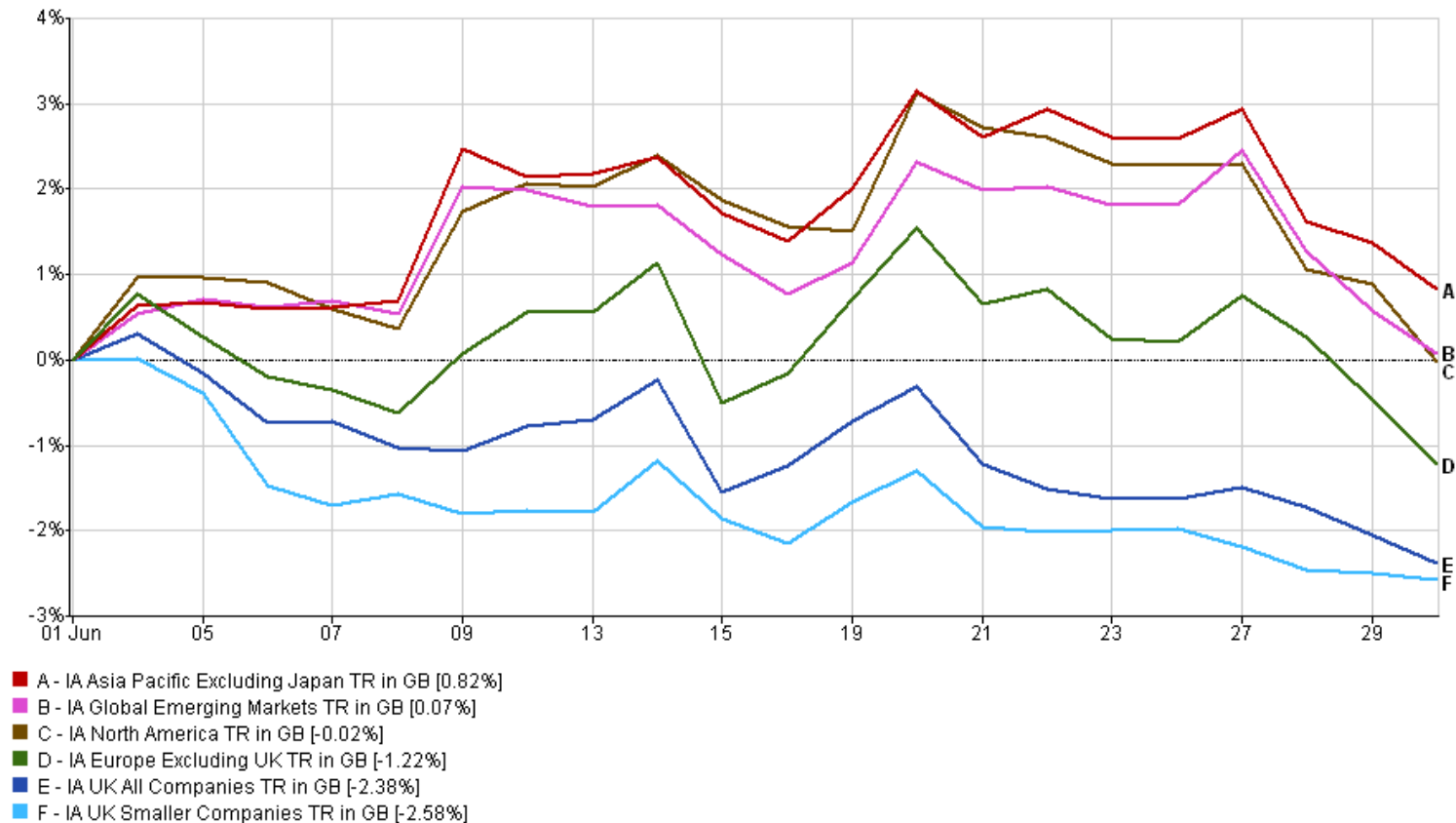


Monthly Performance Update

30th June 2017

