MGTS OEIC INVESTMENT PERFORMANCE TABLE to 31st March 2019

OEIC	Cumulative Performance					Discrete Annual Performance		Since Launch Ratios						
Outperformance	YTD	6 Months	1 Year	2 Year	Since Launch 22/02/2016	2017	2018	Alpha	Beta	Sharpe Ratio	Downside Risk	Volatility	Max Loss	Max DD
MGTS IBOSS 1 R Acc	3.14	-0.54	1.59	2.21	10.11	4.52	-3.46	0.04	0.73	0.38	3.45	3.21	-2.31	-4.49
IA Benchmark	3.60	0.50	2.41	2.79	15.08	4.84	-3.35	0.00	1.00	0.71	3.41	3.40	-2.49	-3.85
MGTS IBOSS 2 R Acc	3.64	-1.15	1.49	2.84	15.58	6.68	-4.34	0.07	0.79	0.63	4.86	4.40	-3.28	-6.01
IA Benchmark	4.97	-0.70	2.86	3.71	20.84	7.16	-5.10	0.00	1.00	0.82	5.23	4.91	-3.61	-6.42
MGTS IBOSS 3 Blend	4.14	-1.43	1.42	3.27	18.70	8.62	-5.29	0.19	0.78	0.69	5.74	5.31	-3.97	-7.00
IA Benchmark Blend	5.70	-1.32	3.58	4.81	24.73	8.56	-5.60	0.00	1.00	0.85	6.24	5.93	-4.33	-7.73
MGTS IBOSS 4 R Acc	4.61	-1.69	1.35	3.69	21.82	10.52	-6.18	0.38	0.77	0.73	6.67	6.20	-4.62	-7.93
IA Benchmark	6.45	-1.95	4.30	5.91	28.71	9.98	-6.11	0.00	1.00	0.87	7.50	6.98	-5.05	-9.02
MGTS IBOSS 5 Blend	4.84	-1.97	1.33	3.81	22.33	11.06	-6.57	-0.03	0.82	0.71	7.24	6.69	-4.99	-8.51
IA Benchmark Blend	6.39	-2.20	3.79	5.82	29.96	10.59	-6.41	0.00	1.00	0.89	7.71	7.21	-5.05	-9.18
MGTS IBOSS 6 R Acc	5.07	-2.24	1.31	3.93	22.84	11.61	-6.95	-0.41	0.85	0.68	7.81	7.20	-5.36	-9.08
IA Benchmark	6.34	-2.45	3.29	5.73	31.21	11.21	-6.72	0.00	1.00	0.90	7.88	7.46	-5.06	-9.34

Fund	***Benchmark***
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**

Source of Data: FE ANALYTICS BE BETTER INFORMED

NB. MGTS IBOSS Figures are calculated on a Total Return basis - Total return shows the total return of the instrument

