



PORTFOLIO
MANAGEMENT SERVICE

P M S
MPU

MONTHLY PERFORMANCE UPDATE

**JULY
2017**

**OLD MUTUAL WEALTH
VERSION**

This document is intended for the use
of professional financial advisers only

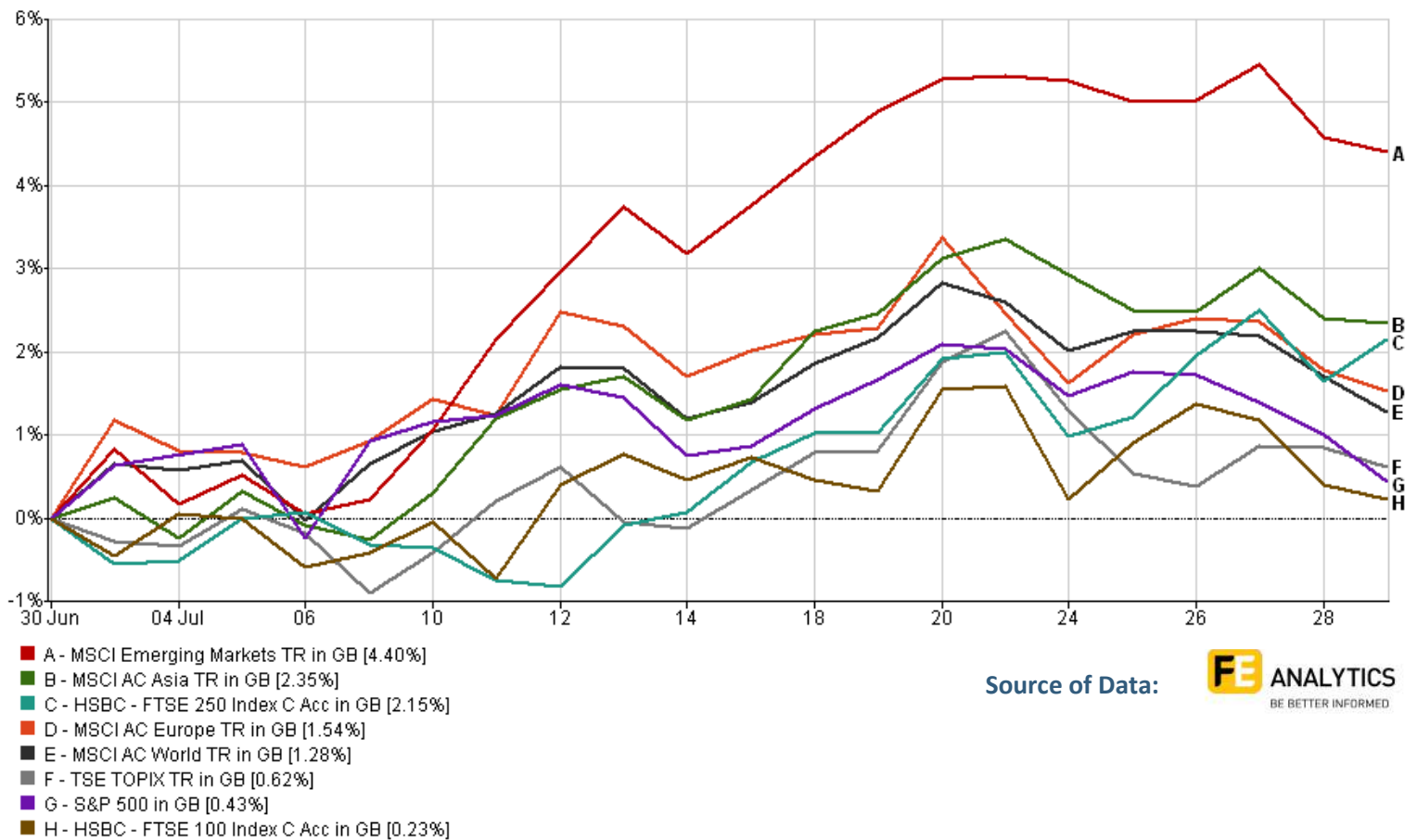
EQUITIES

The stand out equity index this month was Global Emerging Markets with the MSCI Global Emerging Markets index outperforming the wider MSCI World Index by 3.1% due to, primarily, a weakening Dollar and stronger economic data out of China and political news out of Brazil.

