

PERFORMANCE

PMS OLD MUTUAL WEALTH PERFORMANCE TABLE to 31st July 2020

Portfolio	Cumulative Performance						Discrete Annual Performance												Rolling 5 year Data						
Outperformance	YTD	1 Year	3 Years	5 Years	10 Years	Since Launch 01/11/2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Alpha	Beta	Sharpe Ratio	Info Ratio	Vol	Max DD	Downside Capture
Portfolio 0	-1.31	-0.42	5.04	14.27	44.28	73.04	14.31	7.20	1.33	7.54	6.60	3.07	2.09	4.66	5.21	-2.46	7.36	-1.31	0.07	1.09	0.17	0.21	4.09	-7.38	103.18
IA Benchmark	-0.22	0.48	4.69	12.75	34.29	57.00	9.42	6.25	1.15	5.03	3.46	3.39	0.31	5.95	3.40	-2.23	6.23	-0.22	0.00	1.00	0.12	0.00	3.58	-6.00	100.00
Portfolio 1	-1.56	-0.51	5.89	17.37	54.96	89.88	14.93	8.25	0.75	8.40	9.04	3.25	3.06	5.67	6.48	-2.78	8.52	-1.56	0.30	0.89	0.26	-0.03	4.85	-8.49	86.60
IA Benchmark	-0.50	0.39	6.06	17.70	46.97	78.09	11.71	7.77	1.38	6.22	4.20	4.84	0.38	8.47	4.84	-3.35	8.70	-0.50	0.00	1.00	0.26	0.00	5.14	-8.59	100.00
Portfolio 2	-1.71	-0.54	8.43	25.51	74.05	118.18	13.97	9.85	-0.88	9.48	10.69	5.10	3.99	8.52	9.22	-3.55	11.19	-1.71	1.48	0.87	0.41	0.67	6.52	-11.07	82.23
IA Benchmark	-3.66	-2.25	4.60	19.26	57.84	93.56	15.90	8.56	-1.89	8.35	8.85	4.85	1.21	10.32	7.16	-5.10	11.84	-3.66	0.00	1.00	0.21	0.00	7.42	-12.89	100.00
Portfolio 3	-2.08	-0.88	9.42	31.06	91.15	156.39	21.41	12.90	-2.83	11.54	12.18	5.44	4.65	10.46	11.86	-4.46	12.87	-2.08	1.61	0.90	0.46	0.80	7.71	-12.95	85.58
IA Benchmark	-3.97	-2.61	6.14	23.38	69.98	113.99	18.00	10.43	-3.72	9.16	11.64	4.86	1.94	11.60	8.56	-5.60	13.80	-3.97	0.00	1.00	0.27	0.00	8.44	-14.15	100.00
Portfolio 4	-2.16	-0.87	9.81	33.83	99.97	174.34	23.70	14.41	-4.41	12.30	14.29	5.51	5.24	11.25	13.21	-5.17	13.94	-2.16	1.58	0.87	0.48	0.48	8.41	-13.81	83.20
IA Benchmark	-4.29	-2.99	7.66	27.57	82.83	136.21	20.12	12.29	-5.51	9.97	14.47	4.87	2.66	12.87	9.98	-6.11	15.78	-4.29	0.00	1.00	0.31	0.00	9.52	-15.41	100.00
Portfolio 5	-2.46	-1.10	10.19	37.78	111.75	202.05	27.20	16.24	-6.02	13.73	15.50	5.75	5.72	12.98	14.87	-5.68	14.82	-2.46	1.76	0.93	0.50	0.80	9.18	-14.92	88.08
IA Benchmark	-4.09	-2.74	7.57	28.37	83.34	139.28	22.07	13.44	-7.13	10.05	14.51	4.88	2.33	13.34	10.59	-6.41	15.72	-4.09	0.00	1.00	0.32	0.00	9.70	-15.47	100.00
Portfolio 6	-2.38	-0.99	10.70	39.83	119.05	223.57	31.08	17.87	-7.27	14.41	16.01	6.01	6.66	13.50	15.18	-6.01	15.68	-2.38	1.87	0.95	0.52	0.88	9.55	-15.41	89.36
IA Benchmark	-3.90	-2.49	7.47	29.17	83.79	142.26	24.03	14.57	-8.73	10.13	14.54	4.89	1.99	13.82	11.21	-6.72	15.66	-3.90	0.00	1.00	0.33	0.00	9.90	-15.53	100.00

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

*For historic life styled performance please contact a member of the IBOSS team.

