

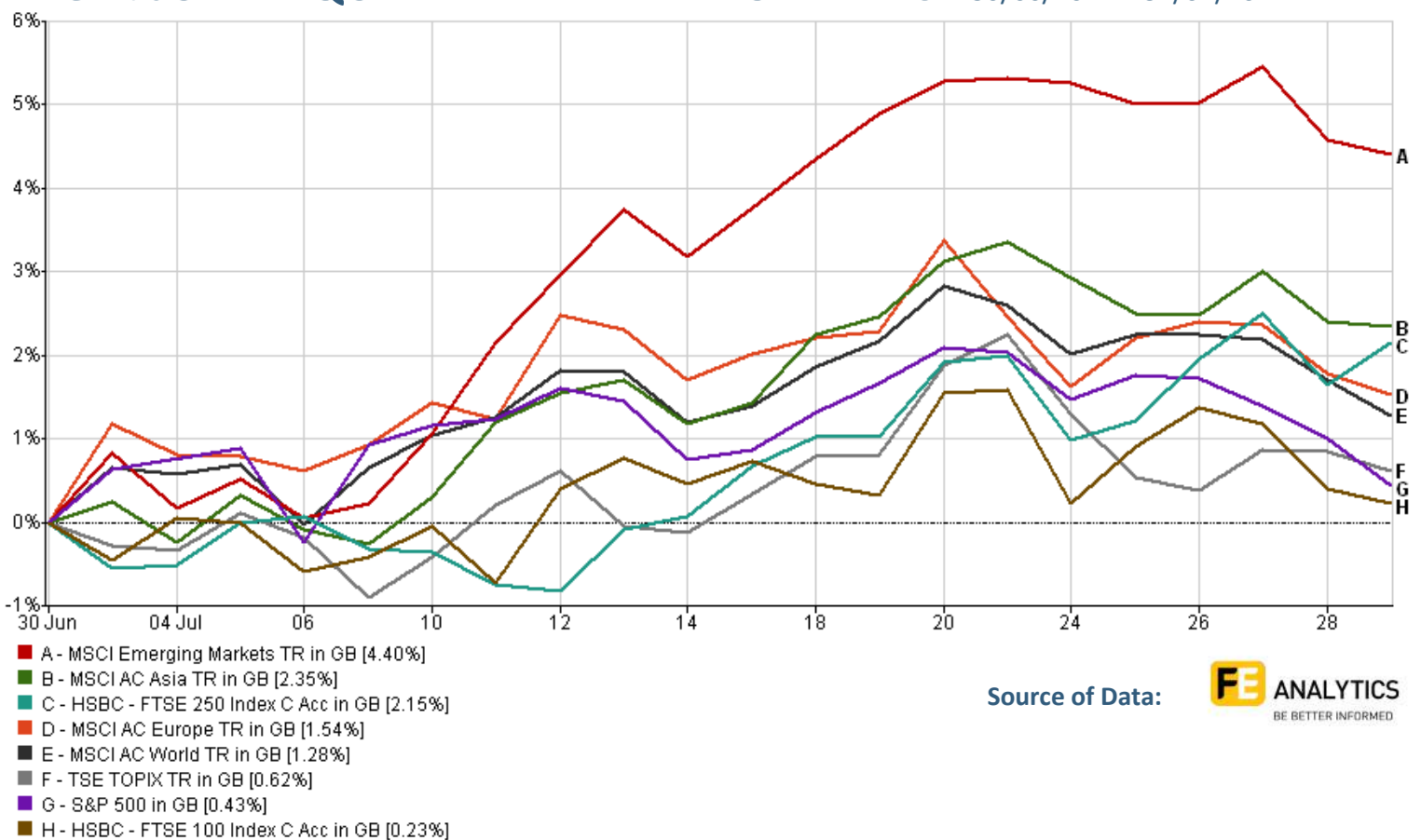
EQUITIES

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.