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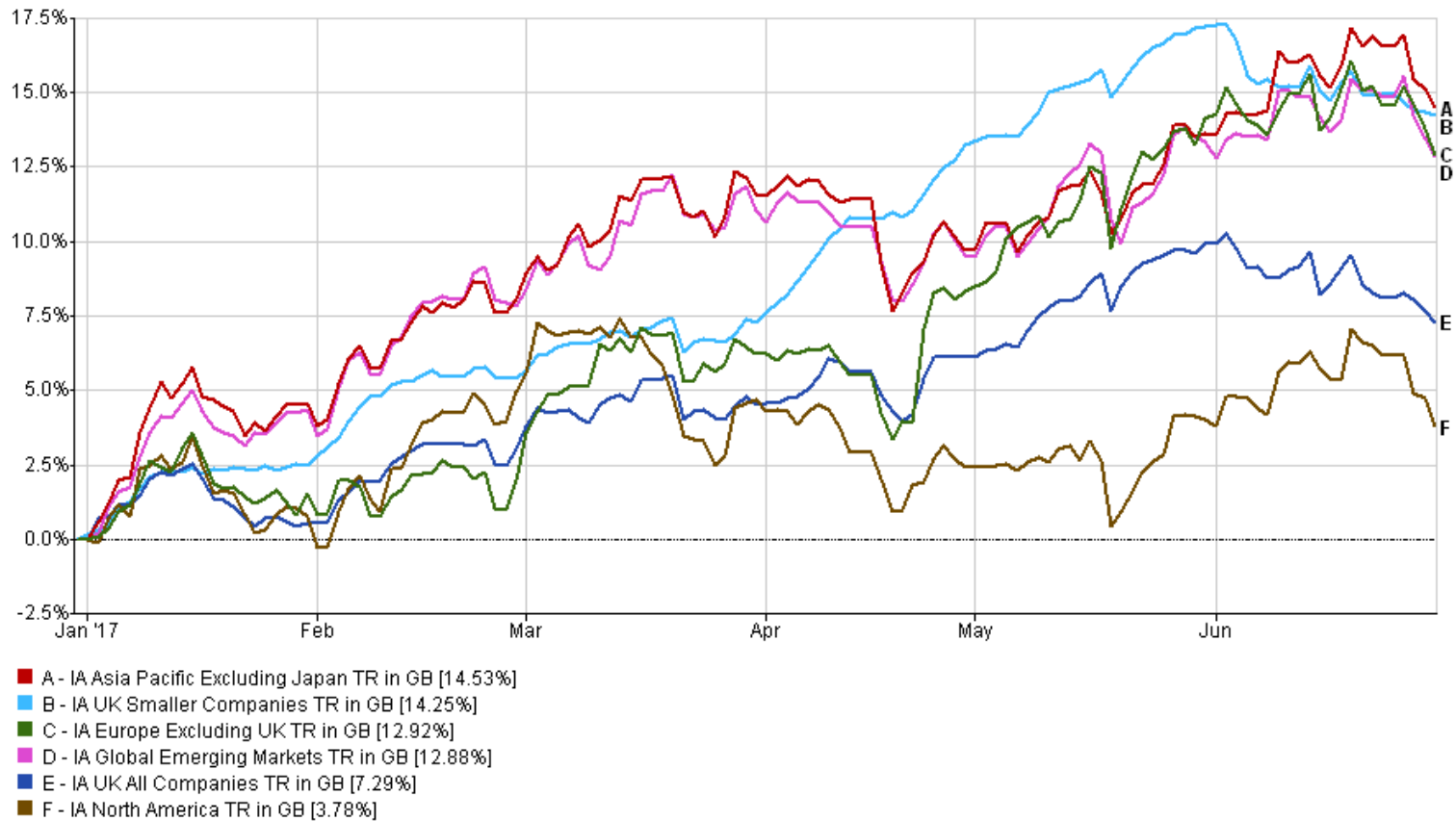
IA Global Sectors June 2017



