

PERFORMANCE

PASSIVE MPS PERFORMANCE TABLE to 29th February 2020

Passive MPS performance pre 01.08.2019 is simulated using the IBOSS PMS strategic asset allocation.*

| Portfolio | Cumulative Performance | | | | Discrete Annual Performance | | | Start of Data Ratios* | | | | | | |
|-----------------------|------------------------|--------|---------|---------------|-----------------------------|-------|-------|-----------------------|------|--------------|------------|------|--------|------------------|
| | YTD | 1 Year | 3 Years | Since Launch* | 2017 | 2018 | 2019 | Alpha | Beta | Sharpe Ratio | Info Ratio | Vol | Max DD | Downside Capture |
| Outperformance | | | | | | | | | | | | | | |
| Portfolio 0 | -1.25 | 4.62 | 7.64 | 11.08 | 3.64 | -1.62 | 8.16 | 0.06 | 1.36 | 0.16 | 0.65 | 3.00 | -2.69 | 129.27 |
| IA Benchmark | -0.68 | 3.81 | 5.46 | 7.82 | 3.40 | -2.23 | 6.23 | 0.00 | 1.00 | 0.00 | 0.00 | 2.14 | -2.30 | 100.00 |
| Portfolio 1 | -1.74 | 4.85 | 8.50 | 13.01 | 4.87 | -2.21 | 9.36 | 0.06 | 1.14 | 0.21 | 0.42 | 3.56 | -3.38 | 109.87 |
| IA Benchmark | -1.02 | 5.19 | 7.30 | 10.70 | 4.84 | -3.35 | 8.70 | 0.00 | 1.00 | 0.12 | 0.00 | 3.06 | -3.37 | 100.00 |
| Portfolio 2 | -3.25 | 4.81 | 9.45 | 15.85 | 6.47 | -3.06 | 11.82 | 0.61 | 0.96 | 0.22 | 0.44 | 4.88 | -4.66 | 93.36 |
| IA Benchmark | -3.20 | 4.43 | 7.81 | 13.80 | 7.16 | -5.10 | 11.84 | 0.00 | 1.00 | 0.11 | 0.00 | 4.96 | -5.76 | 100.00 |
| Portfolio 3 | -4.05 | 4.90 | 10.26 | 18.18 | 8.14 | -3.85 | 13.45 | 0.53 | 0.93 | 0.23 | 0.25 | 5.77 | -5.48 | 93.73 |
| IA Benchmark | -4.05 | 4.77 | 9.22 | 16.49 | 8.56 | -5.60 | 13.80 | 0.00 | 1.00 | 0.16 | 0.00 | 6.10 | -6.99 | 100.00 |
| Portfolio 4 | -4.53 | 4.84 | 10.71 | 19.72 | 9.27 | -4.39 | 14.32 | 0.50 | 0.85 | 0.23 | 0.02 | 6.34 | -6.00 | 88.15 |
| IA Benchmark | -4.91 | 5.09 | 10.61 | 19.20 | 9.98 | -6.11 | 15.78 | 0.00 | 1.00 | 0.20 | 0.00 | 7.26 | -8.27 | 100.00 |
| Portfolio 5 | -5.15 | 4.59 | 11.07 | 20.94 | 10.32 | -4.61 | 14.97 | 0.52 | 0.90 | 0.23 | 0.12 | 6.82 | -6.21 | 93.06 |
| IA Benchmark | -5.02 | 4.80 | 10.42 | 19.63 | 10.59 | -6.41 | 15.72 | 0.00 | 1.00 | 0.18 | 0.00 | 7.41 | -8.45 | 100.00 |
| Portfolio 6 | -5.57 | 4.60 | 11.18 | 21.57 | 10.73 | -5.08 | 15.86 | 0.51 | 0.93 | 0.22 | 0.17 | 7.23 | -6.76 | 96.16 |
| IA Benchmark | -5.14 | 4.51 | 10.22 | 20.06 | 11.21 | -6.72 | 15.66 | 0.00 | 1.00 | 0.17 | 0.00 | 7.57 | -8.64 | 100.00 |

Source of Data:  **FE ANALYTICS**
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Please find the details for the associated benchmarks at the back of this document.

*Since start of Simulated Performance of PMS Asset Allocation 29/07/2016

The Passive Managed Portfolio Service (Passive MPS) past performance figures include simulated performance to 1st August 2019. Simulated figures are based on the Strategic asset allocation of the Portfolio Management Service provided by IBOSS Limited. The simulated past performance is not a reliable indicator of future performance. The Managed Portfolio Service (MPS) performance is produced using the preferred share classes, this may differ from platform to platform. The Managed Portfolio Service (MPS) is shown net of fund fees only, they do not incorporate platform costs, adviser's client fee or DFM service charge

SUMMARY

The IBOSS portfolios performed largely in line in February, with the medium risk portfolios outperforming the benchmark. Though the portfolios more diverse asset allocation positioning had previously been a headwind in the face of rapidly rising (US) equity markets, the combined humanitarian and economic threat of the coronavirus has been positive for the portfolio's relative performance numbers.

Whilst we are pleased with the performance of the portfolios during the market's first pullback since the infamous Fed policy misstep in Q4 of 2018, it is important to stress that the drawdown period has only occurred for a number of weeks and as such the data is impacted heavily by movements in daily pricing. The table below shows the impact of the recent market pullback on the portfolios both from the 20th February to the 2nd March (the drawdown period) and from the start of February to date following the settlement of pricing.