The US continues to languish relative to the rest of the world and as with the UK, some of this performance / underperformance is due to currency. Essentially, the dollar continues to weaken against a basket of other currencies due to weak and ineffective political leadership and the Fed's recent failure to commit to a specific "unwinding the balance sheet" date. This failure also seems to encapsulate the whole misnomer of data dependency action by the US central bank i.e. they are data dependent when it suits them. Whilst the weakening dollar has impacted US performance negatively, it has also had a negative impact on the FTSE 100 and the UK's largest firms. Conversely, domestic companies with more exposure to the strengthening pound have performed extremely well, with the FTSE 250 outperforming the FTSE 100 by almost 2%.

All that being said, volatility (as measured by the VIX) picked up over the last week of July, as markets took a dip.

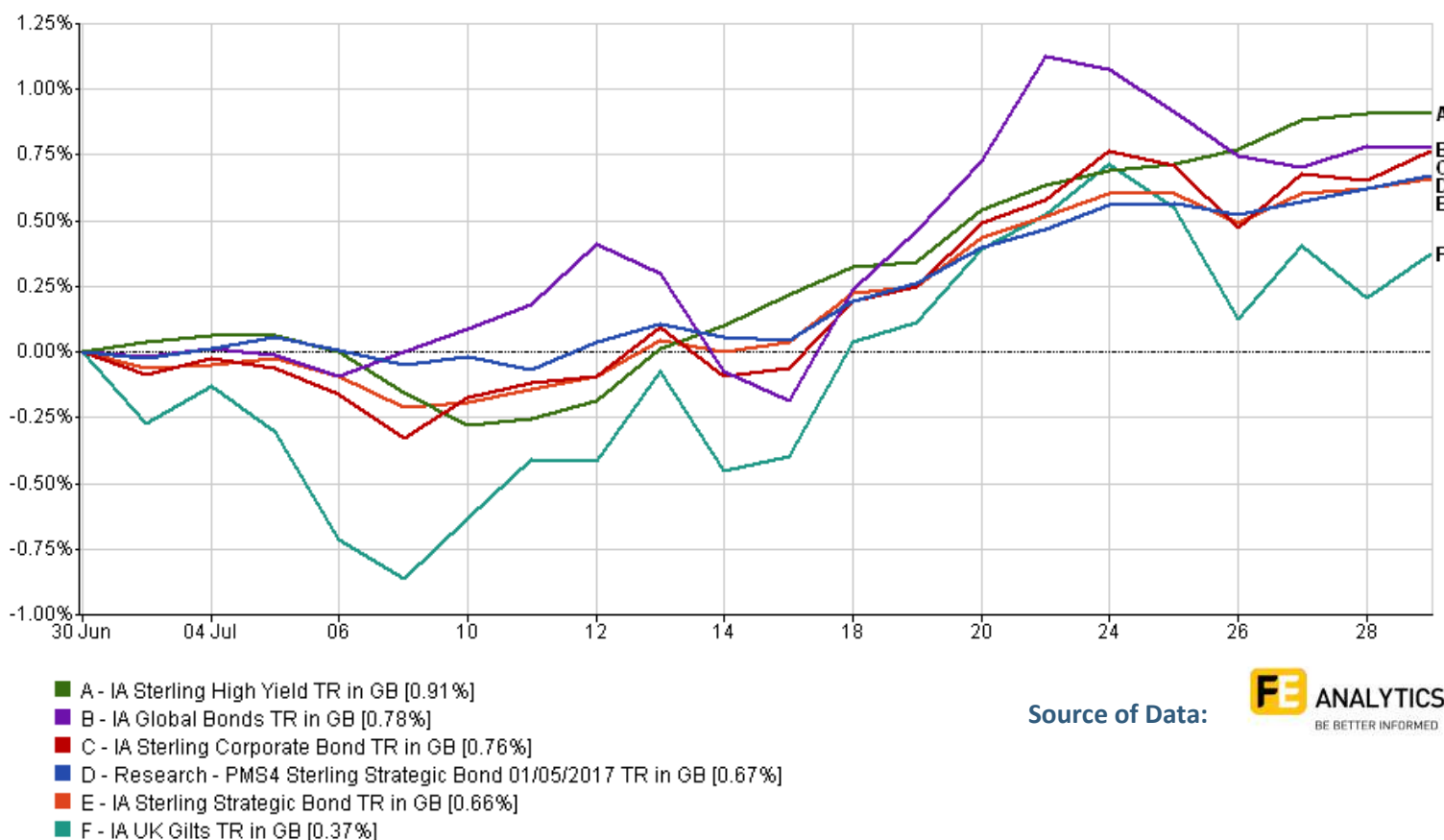
FIG 1: JULY - EQUITY MARKET PERFORMANCE 30/06/2017 – 31/07/2017



