

PERFORMANCE

MGTS OEIC INVESTMENT PERFORMANCE TABLE to 31st March 2020

OEIC	Cumulative Performance								Discrete Annual Performance			3 Year Ratios							
	YTD	February 20th to Date	1 Month	3 Months	6 Months	1 Year	3 Year	Since Launch 22/02/2016	2017	2018	2019	Alpha	Beta	Sharpe Ratio*	Downside Risk	Volatility	Max Loss	Max DD	Downside Capture
Outperformance																			
MGTS IBOSS 1 R Acc	-7.19	-8.40	-5.56	-7.19	-6.59	-2.24	-0.08	7.64	4.52	-3.46	8.64	0.20	0.89	0.00	5.92	4.75	-7.73	-7.73	96.96
IA Benchmark	-8.03	-9.37	-7.09	-8.03	-7.52	-3.50	-0.80	11.05	4.84	-3.35	8.70	0.00	1.00	0.00	6.51	5.19	-8.59	-8.59	100.00
MGTS IBOSS 2 R Acc	-10.05	-11.22	-6.94	-10.05	-8.70	-3.78	-1.05	11.21	6.68	-4.34	10.87	0.63	0.80	0.00	8.01	6.29	-10.23	-10.23	85.69
IA Benchmark	-12.91	-14.22	-10.01	-12.91	-11.41	-7.21	-3.77	12.12	7.16	-5.10	11.84	0.00	1.00	0.00	9.36	7.70	-12.91	-12.91	100.00
MGTS IBOSS 3 Blend	-11.57	-12.78	-7.91	-11.57	-9.91	-4.65	-1.53	13.18	8.62	-5.29	12.28	0.32	0.83	0.00	8.99	7.31	-11.62	-11.62	88.46
IA Benchmark Blend	-14.17	-15.71	-10.52	-14.17	-12.42	-7.60	-3.15	15.25	8.56	-5.60	13.80	0.00	1.00	0.00	10.93	8.70	-14.17	-14.17	100.00
MGTS IBOSS 4 R Acc	-12.98	-14.23	-8.83	-12.98	-11.05	-5.48	-1.99	15.15	10.52	-6.18	13.64	0.00	0.84	0.00	10.46	8.29	-12.98	-12.98	88.81
IA Benchmark	-15.43	-17.19	-11.04	-15.43	-13.44	-8.01	-2.58	18.40	9.98	-6.11	15.78	0.00	1.00	0.00	12.40	9.76	-15.43	-15.43	100.00
MGTS IBOSS 5 Blend	-14.00	-15.18	-9.51	-14.00	-11.90	-6.02	-2.45	14.96	11.06	-6.57	14.56	-0.04	0.90	0.00	11.28	8.94	-14.00	-14.00	93.64
IA Benchmark Blend	-15.49	-17.22	-11.01	-15.49	-13.33	-8.09	-2.74	19.45	10.59	-6.41	15.72	0.00	1.00	0.00	12.53	9.86	-15.49	-15.49	100.00
MGTS IBOSS 6 R Acc	-14.99	-16.12	-10.17	-14.99	-12.74	-6.57	-2.90	14.77	11.61	-6.95	15.48	-0.06	0.95	0.00	12.09	9.58	-14.99	-14.99	98.09
IA Benchmark	-15.56	-17.26	-10.98	-15.56	-13.22	-8.18	-2.90	20.50	11.21	-6.72	15.66	0.00	1.00	0.00	12.66	9.97	-15.56	-15.56	100.00

*It is important to note that the Sharpe ratio is 0 in all cases due to negative returns over the period. For more information regarding this please contact a member of the IBOSS team.

Source of Data:



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



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OEIC MONTHLY PERFORMANCE UPDATE
APRIL 2020
IAM 98.4.20

SUMMARY

Being quite defensively set up coming into March, the OEIC range held up reasonably well in relative terms, with outperformance ranging from +0.78% in 6, +2.20% in 4, +3.12% in 2 and +1.58% in 1. In fact, this gave us our best relative monthly performance since launch.

The best performing fund was the iShares Physical Gold ETC, returning +2.94%, followed by the Vanguard US Government Bond Index (Hedged) with a positive return of +2.70%, and then the iShares UK Gilt All Stocks Index which managed an also positive 1.57% return. These was followed by the various money market funds which produced approximately nothing in an environment where nothing was an excellent return. It is often said that being early is the same as being wrong, but this is mainly true for traders, not longer-term investors. Fortunately, we came into this period with our highest ever cash weighting, which was a position that ironically made some investors nervous. In the period leading toward the 20th February, investors were suffering from FOMO (fear of missing out) rather than worrying about excessive market valuations. Fortunately, we had our highest credit quality within fixed income, our most diversified equity holdings and our smallest allocation to property ever. All these points helped to one degree or another on a relative to peer group basis but there was no place to hide in absolute terms.

On the negative side the UK stock market fared worse than almost any other developed nation as big oil and financials stocks tanked but then domestics didn't fare much better as investors sold pretty much everything. The UK looks to us significantly undervalue on a medium-term outlook and we have not reduced our weighting in light of recent events.

The recent significant outperformance has given us outperformance numbers against respective benchmarks over all timeframes out to three years.

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.

IMPORTANT INFORMATION

IBOSS Asset Management is authorised and regulated by the Financial Conduct Authority. Financial Services Register Number 697866.

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The Passive Managed Portfolio Service (Passive MPS) past performance figures include simulated performance to 1st August 2019.

The Managed Portfolio Service performance is produced using the preferred share classes, this may differ from platform to platform.

The Managed Portfolio Service is shown net of fund fees only, they do not incorporate platform costs, adviser's client fee or DFM service charge.

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