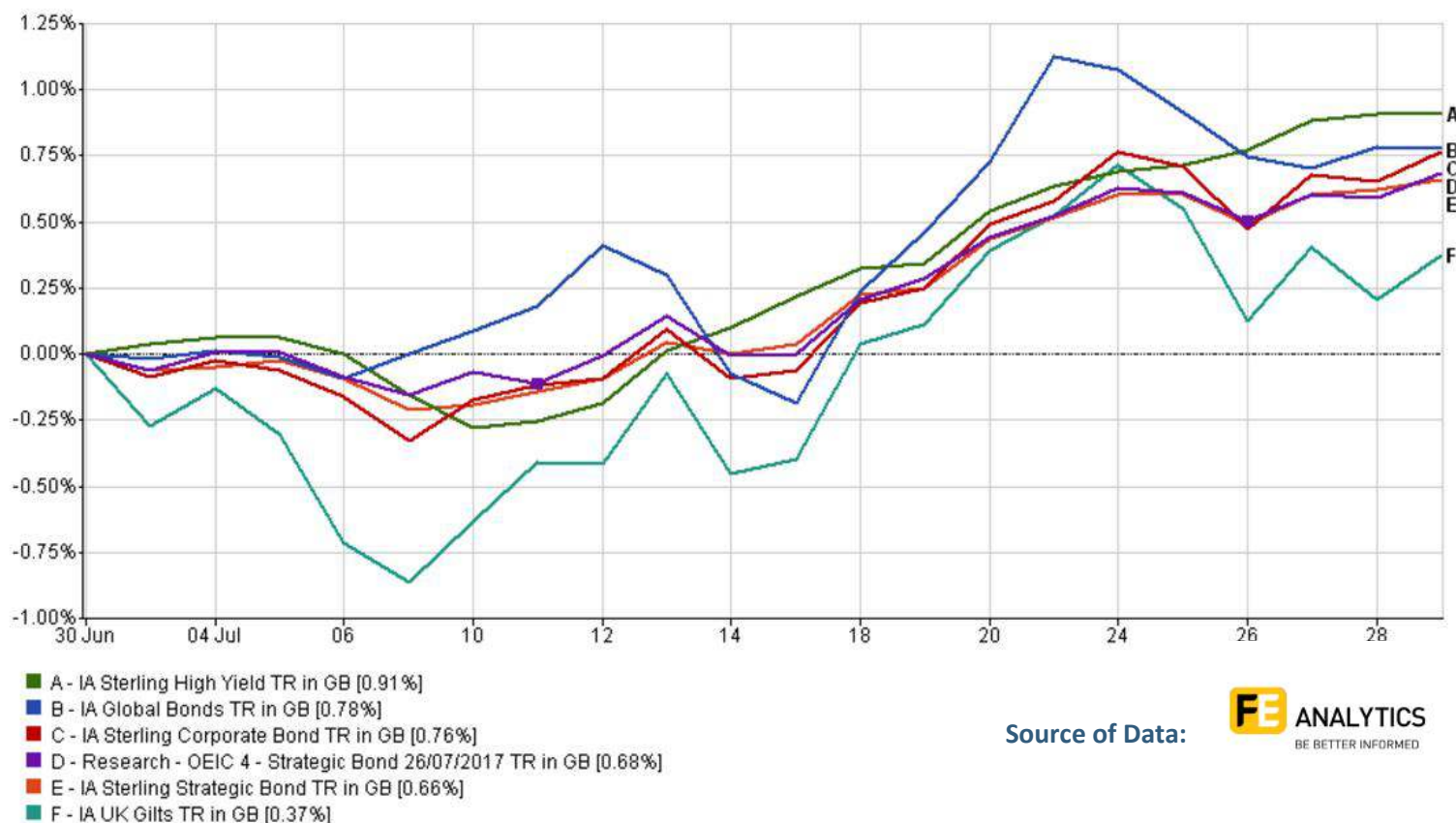
FIG 1: JULY - EQUITY MARKET PERFORMANCE 30/06/2017 – 31/07/2017



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 a successful month with all funds performing broadly in line with their respective benchmarks but with less volatility. Recent performance continues to be driven by an underweight in US equities, a strategically overweight allocation to GEM and Asia, and our well diversified UK 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.