SUMMARY

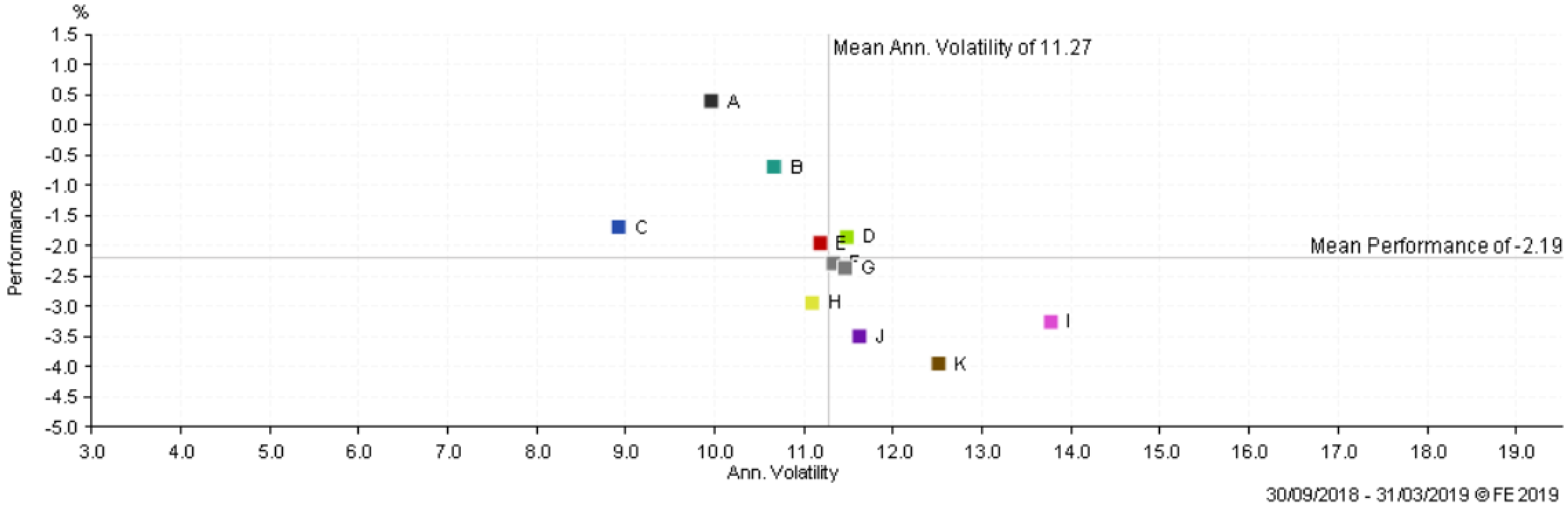
Another month and yet more positive gains for clients across the risk spectrum. It's not really surprising since every one of the 35 IA sectors turned in a profit, ranging from 0.01 Short Dated Money to an eye-watering 6.32 in UK Index Linked Gilts. Having re-read our comments from last month, pretty much every line and opinion still stands. All comments pertaining to a dovish fully pivoted Fed, Brexit and Trump's trade war still make up the investment backdrop. All clients made strong gains in March, ranging from +0.7% in OEIC 1, through to +0.96% in OEIC 4, and up to +1.03% in OEIC 6. In relative terms the OEIC range underperformed its respective benchmarks, which we would expect given the outstanding returns in all risk assets, but especially developed market equities and bonds. Whilst we would like to be returning above benchmark returns, we have to remain cognisant of the risk/return profile of the underlying assets.

The exception was OEIC 1, which underperformed by 0.5% due to being relatively underweight equities and bonds and specifically not benefitting from the wider range of assets within it. This is a very deliberate position and for the risk-averse clients in the 0-35% equity sector we are struggling to find absolute value in some areas, and this has now been exacerbated by March's extremely strong gains. We can't emphasise enough that without a dovish Fed the markets would not be at these levels. Once again, the benchmarks have not performed in line with what you might expect based on their equity content, due to both developed equities and bonds stealing the show. The 40-85% sector continues its outperformance over the Flexible sector and is now arguably the most expensive benchmark with the assets which comprise it in relative terms.

As can be seen from the table (Fig 2), we continue to put our emphasis on the defensive characteristics of our investments, and this won't change until either the economic backdrop materially improves, or valuations become more attractive relative to their own histories. We share many of the frustrations of the underlying managers and hopefully, like them, we will not be increasing our exposure to parts of the market we feel are overvalued and in some cases are solely now momentum plays. We do now appear to have returned to a FOMO (fear of missing out) mentality, especially in the US, and that is rarely a sign of a good period to be ramping up risk. As an example, the end of September 2018 was the last time we witnessed this. In general terms, the best performers amongst our peer group are running higher betas and / or are overweight the areas we consider most vulnerable to a pullback. It is also fair to say that this has been the case for several quarters now, with the exception of Q4 2018. If nothing else, this showed how fast the investment landscape can change. It's our contention that many of the market tailwinds are connected to the super accommodative monetary policy of the central banks but remove this, or even dilute it, and many of the tailwinds become headwinds. To demonstrate this point, we have some slides in our upcoming webinar which go into more detail on this crucial point.

Our favoured areas continue to be Emerging Markets, Asia and the UK, and certain parts of the Property and Infrastructure market, and we feel it prudent to maintain the cash levels, especially in light of the rapid fall in Bond yields of both sovereign and corporate debt. Within fixed income our duration remains relatively short to both the benchmarks and our own history. Whilst it's true that central banks are leading all markets around by the nose, there may come a time when they are found wanting and then fundamentals will matter more than they currently seem to do.

