IBOSS ASSET MANAGEMENT

ADVISER GUIDE | **FOR PROFESSIONAL FINANCIAL ADVISERS ONLY**

WELCOME

> They listen to us and make us feel like individuals. It's a relationship you don't get with larger propositions, where you feel like just a number.
>
> ***Sue West | De Luca West***

We are an award-winning asset management company, providing innovative and adaptive, cost-effective investment solutions exclusively to the financial adviser marketplace.

Our success has come from a dynamic and pragmatic approach to investing. We believe that different styles of management, tools and research work in different parts of the investment cycle, and we therefore maintain a flexible investment process.

We also firmly believe in the value advisers add to their clients, and that is why our services and products are not directly available to retail clients.

We are well aware that advisers are constantly under pressure to justify fees and demonstrate added value. Both factors are crucial if an adviser is looking to either attract new clients or retain their existing ones.

This is what makes our white labelled client communication service a vital part of our proposition and it can be included with any of our solutions at no additional cost.

The perfect investment partner requires more than this though, here's why we think you should choose us…

OUR HISTORY

Who are IBOSS?

Whether you know a little bit about us already or if you're reading about us for the first time, we have everything you need to know about our history right here; from when, where and who created the company, to how, why and what our original investment solution was.

When…

The original concept of running model portfolios for adviser firms was created in 2006 and, following a trial period, IBOSS Ltd was officially established as a company in 2008.

With many of the years following our inception possibly being the most turbulent for markets in recent memory, including the COVID-19 global pandemic, these experiences have taught us how to manage money in good times and bad.

Who…

Our Chief Investment Officer, Chris Metcalfe, came up with the original concept of running model portfolios for adviser firms two years prior to our launch, creating them for an IFA practice he worked for at the time.

Why…

Chris had grown frustrated at the number of times he had witnessed himself and fellow advisers within the practice basically having to reinvent the wheel every time they saw a new client, or even reviewed an existing one.

Out of this frustration, coupled with a desire to support fellow financial advisers and planners who do not have the time to study the markets and actively manage portfolios, IBOSS Ltd was created and began, initially, to provide research and outsourced administrative services to the industry.

How…

Back in 2006 the phrase 'model portfolio service' did not really exist, so we created our own from scratch. We built a standardised asset allocation model and then populated it with funds we had researched to create our first model portfolios.

The company name was created by an employee in the weeks leading up to our official launch date. An internal competition was run to choose an appropriate name to inform and showcase what we wanted our brand to symbolise. 'IFA Back Office Support Services' was simple enough to explain our original proposition to the industry but with it not being one to immediately roll off the tongue, it was quickly abbreviated to 'IBOSS'.

What…

The first product was the Portfolio Management Service (PMS), an outsourced investment solution offering an actively managed model portfolio service, run on an advisory basis.

After a decade of success, we used the PMS as the blue print for expanding our investment solutions.

In response to adviser demand, we launched our multi-asset OEIC Fund Range in February 2016 under the newly formed IBOSS Asset Management.

This was followed by the launch of our discretionary solution, the Managed Portfolio Service (MPS), offering a range of discretionary model portfolios; Core, Passive, Decumulation and Sustainable.

All of our solutions are run by the same trusted and experienced Investment Team.

Where…

Since inception, the company has been based in the spa town of Harrogate, North Yorkshire, and we think this makes us perfectly situated geographically for many reasons.

Firstly, we are directly located between the two financial hubs of London and Edinburgh. Both easily accessible for meetings, but far enough away from the hustle and bustle, along with the other distractions that the busy financial districts can bring.

Secondly, it enables us to offer our investment solutions to advisers and planners nationally. Our existing mutual partners are spread far and wide, from London, Southampton and Wimborne, to Liverpool, Aberdeen and Belfast.

Growth…

Our aim has always been to provide innovative investment solutions to the adviser marketplace.

At every stage of our growth we've had the needs of advisers, planners and their clients at the forefront of our mind. We listen and adapt our solutions based on the feedback we receive and are always looking for ways to improve our services.

Across all IBOSS investment solutions we administer circa 8,000 clients, between 90+ advisory firms and with a total funds under influence and management of approximately £2.1 billion (as of 01/07/2024).

OUR INVESTMENT PHILOSOPHY

The Investment Team

Whichever investment solution is chosen from our range, you can be assured that the same philosophy is found running throughout. They are also managed by the same experienced and trusted Investment Team, who are the hallmark of all IBOSS investment solutions.

Beliefs

We believe that markets are only generally efficient in the long term. Therefore, active managers may only be able to exploit inefficiencies over a long period. Concentrated funds can suffer long periods of underperformance; to be included, the long term expected return must be significantly higher, for the risk taken, than with a more diversified fund.