FIXED INCOME

Within fixed income there continues to be very little differentiation regarding performance, with a spread of only 0.54 between the IA Sterling High Yield and IA UK Gilts. This continues to suggest to us that you are not getting rewarded by taking excess risk, be it through high yield or more niche fixed income products. In fact, with regard to high yield, you have one of the poorest risk/return profiles in history.

FIG 2: JULY – FIXED INCOME PERFORMANCE 30/06/2017 – 31/07/2017



We continue to keep the defensive portion of the portfolio as diverse as possible, whilst selecting managers with the flexibility and remit to stick with their convictions in an asset class where managers are undoubtedly feeling pressured to outperform, or at least keep up with, benchmark. This is especially concerning considering there are very little outperformance opportunities without the previously mentioned and incommensurate risk. Our positioning includes using a selection of short dated bond funds alongside those flexible managers to maintain diversification.





SUMMARY

It has been another positive month for the PMS with each portfolio outperforming their respective benchmarks across the board. Whilst this is very positive, it is the risk metrics of the portfolio which continue to warrant the bulk of our attention, as we assess whether the portfolios have outperformed due to good fund selection and asset allocation or by taking on excessive risk.

As you can see in the main MPU table, our risk metrics continue to be strong with a sub 1 beta over 5 years, lower than benchmark volatility and drawdowns. Additionally, we retain very strong risk-adjusted returns, as measured by the Sharpe and Alpha Ratios. Short term performance has been led by an underweight in the US, a strategic allocation to GEM and Asia, and our fully diversified equity holdings. Finally, and as you can see in Fig2, our fixed income holdings retained their defensive characteristics through a pick up in volatility over the last week.