6 MONTH SCATTER RISK/RETURN OEIC 4 & SECTOR



Key	Name	Performance	Annualised Volatility
A	Vanguard - LifeStrategy 60% Equity	0.40	9.96
B	Jupiter - Merlin Balanced Portfolio	-0.69	10.66
C	MGTS - IBOSS 4	-1.69	8.92
D	Royal London - Governed Portfolio 4	-1.85	11.48
E	IA Mixed Investment 40-85% Shares	-1.95	11.18
F	7IM - AAP Moderately Adventurous C	-2.28	11.33
G	Janus Henderson - Multi-Manager Managed I	-2.36	11.46
H	Premier - Multi-Asset Growth & Income	-2.94	11.09
I	Architas MA - Active Progressive	-3.25	13.77
J	Standard Life MyFolio MM IV	-3.49	11.62
K	Quilter Investors - Cirilium Moderate Portfolio	-3.94	12.51

OEIC DEFENSIVE CHARACTERISTICS (Fig 2)

30/09/2018 – 31/03/2019

Mixed Investment 40% - 85% Shares

	Beta		Downside Risk		Max Drawdown		Max Loss		Volatility	
	Value	%	Value	%	Value	%	Value	%	Value	%
MGTS - IBOSS 4	0.89	21	10.52	24	-5.94	22	-4.04	45	8.95	19
Vanguard LifeStrategy 60% Equity	0.89	20	11.72	48	-5.56	16	-3.10	8	9.06	20
Premier Multi-Asset Growth & Income	0.94	28	11.15	36	-7.97	63	-3.93	36	9.31	26
Janus Henderson Multi-Manager Managed	1.05	56	11.64	44	-7.35	45	-4.02	44	10.03	42
Quilter Investors Cirilium Moderate Portfolio	1.04	50	12.48	59	-9.22	91	-4.84	73	10.11	45
Portfolio Standard Life MyFolio MM IV	1.04	52	11.69	45	8.14	67	-4.36	59	10.20	48
Jupiter Merlin Balanced Portfolio	1.04	51	11.72	47	-5.75	19	-3.90	34	10.32	52
Portfolio Royal London - Governed Portfolio 4	1.12	68	12.56	60	-7.63	52	-3.58	19	10.74	61
7IM Moderately Adventurous	1.16	77	15.27	93	-9.02	87	-4.58	68	11.04	70
Architas MA Active Progressive	1.25	90	14.82	88	-9.01	87	-5.21	82	12.36	90

RATIO DEFINITIONS

Alpha

Alpha is a measure of a fund's over- or under-performance by comparison to its benchmark. It represents the return of the fund when the benchmark is assumed to have a return of zero, and thus indicates the extra value that the manager's activities have contributed: if the Alpha is 5, the fund has outperformed its benchmark by 5% and the greater the Alpha, the greater the out performance.

A further aspect of Alpha emerges when it is taken in conjunction with Beta. Assuming that a strong R-Squared correlation exists, the Beta will show how volatile the fund is compared to its benchmark, and thus indicate how much extra risk the manager has taken on in order to get that high-Alpha performance. Negative Alpha in conjunction with 1+ Beta is an indication of poor performance: managers are subjecting funds to volatility that is higher than the benchmark, while achieving returns that are lower than the benchmark attained. So, if Alpha indicates better/worse performance compared with the index, Beta shows higher/lower risk.

Beta

Beta is a statistical estimate of a fund's volatility by comparison to that of its benchmark, i.e. how sensitive the fund is to movements in the section of the market that comprises the benchmark. A fund with a Beta close to 1 means that the fund will generally move in line with the benchmark. Higher than 1 and the fund is more volatile than the benchmark, so that with a Beta of 1.5, say, the fund will be expected to rise or fall 1.5 points for every 1 point of benchmark movement.

Downside Risk

Downside risk is a measurement which only considers negative returns. It is calculated as a downside deviation of returns below a specified Risk Free Rate. It represents an estimation of a security's potential to suffer a decline in price in negative market conditions. It could be considered as an estimate of the potential loss on any investment.

Maximum Drawdown

Represents the worst possible return over a period, e.g. buying at the maximum price over the period and selling at the worst.

Maximum Loss

Represents the worst running return over a period e.g. the longest running consecutive loss without making a gain

R-Squared

The R-Squared measure is an indication of how closely correlated a fund is to an index or a benchmark. It can be treated as a percentage, showing what proportion of a fund's movements can be attributed to those of the benchmark. Values for R-Squared range between 0 and 1, with 0 indicating no correlation at all, and 1, rarely, showing a perfect match. Values upwards of 0.7 suggest that the fund's behaviour is increasingly closely linked to its benchmark, whereas the relevance diminishes as R-Squared descends towards 0.5, and starts to disappear altogether below that.

