

MGTS OEIC INVESTMENT PERFORMANCE TABLE to 30th September 2019

OEIC	Cumulative Performance									Discrete Annual Performance		3 Year Ratios							
	YTD	1 Month	2 Months	3 Months	6 Months	1 Year	2 Year	3 Year	Since Launch 22/02/2016	2017	2018	Alpha	Beta	Sharpe Ratio	Downside Risk	Volatility	Max Loss	Max DD	Downside Capture
Outperformance																			
MGTS IBOSS 1 R Acc	7.94	0.62	0.38	2.05	4.66	4.09	6.09	9.69	15.24	4.52	-3.46	0.39	0.88	0.36	3.36	3.01	-2.31	-4.49	89.98
IA Benchmark	8.12	0.30	0.29	1.85	4.36	4.89	6.12	9.49	20.10	4.84	-3.35	0.00	1.00	0.35	3.38	3.00	-2.49	-3.85	100.00
MGTS IBOSS 2 R Acc	9.23	0.92	-0.13	1.97	5.39	4.18	7.05	12.67	21.81	6.68	-4.34	0.42	0.84	0.48	4.79	4.19	-3.28	-6.01	85.25
IA Benchmark	9.94	0.70	-0.39	1.83	4.74	4.01	6.72	13.28	26.57	7.16	-5.10	0.00	1.00	0.50	5.15	4.48	-3.61	-6.42	100.00
MGTS IBOSS 3 Blend	10.22	1.08	-0.36	1.98	5.84	4.33	7.52	14.55	25.63	8.62	-5.29	0.30	0.82	0.51	5.66	5.02	-3.97	-7.00	86.98
IA Benchmark Blend	11.53	0.80	-0.77	1.91	5.51	4.12	8.25	16.49	31.60	8.56	-5.60	0.00	1.00	0.59	6.18	5.50	-4.33	-7.73	100.00
MGTS IBOSS 4 R Acc	11.16	1.23	-0.58	2.00	6.26	4.46	7.96	16.38	29.45	10.52	-6.18	0.24	0.79	0.54	6.56	5.82	-4.62	-7.93	82.52
IA Benchmark	13.13	0.90	-1.14	1.98	6.28	4.20	9.78	19.75	36.79	9.98	-6.11	0.00	1.00	0.64	7.46	6.54	-5.05	-9.02	100.00
MGTS IBOSS 5 Blend	11.83	1.33	-0.71	2.07	6.67	4.57	8.43	17.08	30.49	11.06	-6.57	0.09	0.84	0.53	7.06	6.31	-4.99	-8.51	91.43
IA Benchmark Blend	12.84	0.83	-1.26	1.85	6.05	3.72	9.29	20.00	37.83	10.59	-6.41	0.00	1.00	0.64	7.70	6.72	-5.05	-9.18	100.00
MGTS IBOSS 6 R Acc	12.50	1.43	-0.83	2.13	7.07	4.67	8.90	17.78	31.52	11.61	-6.95	-0.03	0.88	0.52	7.56	6.80	-5.36	-9.08	94.99
IA Benchmark	12.55	0.76	-1.37	1.73	5.82	3.24	8.79	20.24	38.87	11.21	-6.72	0.00	1.00	0.63	7.90	6.91	-5.06	-9.34	100.00

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**
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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.

