

# PERFORMANCE

## OEIC FUND RANGE INVESTMENT PERFORMANCE TABLE to 30<sup>th</sup> June 2020

| OEIC                      | Cumulative Performance |         |          |        |        |                            | Discrete Annual Performance |       |       |       | 3 Year Ratios |      |              |               |            |          |        |                  |
|---------------------------|------------------------|---------|----------|--------|--------|----------------------------|-----------------------------|-------|-------|-------|---------------|------|--------------|---------------|------------|----------|--------|------------------|
|                           | YTD                    | 1 Month | 6 Months | 1 Year | 3 Year | Since Launch<br>22/02/2016 | 2017                        | 2018  | 2019  | 2020  | Alpha         | Beta | Sharpe Ratio | Downside Risk | Volatility | Max Loss | Max DD | Downside Capture |
| <b>MGTS IBOSS 1 R Acc</b> | -1.57                  | 0.49    | -1.57    | 1.10   | 5.33   | 14.16                      | 4.52                        | -3.46 | 8.64  | -1.57 | 0.04          | 0.88 | 0.00         | 6.26          | 5.23       | -7.73    | -7.73  | 97.53            |
| <b>IA Benchmark</b>       | -1.11                  | 1.20    | -1.11    | 1.27   | 5.91   | 19.41                      | 4.84                        | -3.35 | 8.70  | -1.11 | 0.00          | 1.00 | 0.00         | 7.04          | 5.79       | -8.59    | -8.59  | 100.00           |
| <b>MGTS IBOSS 2 R Acc</b> | -2.26                  | 1.12    | -2.26    | 1.16   | 6.60   | 20.85                      | 6.68                        | -4.34 | 10.87 | -2.26 | 0.84          | 0.80 | 0.02         | 8.75          | 6.97       | -10.23   | -10.23 | 86.38            |
| <b>IA Benchmark</b>       | -4.07                  | 1.42    | -4.07    | -0.63  | 4.74   | 23.51                      | 7.16                        | -5.10 | 11.84 | -4.07 | 0.00          | 1.00 | 0.00         | 10.03         | 8.49       | -12.89   | -12.89 | 100.00           |
| <b>MGTS IBOSS 3 Blend</b> | -2.66                  | 1.42    | -2.66    | 1.14   | 7.07   | 24.59                      | 8.62                        | -5.29 | 12.28 | -2.66 | 0.44          | 0.83 | 0.04         | 9.76          | 8.08       | -11.62   | -11.62 | 89.09            |
| <b>IA Benchmark Blend</b> | -4.17                  | 1.54    | -4.17    | -0.36  | 6.64   | 28.67                      | 8.56                        | -5.60 | 13.80 | -4.17 | 0.00          | 1.00 | 0.02         | 11.41         | 9.60       | -14.15   | -14.15 | 100.00           |
| <b>MGTS IBOSS 4 R Acc</b> | -3.03                  | 1.70    | -3.03    | 1.11   | 7.52   | 28.32                      | 10.52                       | -6.18 | 13.64 | -3.03 | 0.06          | 0.84 | 0.05         | 11.00         | 9.14       | -12.98   | -12.98 | 89.74            |
| <b>IA Benchmark</b>       | -4.29                  | 1.67    | -4.29    | -0.11  | 8.53   | 33.99                      | 9.98                        | -6.11 | 15.78 | -4.29 | 0.00          | 1.00 | 0.07         | 12.96         | 10.77      | -15.41   | -15.41 | 100.00           |
| <b>MGTS IBOSS 5 Blend</b> | -3.38                  | 1.89    | -3.38    | 1.02   | 7.84   | 29.16                      | 11.06                       | -6.57 | 14.56 | -3.38 | 0.03          | 0.90 | 0.06         | 11.85         | 9.85       | -14.00   | -14.00 | 94.56            |
| <b>IA Benchmark Blend</b> | -4.17                  | 1.83    | -4.17    | 0.10   | 8.50   | 35.46                      | 10.59                       | -6.41 | 15.72 | -4.17 | 0.00          | 1.00 | 0.07         | 13.55         | 10.86      | -15.47   | -15.47 | 100.00           |
| <b>MGTS IBOSS 6 R Acc</b> | -3.72                  | 2.09    | -3.72    | 0.94   | 8.16   | 29.99                      | 11.61                       | -6.95 | 15.48 | -3.72 | 0.01          | 0.95 | 0.06         | 12.69         | 10.56      | -14.99   | -14.99 | 98.99            |
| <b>IA Benchmark</b>       | -4.04                  | 2.00    | -4.04    | 0.31   | 8.48   | 36.94                      | 11.21                       | -6.72 | 15.66 | -4.04 | 0.00          | 1.00 | 0.07         | 13.69         | 10.97      | -15.53   | -15.53 | 100.00           |

Past Performance is no guarantee of future performance, please refer to our full important information at the back of this document.