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

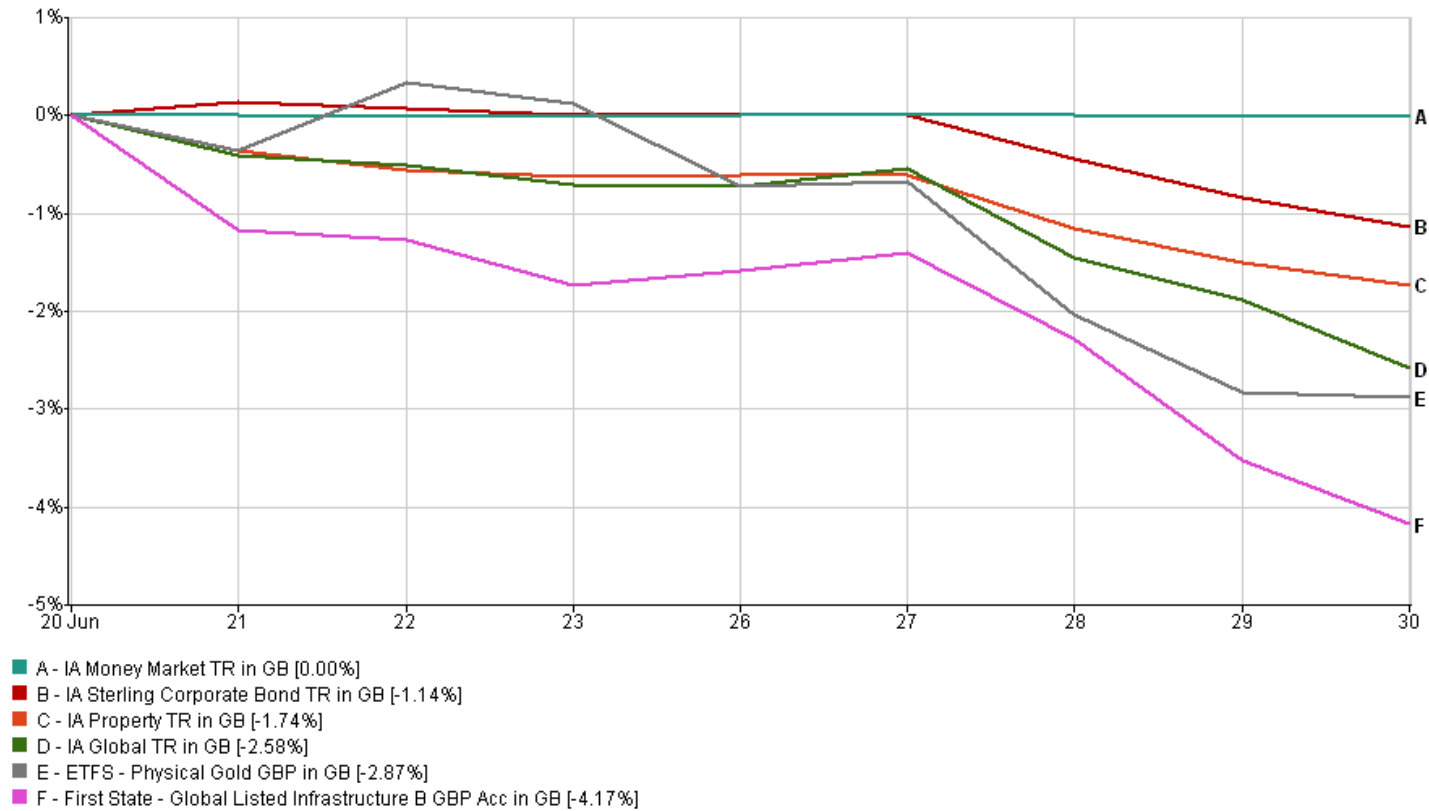


30/12/2016 - 30/06/2017 Data from FE 2017

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 20th-30th June

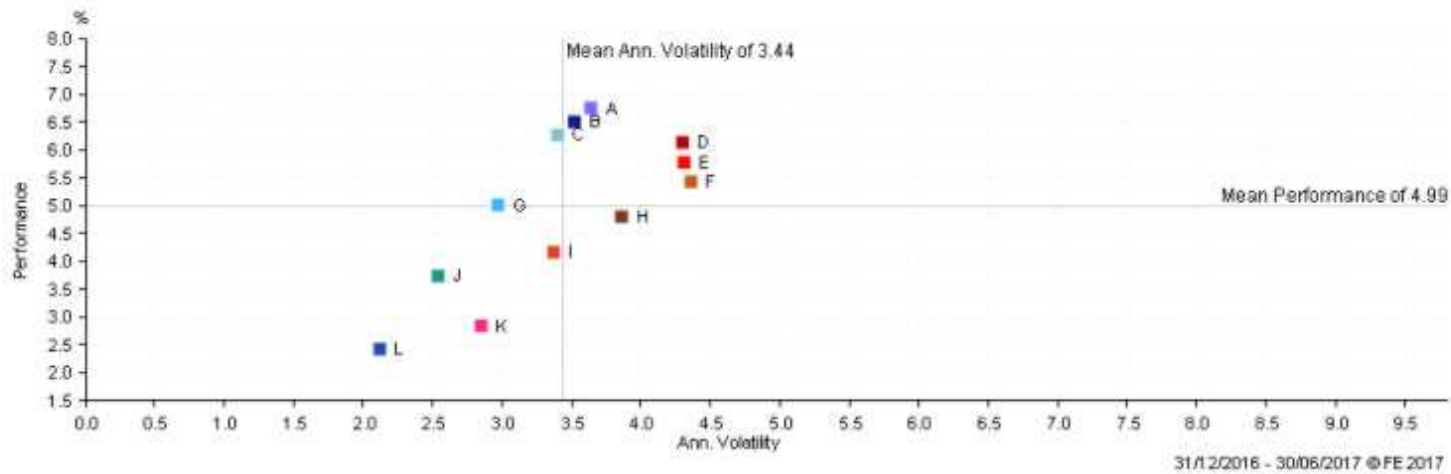


20/06/2017 - 30/06/2017 Data from FE 2017

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.

IBOSS OEICs vs. Benchmark 2017



Key	Name	Performance	Annualised Volatility
A	MGTS - IBOSS 6 R TR in GB	6.76	3.64
B	MGTS - IBOSS 5 TR in GB	6.51	3.52
C	MGTS - IBOSS 4 R TR in GB	6.27	3.40
D	IA Flexible Investment TR in GB	6.14	4.30
E	Composite Benchmark 5* TR in GB	5.78	4.31
F	IA Mixed Investment 40-85% Shares TR in GB	5.43	4.36
G	MGTS - IBOSS 3 TR in GB	5.02	2.97
H	Composite Benchmark 3* TR in GB	4.80	3.86
I	IA Mixed Investment 20-60% Shares TR in GB	4.17	3.37
J	MGTS - IBOSS 2 R TR in GB	3.74	2.54
K	IA Mixed Investment 0-35% Shares TR in GB	2.85	2.85
L	MGTS - IBOSS 1 R TR in GB	2.43	2.12

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 strong first half of the year in absolute and relative terms for OEICs 3, 4 and 5 and on a risk adjusted basis and max drawdown basis across all the OEICs. The main drivers of this solid performance are geographical allocation and underlying fund selection.

Our OEICs continue to be managed with lower than benchmark beta with an emphasis on defensive characteristics and will continue to do so whilst markets remain at such elevated levels across the different asset classes. Over the last few months we have also been increasing our 'value' element to the investments. Once you start reading ridiculous headlines alluding to value investing being dead we feel this is a positive sign that it won't be, hence bringing in a classic value manager like Alastair Mundy. We continue to make regular changes to the underlying OEIC funds with an emphasis on avoiding the most expensive assets and sectors, but always looking for opportunities that are often based on what is basically unpopular. As ever we welcome comments and thoughts on our OEIC range.