Source of Data: **FE fundinfo** 

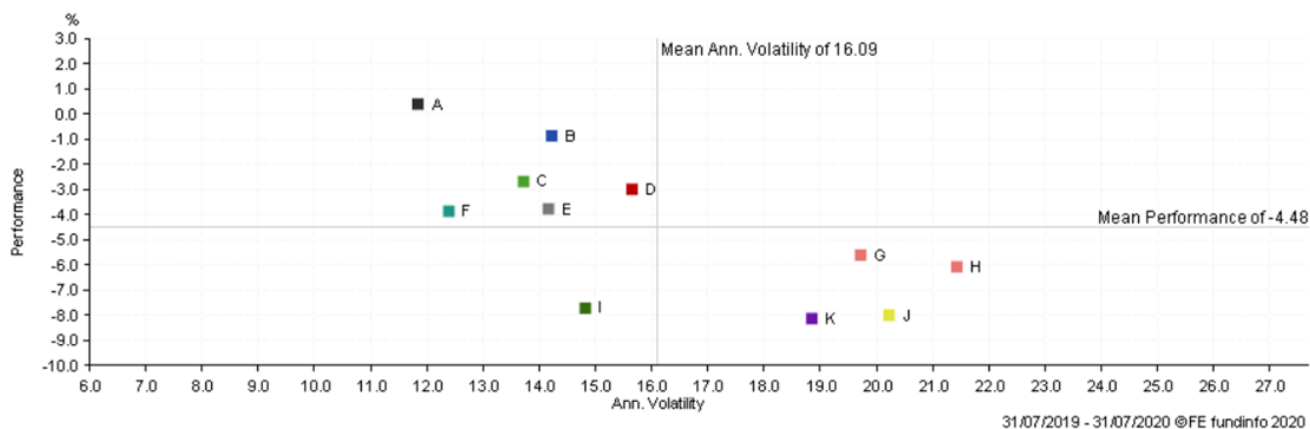


SUMMARY

The PMS range was broadly in line with the respective benchmarks during July. PMS 0 and 1 did underperform by 35 and 68 bps respectively; the exception, with the main reasons being the slight sovereign bond underweight which reflects our view on just how expensive many bonds become and with a steadily increasing downside risk. The second reason is that there is less exposure to some of the stellar returns produced by some of our active managers in areas such as Emerging Markets and Europe. The issue we always have here is that these portfolios are our most conservative offerings and therefore the equity content will be proportionately less than the others. Ideally, we would not wish to compromise on our multiple funds in a sector approach which has served us well for nearly twelve years, but with relatively small holdings in areas such as Europe a trade-off must be considered. We have addressed some of the sector specific issues in the latest round of fund changes.

Over the longer term, and specifically in the heightened volatility of the Covid-19 period, we continue to perform well against the peer groups. Investment strategies which have relied on higher betas or maintained their overweight exposure to dividend paying stocks, especially in the UK, have struggled in the current environment which is one we expect to persist for some time yet. As the scatter chart shows 2020 is proving to have a wider dispersion of returns than for many years. This reflects the same situation in the underlying funds as fund managers and investors alike thread their way through the Covid investment minefield. Once again, this month the standout contributor was the Ninety One Gold fund which, even with Sterling's rise, produced returns of over 12% and to show the effect of the currency move the rise, if priced in dollars, was over 19%.

1 Year Scatter against peers to 31st July



Key	Name	Performance	Annualised Volatility
A	Vanguard - LifeStrategy 60% Equity A Acc in GB	0.40	11.84
B	PMS 4 TR in GB	-0.87	14.22
C	L&G - Multi-Index 5 - Aug 13 (J84X) TR in GB	-2.68	13.72
D	IA Mixed Investment 40-85% Shares TR in GB	-2.99	15.65
E	Janus Henderson - Multi-Manager Managed A Inc TR in GB	-3.76	14.16
F	Jupiter - Merlin Balanced Portfolio Acc in GB	-3.86	12.39
G	VT - Tatton Blended Active A Acc in GB	-5.61	19.72
H	Quilter Investors - Cirilium Moderate Portfolio R Acc GBP in GB	-6.08	21.43
I	Royal London - Governed Portfolio 4 Pn - Jan 09 (J8HY) TR in GB	-7.71	14.82
J	Premier - Multi-Asset Growth & Income C Inc TR in GB	-7.99	20.22
K	Standard Life MyFolio MM IV TR in GB	-8.12	18.85



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.



BENCHMARKS

Portfolio	Benchmark
0 / A	70% IA Mixed Investment/0%-35% Shares/ 30% Composite IA Money Market
1 / BF	IA Mixed Investment 0%-35% Shares
2 / CGK	IA Mixed Investment 20%-60% Shares
3 / DHLQ	50% IA Mixed Investment 20%-60% Shares/ 50% IA Mixed Investment 40%-85% Shares
4 / EIMRV	IA Mixed Investment 40%-85% Shares
5 / PTX / JNSW	50% IA Mixed Investment 40%-85% Shares/ 50% IA Flexible Investment
6 / UYZ	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

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