Chris Metcalfe
Chief Investment Officer

Chris Rush ***IMC***
Investment Manager

Michael Heapy ***IMC***
Senior Investment Analyst

Rupert Thompson
Chief Economist

Jack Roberts ***IMC***
Investment Analyst

Kate Townsend
Investment Analyst

8
Highly qualified and experienced individuals

6,000+
Hours of fund research is conducted each year

300+
Fund house meetings attended every year

2.1bn
Total FUI across our investment solutions

Diversification

We also believe that diversification is key to achieving long term investment goals. Unfortunately, true diversification has become hard to come by, even within the multi-asset space.

Investors are naturally prone to behavioural biases and can often gravitate towards areas of the market which were, with hindsight, poor investments. Examples of this type of herding and concentration risk include technology companies in the lead up to the 2000 market crash, the credit crunch in 2008 and the heavy losses suffered by dividend-paying global equities in early 2020.

We work hard to ensure that each of our investment solutions are well diversified in order to provide a degree of protection against these periodic natural market falls.

> The main benefit has been the establishment of a very robust investment proposition, which has led to huge amounts of time saving.
>
> ***Andrew Cook | Heritage Investments***

Aim

Our aim is always the same; to beat the relevant benchmarks over as many periods as possible, with less than benchmark volatility and lower drawdowns, across all risk ratings.

Proposition

Our proposition seeks to collate market information from a wide range of available sources including fund manager meetings, investment conferences, financial media and third party analysts. No individual input source is allowed to dominate and each asset class brings its own issues, opportunities and risks . We assess the information gathered and apply it to our portfolios or funds using the framework principles of modern portfolio theory.

Investment approach

- Completely independent fund selection
- A commitment to holding no more than 4% in any single active fund *(Core range only/excluding deposit and short dated bond funds)*
- A fixed strategic asset allocation with tactical overlay
- Robust quantitative & qualitative process
- An emphasis on consistency of returns relative to benchmark
- A desire to avoid restrictions, which may hamper investment performance

Fund selection

Funds are considered, in their own right, looking at;

- Performance – *cumulative, discrete and relative to peer group*
- Fund manager tenure *(including support team)* and their track record
- Fund size and inflows
- Ratios – *tracking error, sharpe, information ratio, volatility, alpha, beta and max drawdown*
- Geographical allocation
- Sector allocation
- Charges

We select funds from the whole of market and with no restrictions placed on us by third parties. This allows free thought on market and economic trends, and means we are not influenced by any 'house' view other than our own. This results in our Investment Team being able to select funds as they see fit, purely for the benefit of your clients' investments.

Asset allocation

The core asset allocation remains relatively fixed on an ongoing basis but with a limited tactical overlay. The allocation was reached using a consensus based on historical asset allocation and correlation of the various assets, and based on clearly demonstrable economic principles. We believe diversification using several funds within an asset class, that meet our investment criteria, can give added value in the form of reduced volatility, without reducing performance. To this end, we would expect ordinarily to hold circa 40 funds in any one of our actively managed portfolios or funds.

THE MANAGED PORTFOLIO SERVICE RANGE

Overview

The IBOSS Managed Portfolio Service (MPS) offers four ranges of discretionary model portfolios; Core, Passive, Decumulation and Sustainable, and is 5 Star Rated by Defaqto for DFM MPS on platform.

Built specifically for the financial adviser marketplace, our MPS provides practical and cost-efficient ways to outsource the management of your clients' investments, whilst aligning them to their long-term investment goals, appetite for risk and desired investment style.

All four MPS ranges follow the same IBOSS investment philosophy and portfolio construction methods that have been consistent across our solutions since inception.

CORE

Nine actively managed risk-rated model portfolios that offer long term investment strategies by placing an emphasis on diversification, risk adjusted returns and defensive characteristics.

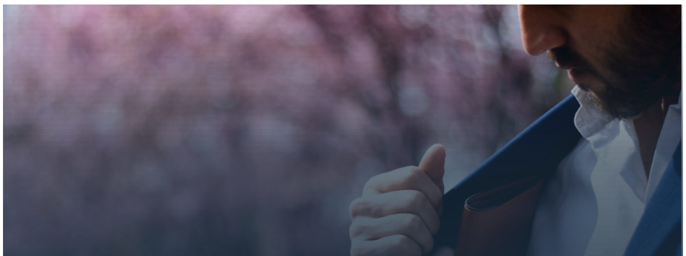
We hold circa 40 funds per portfolio and use several funds within each asset class. A philosophy that's tried and tested for over a decade and is the template for our other investment ranges.

defaqto ★★★★★ DFM MPS on Platform 2024 EXPERT RATED

defaqto DFM MPS (Platform) Family 2024 EXPERT RATED

KEY FEATURES

- OCF* cap 0.58%
- DFM charge of 0.2%
- Long term performance record since 2008
- Extremely strong defensive characteristics
- Circa 40 funds per portfolio (4% max active fund/excl. deposit and short dated bonds)
- 8% maximum holding per passive fund



PASSIVE

Nine actively managed risk-rated portfolios that offer reduced annual fees through their passive orientation and accommodate investors with a low-cost option.