STAND OUT FUND PERFORMANCES RANKED IN SECTOR

Invesco Perpetual Global Emerging Markets – 5.28% - 14th Percentile

Old Mutual Asia Pacific – 4.68% – 13th Percentile

Henderson Global Growth – 2.75% - 14th Percentile

Neptune European Opportunities – 3.82% - 5th Percentile

Rathbone Ethical bond – 1.18% - 4th Percentile

Man GLG UK Income – 2.21% - 6th Percentile



PERFORMANCE

PMS INVESTMENT PERFORMANCE TABLE to 31st July 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	
Outperformance																				
Portfolio 0	3.51	5.79	12.14	25.20	64.69	14.31	7.20	1.33	7.55	6.60	3.03	2.09	4.65	1.85	0.78	1.08	0.92	2.41	-1.78	
IA Benchmark	2.35	3.47	10.65	18.56	49.97	9.42	6.25	1.15	5.03	3.46	3.39	0.31	5.95	0.00	1.00	0.53	0.00	2.79	-3.14	
Portfolio 1	4.43	7.39	15.80	32.17	79.27	14.93	8.25	0.75	8.41	9.04	3.20	3.06	5.66	2.42	0.69	1.18	0.50	3.17	-2.48	
IA Benchmark	3.34	4.92	15.27	25.81	67.91	11.71	7.77	1.38	6.22	4.20	4.84	0.38	8.47	0.00	1.00	0.69	0.00	3.94	-4.49	
Portfolio 2	6.18	9.73	23.16	44.67	101.17	13.98	9.85	-0.88	9.49	10.69	5.11	3.99	8.51	2.07	0.82	1.33	0.63	4.28	-4.16	
IA Benchmark	4.75	8.28	19.76	38.57	85.05	15.90	8.56	-1.89	8.35	8.85	4.85	1.21	10.32	0.00	1.00	0.93	0.00	5.08	-6.56	
Portfolio 3	7.94	11.99	28.50	54.42	134.24	21.41	12.90	-2.83	11.54	12.18	5.45	4.65	10.44	2.20	0.85	1.36	0.69	5.19	-5.22	
IA Benchmark	5.52	9.85	23.42	46.56	101.61	18.00	10.43	-3.72	9.16	11.64	4.86	1.94	11.60	0.00	1.00	1.00	0.00	5.92	-7.62	
Portfolio 4	8.98	13.49	31.82	61.84	149.76	23.70	14.42	-4.42	12.31	14.29	5.52	5.24	11.29	2.36	0.83	1.39	0.47	5.85	-5.84	
IA Benchmark	6.28	11.44	27.17	54.94	119.40	20.13	12.29	-5.51	9.97	14.47	4.87	2.66	12.87	0.00	1.00	1.05	0.00	6.79	-8.68	
Portfolio 5	10.12	15.20	36.00	70.22	174.08	27.20	16.24	-6.02	13.73	15.50	5.76	5.72	13.03	2.55	0.92	1.38	0.98	6.69	-6.95	
IA Benchmark	6.79	12.31	27.92	55.89	122.45	22.07	13.44	-7.13	10.05	14.51	4.88	2.33	13.34	0.00	1.00	1.03	0.00	7.06	-9.34	
Portfolio 6	10.44	15.72	38.77	74.76	192.28	31.08	17.87	-7.27	14.41	16.01	6.02	6.66	13.55	2.87	0.93	1.38	1.11	7.10	-7.14	
IA Benchmark	7.30	13.19	28.66	56.83	125.43	24.03	14.57	-8.73	10.13	14.54	4.89	1.99	13.82	0.00	1.00	1.01	0.00	7.36	-10.00	

Please find the details for the associated benchmarks at the back of this document.

Source of Data:



