

PERFORMANCE

PASSIVE MPS PERFORMANCE TABLE to 31st March 2020

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

Portfolio	Cumulative Performance					Discrete Annual Performance			Rolling 3 year Data						
	YTD	February 20th to Date	1 Year	3 Years	Since Launch*	2017	2018	2019	Alpha	Beta	Sharpe Ratio**	Info Ratio	Vol	Max DD	Downside Capture
Outperformance															
Portfolio 0	-5.44	-6.90	-1.13	2.83	6.36	3.64	-1.62	8.16	0.98	1.04	0.00	0.86	3.95	-5.96	110.70
IA Benchmark	-5.58	-6.57	-2.20	-0.10	2.51	3.40	-2.23	6.23	0.00	1.00	0.00	0.00	3.63	-6.00	100.00
Portfolio 1	-6.65	-8.21	-1.72	2.75	7.36	4.87	-2.21	9.36	1.13	0.86	0.00	0.76	4.66	-7.09	93.65
IA Benchmark	-8.03	-9.37	-3.50	-0.80	2.85	4.84	-3.35	8.70	0.00	1.00	0.00	0.00	5.19	-8.59	100.00
Portfolio 2	-9.86	-11.57	-3.89	1.34	7.94	6.47	-3.06	11.82	1.44	0.80	0.00	0.75	6.36	-9.93	84.74
IA Benchmark	-12.89	-14.20	-7.19	-3.74	2.41	7.16	-5.10	11.84	0.00	1.00	0.00	0.00	7.70	-12.91	100.00
Portfolio 3	-12.02	-13.80	-5.46	0.28	8.36	8.14	-3.85	13.45	0.97	0.86	0.00	0.61	7.59	-12.02	89.43
IA Benchmark	-14.15	-15.69	-7.57	-3.13	4.23	8.56	-5.60	13.80	0.00	1.00	0.00	0.00	8.70	-14.17	100.00
Portfolio 4	-13.14	-14.93	-6.33	-0.28	8.92	9.27	-4.39	14.32	0.58	0.84	0.00	0.36	8.30	-13.14	87.09
IA Benchmark	-15.41	-17.17	-7.99	-2.56	6.04	9.98	-6.11	15.78	0.00	1.00	0.00	0.00	9.76	-15.43	100.00
Portfolio 5	-14.43	-16.24	-7.43	-0.90	9.11	10.32	-4.61	14.97	0.49	0.90	0.00	0.33	8.95	-14.43	92.40
IA Benchmark	-15.47	-17.20	-8.07	-2.71	6.48	10.59	-6.41	15.72	0.00	1.00	0.00	0.00	9.86	-15.49	100.00
Portfolio 6	-15.16	-17.00	-7.84	-1.34	9.22	10.73	-5.08	15.86	0.44	0.93	0.00	0.30	9.40	-15.16	95.48
IA Benchmark	-15.53	-17.23	-8.14	-2.86	6.92	11.21	-6.72	15.66	0.00	1.00	0.00	0.00	9.97	-15.56	100.00

Please find the details for the associated benchmarks at the back of this document.

** 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:  **FE ANALYTICS**
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*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 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

SUMMARY

The MPS Passive range held up reasonably well in relative terms with outperformance ranging from +0.79% in 6, +2% in 4, +3.16% in 2 and +2.09% in 1. In fact, this gave us our best relative monthly performance since launch.

The best performing fund was the Vanguard US Government Bond Index (Hedged) with a positive return of 2.70%, followed by 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 outperformance has comfortably put us above benchmark over one year, three years and start of data (including simulated past performance data).

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

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

Past Performance is no guarantee of future performance. The performance of the IBOSS PMS Portfolios is not a guide to the potential performance of the OEIC or the discretionary MPS Portfolios. 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. OEIC 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 fund or model portfolio of the discretionary MPS. 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.

Margetts Fund Management are our Authorised Corporate Director (ACD)

The active Managed Portfolio Service (MPS) past performance figures include simulated performance to 1st November 2018.

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

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