Source of Data: **FE fundinfo** 

### 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**

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

On a relative performance basis, June was one of our best ever months for the higher risk portfolios but this is not captured in the official end of month data. Our OEIC range normally prices with a 1-day delay compared to most of our peers. There are also times when our ACD adjusts the performance figures with a 'fair value pricing' adjustment. The idea of this is to capture equity market movements made after the price fix. As we have mentioned previously these two variables mean the figures can look temporarily different to what might be expected. Over time both these points will wash through but at the end of June there was significant market moves which are captured in the MPU table below, which is the same data set plus 1 day.

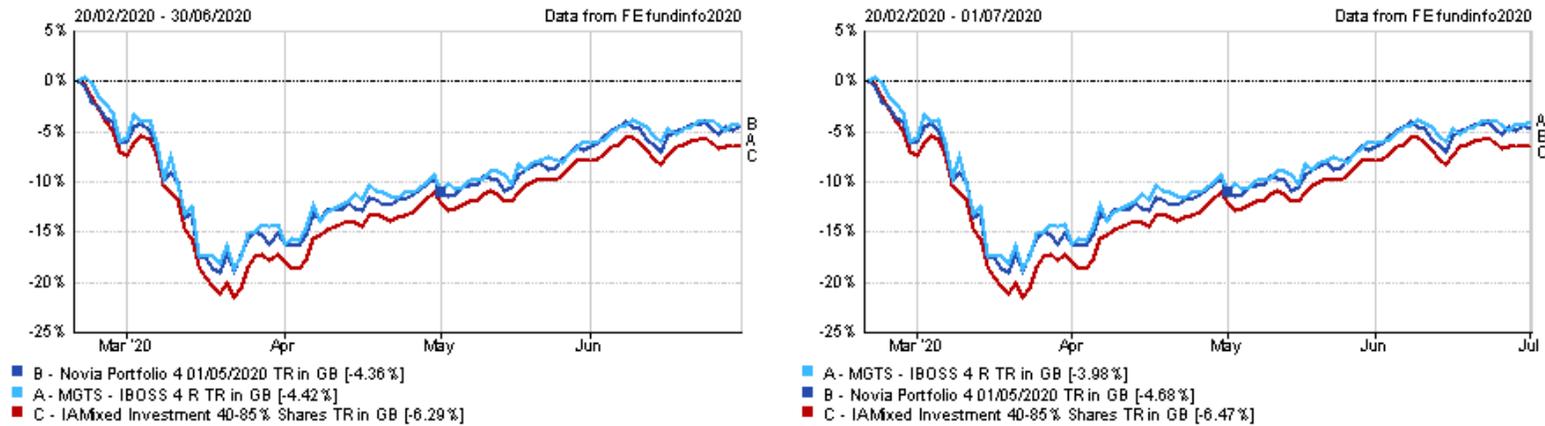
## MPU INFORMATION TO 1<sup>ST</sup> JULY 2020