PERFORMANCE

PMS PENSION PERFORMANCE TABLE to 31st July 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	
Outperformance																				
Portfolio Pension A	3.51	5.79	12.02	25.07	64.52	14.31	7.20	1.33	7.55	6.60	3.03	2.04	4.65	1.84	0.78	1.07	0.90	2.41	-1.78	
IA Benchmark	2.35	3.47	10.65	18.56	49.97	9.42	6.25	1.15	5.03	3.46	3.39	0.31	5.95	0.00	1.00	0.53	0.00	2.79	-3.14	
Portfolio Pension B/F	4.43	7.39	15.66	32.02	79.05	14.93	8.25	0.75	8.41	9.04	3.20	2.99	5.66	2.41	0.69	1.17	0.48	3.16	-2.48	
IA Benchmark	3.34	4.92	15.27	25.81	67.91	11.71	7.77	1.38	6.22	4.20	4.84	0.38	8.47	0.00	1.00	0.69	0.00	3.94	-4.49	
Portfolio Pension C/G/K	6.18	9.73	22.86	44.31	103.29	17.11	11.14	-1.19	9.49	10.69	4.92	3.92	8.51	2.02	0.82	1.31	0.59	4.27	-4.16	
IA Benchmark	4.75	8.28	19.76	38.57	85.05	15.90	8.56	-1.89	8.35	8.85	4.85	1.21	10.32	0.00	1.00	0.93	0.00	5.08	-6.56	
Portfolio Pension D/H/L/Q	7.94	11.99	28.16	54.01	123.72	20.56	12.00	-2.98	11.54	12.18	5.33	4.58	10.44	2.15	0.85	1.35	0.65	5.19	-5.22	
IA Benchmark	5.52	9.85	23.42	46.56	101.61	18.00	10.43	-3.72	9.16	11.64	4.86	1.94	11.60	0.00	1.00	1.00	0.00	5.92	-7.62	
Portfolio Pension E/I/M/R/V	8.98	13.49	31.46	61.38	145.95	24.39	15.09	-4.40	12.31	14.29	5.30	5.16	11.29	2.30	0.83	1.38	0.43	5.84	-5.84	
IA Benchmark	6.28	11.44	27.17	54.94	119.40	20.13	12.29	-5.51	9.97	14.47	4.87	2.66	12.87	0.00	1.00	1.05	0.00	6.79	-8.68	
Portfolio Pension J/N/S/W	9.65	14.63	33.36	66.05	158.75	27.34	15.61	-5.21	13.38	15.17	5.46	5.32	11.94	2.67	0.84	1.40	0.65	6.19	-6.20	
IA Benchmark	6.79	12.31	27.92	55.89	122.45	22.07	13.44	-7.13	10.05	14.51	4.88	2.33	13.34	0.00	1.00	1.03	0.00	7.06	-9.34	
Portfolio Pension P/T/X	10.12	15.20	35.62	69.73	169.63	28.67	16.90	-6.07	13.73	15.50	5.53	5.65	13.03	2.50	0.91	1.37	0.95	6.69	-6.95	
IA Benchmark	6.79	12.31	27.92	55.89	122.45	22.07	13.44	-7.13	10.05	14.51	4.88	2.33	13.34	0.00	1.00	1.03	0.00	7.06	-9.34	
Portfolio Pension U/Y	10.44	15.72	38.35	74.23	182.89	30.60	18.11	-6.89	14.41	16.01	5.76	6.60	13.55	2.81	0.93	1.37	1.08	7.09	-7.14	
IA Benchmark	7.30	13.19	28.66	56.83	125.43	24.03	14.57	-8.73	10.13	14.54	4.89	1.99	13.82	0.00	1.00	1.01	0.00	7.36	-10.00	
Portfolio Pension Z	10.44	15.72	38.30	74.55	191.85	33.53	18.71	-7.28	14.67	16.13	5.68	6.60	13.55	2.79	0.93	1.37	1.09	7.15	-7.14	
IA Benchmark	7.30	13.19	28.66	56.83	125.43	24.03	14.57	-8.73	10.13	14.54	4.89	1.99	13.82	0.00	1.00	1.01	0.00	7.36	-10.00	

Please find the details for the associated benchmarks at the back of this document.

Source of Data:



BENCHMARKS

Portfolio	Benchmark
0 / A	70% IA Mixed Investment/0%-35% Shares/ 30% Composite IA Money Market
1 / BF	IA Mixed Investment 0%-35% Shares
2 / CGK	IA Mixed Investment 20%-60% Shares
3 / DHLQ	50% IA Mixed Investment 20%-60% Shares/ 50% IA Mixed Investment 40%-85% Shares
4 / EIMRV	IA Mixed Investment 40%-85% Shares
5 / PTX / JNSW	50% IA Mixed Investment 40%-85% Shares/ 50% IA Flexible Investment
6 / UYZ	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.

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 08/02/2017.