MGTS OEIC Investment Performance Table to 30/06/2017

OEIC	Cumulative Performance to 30/06/2017					Rolling 1 year Data (Monthly) to 30/06/2017						Year to Date Data (Weekly) to 30/06/2017					
	YTD	3 Months	6 Months	1 Year	Since Launch 22/02/2016	Alpha	Beta	Sharpe Ratio	Info Ratio	Vol	Max DD	Alpha	Beta	Sharpe Ratio	Info Ratio	Vol	Max DD
Outperformance																	
MGTS IBOSS 1 R Acc	2.43	0.60	2.43	7.72	8.38	2.01	0.75	1.80	0.18	3.18	-0.84	-0.26	0.87	0.95	-0.96	2.49	-0.69
IA Benchmark	2.85	0.72	2.86	7.51	12.75	0.00	1.00	1.32	0.00	4.15	-1.56	0.00	1.00	1.25	0.00	2.67	-0.83
MGTS IBOSS 2 R Acc	3.74	0.87	3.74	10.84	13.37	0.99	0.83	2.10	-0.73	4.21	-1.28	-0.16	0.90	1.35	-0.81	3.48	-1.06
IA Benchmark	4.17	1.21	4.17	11.86	17.92	0.00	1.00	1.99	0.00	4.95	-1.52	0.00	1.00	1.54	0.00	3.68	-0.88
MGTS IBOSS 3 Blend	5.02	1.24	5.02	13.28	16.36	1.06	0.87	2.29	-0.46	4.93	-1.71	1.36	0.88	1.73	0.23	4.11	-1.27
IA Benchmark Blend	4.80	1.40	4.80	13.99	20.66	0.00	1.00	2.18	0.00	5.51	-1.55	0.00	1.00	1.52	0.00	4.44	-1.28
MGTS IBOSS 4 R Acc	6.27	1.58	6.27	15.69	19.35	1.20	0.89	2.42	-0.23	5.67	-2.11	2.87	0.85	2.00	0.84	4.73	-1.46
IA Benchmark	5.43	1.59	5.43	16.14	23.46	0.00	1.00	2.32	0.00	6.09	-1.58	0.00	1.00	1.51	0.00	5.21	-1.71
MGTS IBOSS 5 Blend	6.51	1.63	6.51	16.48	19.77	0.12	0.96	2.34	-0.28	6.19	-2.41	2.40	0.88	1.93	0.66	5.11	-1.64
IA Benchmark Blend	5.78	1.65	5.78	17.03	24.84	0.00	1.00	2.42	0.00	6.20	-1.72	0.00	1.00	1.56	0.00	5.44	-1.92
MGTS IBOSS 6 R Acc	6.76	1.68	6.76	17.27	20.18	-0.92	1.02	2.27	-0.32	6.74	-2.70	1.97	0.90	1.86	0.48	5.49	-1.83
IA Benchmark	6.14	1.72	6.14	17.91	26.24	0.00	1.00	2.50	0.00	6.37	-1.86	0.00	1.00	1.61	0.00	5.70	-2.13

<i>Fund</i>	<i>Benchmark</i>
MGTS IBOSS 1	IA Mixed Investment 0%-35% Shares
MGTS IBOSS 2	IA Mixed Investment 20%-60% Shares
MGTS IBOSS 3 Blend	50% IA Mixed Investment 20%-60% Shares/50% IA Mixed Investment 40%-85% Shares
MGTS IBOSS 4	IA Mixed Investment 40%-85% Shares
MGTS IBOSS 5 Blend	50% IA Mixed Investment 40%-85% Shares/50% IA Flexible Investment
MGTS IBOSS 6	IA Flexible Investment

NB. MGTS IBOSS 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.

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IBOSS 08/02/2017.