| OEIC                      | Cumulative Performance |                             |            |             |           |           |                               |
|---------------------------|------------------------|-----------------------------|------------|-------------|-----------|-----------|-------------------------------|
|                           | YTD                    | Feb 20th<br>2020 to<br>Date | 1<br>Month | 6<br>Months | 1<br>Year | 3<br>Year | Since<br>Launch<br>22/02/2016 |
| <b>Outperformance</b>     |                        |                             |            |             |           |           |                               |
| <b>MGTS IBOSS 1 R Acc</b> | -1.35                  | -2.64                       | 0.71       | -1.35       | 1.32      | 5.56      | 14.41                         |
| <b>IA Benchmark</b>       | -1.24                  | -2.68                       | 1.07       | -1.24       | 1.15      | 5.78      | 19.26                         |
| <b>MGTS IBOSS 2 R Acc</b> | -1.92                  | -3.20                       | 1.46       | -1.92       | 1.51      | 6.96      | 21.26                         |
| <b>IA Benchmark</b>       | -4.19                  | -5.63                       | 1.28       | -4.19       | -0.76     | 4.60      | 23.34                         |
| <b>MGTS IBOSS 3 Blend</b> | -2.27                  | -3.60                       | 1.82       | -2.27       | 1.54      | 7.50      | 25.09                         |
| <b>IA Benchmark Blend</b> | -4.33                  | -6.05                       | 1.38       | -4.33       | -0.52     | 6.47      | 28.46                         |
| <b>MGTS IBOSS 4 R Acc</b> | -2.58                  | -3.98                       | 2.16       | -2.58       | 1.58      | 8.01      | 28.91                         |
| <b>IA Benchmark</b>       | -4.48                  | -6.47                       | 1.47       | -4.48       | -0.30     | 8.32      | 33.73                         |
| <b>MGTS IBOSS 5 Blend</b> | -2.90                  | -4.24                       | 2.40       | -2.90       | 1.53      | 8.37      | 29.80                         |
| <b>IA Benchmark Blend</b> | -4.31                  | -6.27                       | 1.68       | -4.31       | -0.05     | 8.34      | 35.26                         |
| <b>MGTS IBOSS 6 R Acc</b> | -3.21                  | -4.49                       | 2.63       | -3.21       | 1.48      | 8.74      | 30.68                         |
| <b>IA Benchmark</b>       | -4.15                  | -6.08                       | 1.89       | -4.15       | 0.20      | 8.36      | 36.79                         |

Over the last few weeks our relative overweight to China and wider Asia Pac, and relative underweight to the US and Japan, were the principal reasons for the outperformance. In addition, both our physical gold ETF and the Ninety One (formerly Investec) gold and silver mining fund have made meaningful contributions to overall performance. We hold both gold funds as part of our global equity allocation and, whereas the IA Global sector is up less than 1% year to date, Ninety One and iShares Physical Gold are up 37% and 23% respectively.

# PERFORMANCE DATA DURING COVID-19 MARKET SELL OFF AND REBOUND

Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling



It is gratifying to see that we outperformed in the rapid all risk asset sell-off but also that we have kept up well in the almost equally strong rebound. What we continue to witness are the benefits of our investment approach, namely multiple funds in each sector and complimentary investment styles by managers with strong long-term performance figures.

We obviously monitor our peers and where some have struggled is a reliance on a small number of funds and/or limited geographical diversification. It is certainly true that diversification will not lead to enhanced results in all market conditions but it can make for a smoother client journey, think more tortoise than hare. This grinding out of results has now given us our best longer-term figures since we launched, and this is more pronounced when taken on a risk-adjusted basis.

## IBOSS OEIC 3 YEAR DEFENSIVE CHARACTERISTICS

|         | Alpha |    | Beta |    | Downside Risk |    | Max Draw |    | Down Cap |    | Volatility |    | Sharpe |    |
|---------|-------|----|------|----|---------------|----|----------|----|----------|----|------------|----|--------|----|
|         | Ret   | %  | Ret  | %  | Ret           | %  | Ret      | %  | Ret      | %  | Ret        | %  | Ret    | %  |
| IBOSS 1 | 0.04  | 47 | 0.88 | 33 | 6.26          | 31 | -7.73    | 41 | 97.53    | 47 | 5.23       | 29 | 0.00   | 60 |
| IBOSS 2 | 0.84  | 30 | 0.80 | 22 | 8.75          | 22 | -10.23   | 20 | 86.38    | 26 | 6.97       | 13 | 0.02   | 32 |
| IBOSS 4 | 0.06  | 50 | 0.84 | 16 | 11.00         | 16 | -12.98   | 24 | 89.74    | 25 | 9.14       | 12 | 0.05   | 53 |
| IBOSS 6 | 0.01  | 42 | 0.95 | 31 | 12.69         | 26 | -14.99   | 25 | 98.99    | 39 | 10.56      | 26 | 0.06   | 42 |

## 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.

**Sharpe Ratio** - This is a commonly used measure that 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 (volatility). The resulting ratio is an indication of the amount of excess return generated per unit of risk. In general, it is considered that the higher the Sharpe ratio, the better.

**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.

**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.

**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.

**The Downside Capture Ratio** - 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. E.g. If a fund has a Downside Capture Ratio of 85% this tells us that the fund captured only 85% of the benchmark's negative performance during a down market. The ratio is calculated by taking the funds downside capture returns and dividing it by the benchmark's downside capture returns over the same time period.

# 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 Fund Range. 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. 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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