This more defensive positioning is reflected in the year-to-date ratios in the MPU grid, whereby our risk metrics continue to be strong with sub 1 betas, lower than benchmark volatility and drawdowns. Additionally, we retain very strong risk-adjusted returns, as the fund's Alpha Ratios and Sharpe Ratios look relatively strong despite IBOSS 1 & 2 marginally underperforming the benchmark.



PERFORMANCE

MGTS OEIC PERFORMANCE TABLE to 31st July 2017

OEIC	Cumulative Performance to 31/07/2017					Rolling 1 year Data (Monthly) to 31/07/2017						Year to Date Data (Weekly) to 31/07/2017						
	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	2.84	0.93	2.53	5.41	8.81	1.94	0.69	1.46	0.41	2.33	-0.84	0.10	0.83	1.08	-0.80	2.42	-0.88	
IA Benchmark	3.34	1.13	3.27	4.92	13.29	0.00	1.00	0.89	0.00	3.28	-1.56	0.00	1.00	1.28	0.00	2.72	-1.10	
MGTS IBOSS 2 R Acc	4.32	1.54	3.66	7.49	14.00	1.39	0.73	1.91	-0.58	2.87	-1.28	0.10	0.89	1.47	-0.65	3.40	-1.15	
IA Benchmark	4.75	1.70	4.44	8.28	18.58	0.00	1.00	1.66	0.00	3.77	-1.52	0.00	1.00	1.58	0.00	3.64	-1.16	
MGTS IBOSS 3 Blend	5.75	2.07	4.76	9.43	17.17	1.38	0.81	2.12	-0.29	3.51	-1.71	1.45	0.88	1.85	0.30	4.04	-1.31	
IA Benchmark Blend	5.52	2.09	5.05	9.85	21.49	0.00	1.00	1.92	0.00	4.10	-1.55	0.00	1.00	1.61	0.00	4.35	-1.31	
MGTS IBOSS 4 R Acc	7.14	2.58	5.82	11.33	20.33	1.41	0.86	2.25	-0.06	4.15	-2.11	2.82	0.86	2.12	0.84	4.66	-1.46	
IA Benchmark	6.28	2.49	5.66	11.44	24.46	0.00	1.00	2.12	0.00	4.46	-1.58	0.00	1.00	1.63	0.00	5.08	-1.71	
MGTS IBOSS 5 Blend	7.46	2.76	6.03	11.68	20.83	0.43	0.91	2.17	-0.35	4.47	-2.41	2.31	0.89	2.06	0.65	5.02	-1.64	
IA Benchmark Blend	6.79	2.80	5.94	12.31	26.03	0.00	1.00	2.26	0.00	4.56	-1.72	0.00	1.00	1.71	0.00	5.31	-1.92	
MGTS IBOSS 6 R Acc	7.78	2.93	6.23	12.02	21.33	-0.47	0.95	2.09	-0.62	4.80	-2.70	1.84	0.91	2.01	0.45	5.38	-1.83	
IA Benchmark	7.30	3.12	6.21	13.19	27.62	0.00	1.00	2.37	0.00	4.72	-1.86	0.00	1.00	1.78	0.00	5.56	-2.13	

Fund

MGTS IBOSS 1
 MGTS IBOSS 2
 MGTS IBOSS 3 Blend
 MGTS IBOSS 4
 MGTS IBOSS 5 Blend
 MGTS IBOSS 6

Benchmark

IA Mixed Investment 0%-35% Shares
 IA Mixed Investment 20%-60% Shares
 50% IA Mixed Investment 20%-60% Shares/50% IA Mixed Investment 40%-85% Shares
 IA Mixed Investment 40%-85% Shares
 50% IA Mixed Investment 40%-85% Shares/50% IA Flexible Investment
 IA Flexible Investment

Source of Data:



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.