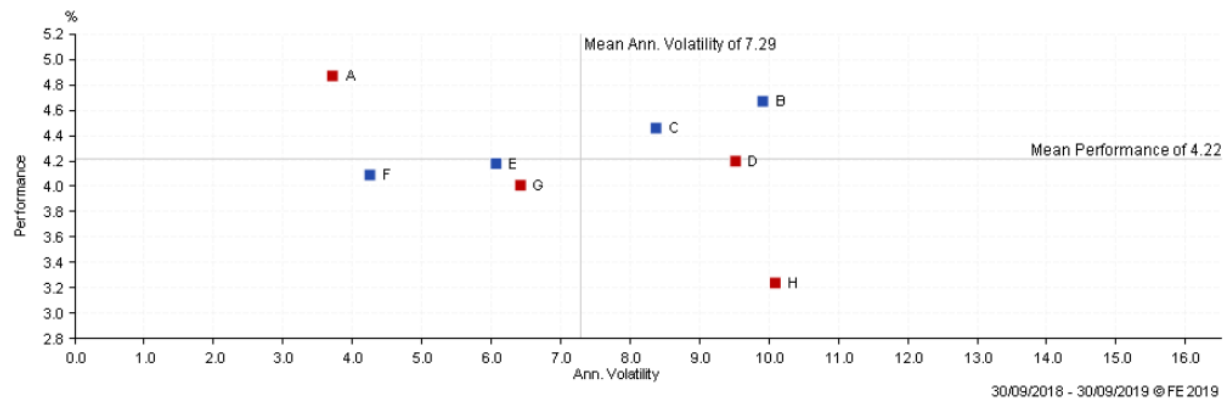
SUMMARY

The IBOSS OEIC Fund Range beat their respective benchmarks in September, delivering returns of between 0.62% and 1.43% vs benchmark returns of 0.30% to 0.90%. This is reflected in the longer-term and 1-year performance figures and in the risk characteristics of the funds. It is worth noting that the 1-year chart still includes the tougher market conditions of Q4.

After a relatively benign first half of the year, the increase of volatility felt in August persisted into and through September. However, the drivers of this volatility were very different, and we saw an abrupt rotation in investor sentiment whereby the funds that had performed well in August struggled going into September. Those funds that performed better over both periods were those that were fully diversified, rather than those with more concentrated portfolios. We have said for quite some time that concentration risk is a risk that has been largely (and safely) ignored for the past 5 years, but when these shifts in sentiment abruptly hit markets, the benefits of diversification become more apparent.

September also demonstrated the continued outperformance of the IA 40-85% Shares sector relative to the other multi asset benchmarks, a trend that began in March of last year and has started to reflect in longer term numbers (5 – 10 years). We have written about this previously, but the medium risk benchmark has a particularly heavy weighting to US assets. This position, in our opinion, identifies a significant degree of concentration risk and it is a risk that has only increased over time.

1 YEAR SCATTER



Key	Name	Performance	Annualised Volatility
■ A	IA Mixed Investment 0-35% Shares	4.87	3.71
■ B	MGTS - IBOSS 6 R	4.67	9.91
■ C	MGTS - IBOSS 4 R	4.46	8.37
■ D	IA Mixed Investment 40-85% Shares	4.20	9.52
■ E	MGTS - IBOSS 2 R	4.18	6.07
■ F	MGTS - IBOSS 1 R	4.09	4.25
■ G	IA Mixed Investment 20-60% Shares	4.01	6.42
■ H	IA Flexible Investment	3.24	10.09

RATIO DEFINITIONS

Alpha is a measure of a fund's performance compared to its benchmark. It represents a fund's return when the benchmark is assumed to have a return of zero, thus indicating the extra value that the manager's activities have contributed e.g. if the Alpha is 5, the fund has outperformed its benchmark by 5% and the greater the Alpha, the greater the out performance.

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. A Beta of 1.5, indicates the fund will rise or fall 1.5 points for every 1 point of benchmark movement. So, if Alpha indicates better/worse performance compared with the index, Beta shows higher/lower risk.

Downside Capture shows the fund's performance in a down market relative to the benchmark. A Downside Capture Ratio that is less than 100% demonstrates that when the market went down the fund caught only a fraction of the losses, and the lower the down capture the better.

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 measures 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 -1 , 1, with 0 indicating no correlation at all, -1 showing negative correlation 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. It is a key ratio, as other measures of a fund's performance - such as Alpha and Beta are calculated by reference to its benchmark. The weaker the R-Squared correlation, the more unsuitable the benchmark and the more unreliable these measures will be in assessing the fund.

Sharpe Ratio 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. The outcome is an indication of the amount of excess return generated per unit of risk and its useful, when comparing similar portfolios or instruments. There is no definition of a "good" or "bad" Sharpe ratio, except that a fund with a negative Sharpe would have been better off investing in risk-free government securities. The higher the Sharpe ratio the better: as the ratio increases, so does the risk-adjusted performance.

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.

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