R-Squared is a key ratio, in that other measures of a fund's performance - such as Alpha and Beta - will have been calculated by reference to its benchmark. The weaker the R-Squared correlation, the more unsuitable the benchmark is, and the more unreliable these measures will be in assessing the fund.

Sharpe Ratio

This is a commonly-used measure which calculates the level of a fund's return over and above the return of a notional risk-free investment, such as cash or Government bonds. The difference in returns is then divided by the fund's standard deviation - its volatility, or risk measurement. The resulting ratio is an indication of the amount of excess return generated per unit of risk.

Sharpe is useful, when comparing similar portfolios or instruments. There is no absolute definition of a "good" or "bad" Sharpe ratio, beyond the thought that a fund with a negative Sharpe would have been better off investing in risk-free government securities. But clearly the higher the Sharpe ratio the better: as the ratio increases, so does the risk-adjusted performance. In effect, when analysing similar investments, the one with the highest Sharpe has achieved more return while taking on no more risk than its fellows - or, conversely, has achieved a similar return with less risk.

Treynor Ratio

This is another risk-adjusted performance measure, similar in calculation and application to the Sharpe Ratio. The difference is that while Sharpe weighs a fund's returns against total risk (standard deviation, or volatility), Treynor looks at excess return for each unit of systemic risk (the volatility, inherent in the market that cannot be diversified). The Treynor calculation, then, takes the fund's excess return over a notional risk-free rate (what would be earned from, say, cash on deposit, or Government bonds), then divides it by the fund's Beta. A Treynor Ratio greater than 1 shows that the fund has produced more units of return than of risk. So, in basing on market risk alone, the ratio assumes that non-systemic risk is capable of being eliminated by diversification across a wide range of investments, and measures whether the systemic risk has been rewarded.

Also known as the Volatility to Reward ratio, Treynor is useful in comparing funds that invest in similar market sectors and achieve similar returns. Also, since it factors out the manager's ability from movements in the fund's sector. While not perfect, and not to be taken in isolation, the Treynor Ratio can be a pointer to the optimum risk- and sector-adjusted fund for a particular risk-aversion profile.

Volatility

Standard deviation is a statistical measurement which, when applied to an investment fund, expresses its volatility, or risk. It shows how widely a range of returns varied from the fund's average return over a particular period. Low volatility reduces the risk of buying into an investment in the upper range of its deviation cycle, then seeing its value head towards the lower extreme. For example, if a fund had an average return of 5%, and its volatility was 15, this would mean that the range of its returns over the period had swung between +20% and -10%. Another fund with the same average return and 5% volatility would return between 10% and nothing, but there would at least be no loss.

While volatility is specific to a fund's particular mix of investments, and comparison to other portfolios is difficult, clearly, for those that offer similar returns, the lower-volatility funds are preferable. There is no point in taking on higher risk than necessary in order to achieve the same reward.

IBOSS Asset Management

DISCLAIMER

This document is intended for the use of professional financial advisers only and nothing in this document is intended to be financial advice. Some of the information in this document is based on our own views and opinions, which are subject to change without prior notice.

Past Performance is no guarantee of future performance. 'The performance of the IBOSS Model Portfolios is not a guide to the potential performance of the Margetts IBOSS OEIC. The value of an investment and the income from it can fall as well as rise and investors may get back less than they invested. Quoted yields are based on the 12 months distributions by the funds in the portfolios and are not guaranteed. Future distributions may differ and will be subject to market factors. Risk factors should be taken into account and understood including (but not limited to) currency movements, market risk, liquidity risk, concentration risk, lack of certainty risk, inflation risk, performance risk, local market risk and credit risk. Investors should ensure that they have read and understood the Non UCITS Retail Scheme Key Investor Information Document and Supplementary Information Document, which contain important information. A copy of these documents will be available on the website or on request from Margetts Fund Management from launch. 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 they are satisfied with the research undertaken by IBOSS Asset Management Limited in relation to the investments included within each OEIC; copies of which are available on written request. Data is provided by Financial Express (FE). Care has been taken to ensure that the information is correct but FE neither warrants, neither represents nor guarantees the contents of the information, nor does it accept any responsibility for errors, inaccuracies, omissions or any inconsistencies herein. FE data should only be given to retail clients if the IFA firm has the relevant licence with FE.

IBOSS Asset Management Limited which is authorised and regulated by the Financial Conduct Authority. Financial Services Register Number 697866. 02/01/2018.

FE ANALYTICS
BE BETTER INFORMED