IBOSS Passive Range Short Term performance to 02.03.2020 (figure 1)

| Portfolio | Cumulative Performance to 02.03.2020 | | |
|-----------------------|--------------------------------------|----------|------------------|
| | YTD | February | Feb 20th to Date |
| Outperformance | | | |
| Portfolio 1 | -1.61 | -2.08 | -3.26 |
| IA Benchmark | -1.30 | -1.90 | -2.74 |
| Portfolio 2 | -3.01 | -3.08 | -4.85 |
| IA Benchmark | -3.74 | -3.72 | -5.19 |
| Portfolio 4 | -4.29 | -4.00 | -6.27 |
| IA Benchmark | -5.40 | -5.14 | -7.38 |
| Portfolio 6 | -5.27 | -4.70 | -7.31 |
| IA Benchmark | -5.46 | -4.99 | -7.36 |

Source of Data: FE Analytics

The portfolios' bond holdings performed very well through February, as high yield performed poorly relative to haven sovereigns and shorter dated bonds. Though physical gold demonstrated capital protection characteristics through February, gold equities such as the, currently held, Investec Global Gold fund have struggled, falling alongside equities over the shorter term. What is perhaps most surprising is that the portfolios' Asian holdings were one of the strongest performers, making marginally positive returns despite the very real impact of the coronavirus on the Chinese economy.

Portfolios 0 & 1 have struggled against their respective benchmarks. Though our bond positioning has been largely positive across all portfolios, the benchmarks for both portfolios have a high weighting in longer dated sovereign bonds relative to the IBOSS portfolios. Though we are positive on these as part of a fully diversified portfolio, we continue to think that there are risks to holding too much duration, even amongst what are considered to be the safer fixed income instruments.

What is perhaps equally as interesting is the extent of February's pull back. Looking at the performance of Portfolio 4 against its benchmark since the drawdown of Q4 2018, you can see that much of the gains made through 2019 were quickly erased, leaving investors with close to flat returns over the period and the IBOSS portfolios slightly above benchmark. This is due, largely, to the portfolios' underweight position in what we consider to be the most expensive areas of the market and generally more defensive positioning.

Portfolio 4 Performance (figure 2)

31/08/2018 – 02/03/2020



31/08/2018 - 02/03/2020 Data from FE fundinfo2020

Ratio Definitions

Alpha - Alpha is a measure of a fund's 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 indicates the extra value a manager's activities have contributed: if the Alpha is 5, the fund has outperformed its benchmark by 5%. A further aspect of Alpha emerges when it is taken in conjunction with Beta. If a strong R-Squared correlation exists, the Beta will show how volatile the fund is compared to its benchmark and indicate how much extra risk the manager has taken on in order to get that high-Alpha performance. So, Alpha indicates better/worse performance compared with the index, whilst Beta shows higher/lower risk.

Beta - Beta is the estimate of a fund's volatility by comparison to 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. It's important to stress that Beta is just an estimate: however, the stronger the R-Squared correlation between fund and benchmark, the more reliable this estimate becomes.

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.

Information Ratio - So called because it assesses the degree to which a manager uses skill and knowledge to enhance returns, this is a versatile and useful risk-adjusted measure of actively managed fund performance. It is calculated by deducting the returns of the fund's benchmark from the fund's overall returns, then dividing the result by its Tracking Error (which is a measure of the volatility of those excess returns). In this way, we arrive at the value, per unit of extra risk assumed, that the manager's decisions have added to what the market would have delivered anyway. The higher the Information Ratio the better. As ever, the R-squared between the fund and its benchmark must be strong if any discrete reliance is to be placed on the Information Ratio.

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.

Sortino Ratio - This ratio is similar to the Sharpe Ratio, using downside risk rather than standard deviation as the denominator. Thus, the Sortino Ratio is calculated by subtracting the risk-free rate from the return of the portfolio and then dividing by the downside deviation. The Sortino ratio measures the return to "bad" volatility thereby giving investors a measure to assess risk in a better manner than simply looking at excess returns to total volatility. A large Sortino Ratio indicates a low risk

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.

BENCHMARKS

| Portfolio | Benchmark |
|------------------|-------------------------------------------------------------------------------------------|
| 0 | 70% IA Mixed Investment/0%-35% Shares/ 30% Composite IA Money Market |
| 1 | IA Mixed Investment 0%-35% Shares |
| 2 | IA Mixed Investment 20%-60% Shares |
| 3 | 50% IA Mixed Investment 20%-60% Shares/ 50% IA Mixed Investment 40%-85% Shares |
| 4 | IA Mixed Investment 40%-85% Shares |
| 5 | 50% IA Mixed Investment 40%-85% Shares/ 50% IA Flexible Investment |
| 6 | 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

Past Performance is no guarantee of future performance. 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. The past performance figures are from the Portfolio Management Service provided by IBOSS Limited. The same data has been used for the IBOSS Asset Management Limited discretionary Managed Portfolio Service, but with different share classes. The simulated past performance data is not a reliable indicator of future performance. 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. 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 portfolio. 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 portfolio; 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. Please note FE data should only be given to retail clients if the IFA firm has the relevant licence with FE.

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