% Shares TR in GB	5.43	4.38
H	Investment Portfolio 2 TR in GB	5.08	3.18
I	Composite Benchmark 3* TR in GB	4.80	3.88
J	IA Mixed Investment 20-60% Shares TR in GB	4.17	3.37
K	Investment Portfolio 1 TR in GB	3.68	2.61
L	IA Mixed Investment 0-35% Shares TR in GB	2.88	2.85

Given our cash holdings, our ongoing generally defensive stance, and the fact that global stock markets have had one of their best performing six month periods in the last two decades, it might have been expected that we would have underperformed our benchmarks. We have had a very strong first half of the year in absolute, relative, and particularly, on a risk adjusted basis. As the table shows, we have now returned to our previous position of having outperformed over all cumulative periods from year-to-date through start of data. The main drivers of this are geographical allocation and underlying fund selection. As you can see, the defensive characteristics of the PMS continue to outperform over a rolling five-year period but the outperformance is consistent through almost all periods and through all risk ratings.

If we can finish with a shameless plug; we don't know of any other funds of funds offering which has comparable risk-adjusted figures across seven risk portfolios, over so many periods. There have been plenty of new offerings over the last couple of years (please note these have only ever traded in rising markets) so regardless of their performance figures, there remains much guesswork as to how they will fare in different market conditions. Add to our performance figures our unique approach to client interaction, and we remain confident we have an outstanding investment offering for the adviser market, but as ever, we are far from complacent and we always appreciate adviser feedback.

PMS Novia Performance Table to 30th June 2017

Portfolio	Cumulative Performance					Discrete Annual Performance								Rolling 5 year Data						
	YTD	1 Year	3 Years	5 Years	Since Launch 01/11/2008	2009	2010	2011	2012	2013	2014	2015	2016	Alpha	Beta	Sharpe Ratio	Info Ratio	Vol	Max DD	
<b>Outperformance</b>																				
Portfolio 0	2.93	7.50	12.36	27.39	64.94	14.31	7.20	1.33	7.55	6.60	3.03	2.49	5.01	2.02	0.79	1.21	1.04	2.45	-1.65	
IA Benchmark	2.01	5.27	10.38	19.83	49.47	9.42	6.25	1.15	5.03	3.46	3.39	0.31	5.95	0.00	1.00	0.59	0.00	2.83	-3.14	
Portfolio 1	3.78	9.64	16.14	35.13	79.88	14.93	8.25	0.75	8.41	9.04	3.20	3.66	6.08	2.69	0.70	1.33	0.61	3.17	-2.11	
IA Benchmark	2.86	7.51	14.87	27.41	67.13	11.71	7.77	1.38	6.22	4.20	4.84	0.38	8.47	0.00	1.00	0.74	0.00	3.99	-4.49	
Portfolio 2	5.23	12.77	21.89	45.70	98.84	13.98	9.85	-0.88	9.49	10.69	5.11	4.49	7.72	2.11	0.80	1.38	0.47	4.23	-3.86	
IA Benchmark	4.17	11.86	19.33	40.61	84.02	15.90	8.56	-1.89	8.35	8.85	4.85	1.21	10.32	0.00	1.00	0.99	0.00	5.12	-6.56	
Portfolio 3	6.41	15.23	26.45	54.93	129.92	21.41	12.90	-2.83	11.54	12.18	5.45	4.99	9.62	2.17	0.83	1.40	0.50	5.11	-4.90	
IA Benchmark	4.80	13.99	22.83	48.74	100.24	18.00	10.43	-3.72	9.16	11.64	4.86	1.94	11.60	0.00	1.00	1.05	0.00	5.96	-7.62	
Portfolio 4	7.34	17.21	29.39	62.18	144.61	23.70	14.42	-4.42	12.31	14.29	5.52	5.93	9.94	2.35	0.81	1.42	0.30	5.75	-5.35	
IA Benchmark	5.43	16.14	26.41	57.27	117.64	20.13	12.29	-5.51	9.97	14.47	4.87	2.66	12.87	0.00	1.00	1.10	0.00	6.83	-8.68	
Portfolio 5	8.22	19.35	32.97	70.05	167.24	27.20	16.24	-6.02	13.73	15.50	5.76	6.38	11.45	2.48	0.89	1.40	0.76	6.60	-6.66	
IA Benchmark	5.78	17.03	27.07	58.02	120.35	22.07	13.44	-7.13	10.05	14.51	4.88	2.33	13.34	0.00	1.00	1.07	0.00	7.10	-9.34	
Portfolio 6	8.47	20.04	35.89	75.24	185.43	31.08	17.87	-7.27	14.41	16.01	6.02	7.31	12.22	2.88	0.91	1.41	0.96	7.00	-6.86	
IA Benchmark	6.14	17.91	27.72	58.75	122.99	24.03	14.57	-8.73	10.13	14.54	4.89	1.99	13.82	0.00	1.00	1.04	0.00	7.39	-10.00	

Portfolio	Benchmark
0	70% IA Mixed Investment/0%-35% Shares/ 30% Composite IA Money Market
1	IA Mixed Investment 0%-35% Shares
2	IA Mixed Investment 20%-60% Shares
3	50% IA Mixed Investment 20%-60% Shares/ 50% IA Mixed Investment 40%-85% Shares
4	IA Mixed Investment 40%-85% Shares
5	50% IA Mixed Investment 40%-85% Shares/ 50% IA Flexible Investment
6	IA Flexible Investment

NB. MPU Figures are calculated on a Total Return basis - Total return shows the total return of the instrument with all income reinvested, assuming income is taxed at basic rates of income tax.



**IMPORTANT INFORMATION**

*This communication is issued by IBOSS Limited who is a non-regulated organisation. Registered Office: 2 Sceptre House, Hornbeam Square North, Harrogate, HG2 8PB.*

*Registered in England No: 6427223.*

*The PMS is shown net of fund fees only, they do not incorporate platform costs or advisers client fee.*

*This communication is designed for Professional Financial Advisers only and not approved for direct marketing with individual clients. It does not purport to be all-inclusive or contain all of the information which a proposed investor may require in order to make a decision as to whether to invest in the Fund. Nothing in this document constitutes a recommendation suitable or appropriate to a recipient's individual circumstances or otherwise constitutes a personal recommendation.*

*It is the responsibility of the Financial Adviser to ensure that they are satisfied with the research undertaken by IBOSS Limited in relation to the investments contained within each Model Portfolio which research shall be provided to the IFA, upon written request from the Financial Adviser. IBOSS does not warrant that information provided will be error-free.*

*Past performance is not a reliable indicator of future results. The value of investments may go down as well as up and an investor may not get back the amount invested. Data is provided by Financial Express (FE). Care has been taken to ensure that the information is correct but FE neither warrants, represents nor guarantees the contents of the information, nor does it accept any responsibility for errors, inaccuracies, omissions or any inconsistencies herein.*

*IBOSS 15/01/2016.*