We hold circa 30 funds per portfolio, selecting from cost effective passive assets that maintain high levels of diversification, whilst closely mirroring the asset allocation of our Core portfolios.

defaqto ★★★★★ DFM MPS on Platform 2024 EXPERT RATED

KEY FEATURES

- OCF* cap 0.14%
- DFM charge of 0.15%
- Built using primarily passive & index funds
- Strong defensive characteristics

*OCF caps apply to portfolios 0-6 only and are subject to the availability of preferred share classes.

Benefits to you and your clients

Effectively managing investments is a challenging and time-consuming task, particularly under the increasing and ever changing regulatory requirements.

Delegating investment responsibilities to us gives you more time to focus on your client relationships, as well as developing your business. Meanwhile, you have peace of mind knowing that your clients' investments are being closely monitored regularly on your behalf.

Our discretionary range requires no client authorisation, a factor that suits both clients and advisers alike; from retirees who may not want to complete regular paperwork or professionals who simply may not have the time.

DECUMULATION

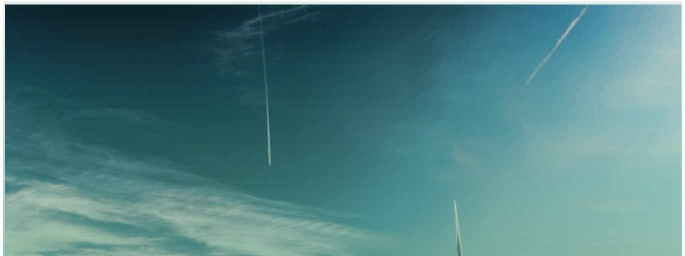
Our decumulation range offers a service to clients that has the ability to support regular withdrawals, provide an attractive yield, and minimise sequencing risk.

We hold 35-40 funds per portfolio, emphasising income-producing funds, but with no overall target yield. This approach leads to a tilt towards dividend-paying stocks and a natural value style within the equity holdings.

defaqto ★★★★★ DFM MPS on Platform 2024 EXPERT RATED

KEY FEATURES

- OCF* cap 0.65%
- DFM charge of 0.2%
- Targets income producing assets
- Supports regular withdrawals
- Provides an attractive yield
- Minimises sequencing risk
- Strong defensive characteristics



SUSTAINABLE

Seven actively managed risk rated portfolios that cater to investors who wish to invest in organisations that commit to generating measurable environmental, social and governance goals, alongside financial returns.

We hold 35-40 funds per portfolio, selecting from assets within our own sustainable framework criteria that maintain high levels of diversification.

defaqto ★★★★★ DFM MPS on Platform 2024 EXPERT RATED

KEY FEATURES

- OCF* cap 0.75%
- DFM charge of 0.25%
- Funds with strong social/environmental values
- Supported by Morningstar's rating system and other third party rating agencies
- Strong defensive characteristics

THE OEIC FUND RANGE

Overview

The IBOSS OEIC Fund Range is an open-ended investment solution, offering 4 multi-asset funds specifically to the financial adviser marketplace. The range is 4 Diamond Rated by Defaqto as a risk focused fund family.

Launched in February 2016, the range consists of four risk-rated multi-asset funds and follows the same investment philosophy and portfolio construction methods that have been consistent across our solutions since inception.

Our OEIC funds provide a practical and cost-efficient way to outsource the management of clients' investments, whilst aligning them to their long-term investment goals. The funds are designed as core holdings for a client's ISA, investment and pension portfolios, allowing advisers to consolidate their client's investments within a tax efficient product.

KEY FEATURES

- 4 risk–rated multi-asset funds
- Completely independent fund selection
- No platform restrictions
- Fund holdings reviewed quarterly, but changes can be made at any time
- Competitively charged with a 1% OCF cap
- 7+ year track record
- Demonstrably strong risk-adjusted returns and defensive characteristics
- Benchmarked against the IA Mixed Investment Sectors

defaqto

Risk Focused Fund Family 2024

EXPERT RATED

Benefits to you and your clients

Delegating investment responsibilities to us gives you more time to focus on your client relationships, as well as developing your business. Meanwhile, you have peace of mind knowing that your clients' investments are being closely monitored regularly on your behalf.

Our OEIC Fund's underlying investments can be re-balanced or switched with as much frequency as deemed necessary by our Investment Team, with no client authorisation required.

Additionally, investing clients' monies in our OEIC Fund Range allows them to benefit from a wider investment universe and with no platform restrictions. No Capital Gains Tax (CGT) is payable on gains made by investments held within an OEIC fund, however, CGT may be payable when a client sells all or part of their investment.

RESEARCH TOOL AVAILABILITY

Transparency

As part of our commitment to being transparent with regards to all aspects of our solutions, such as cost and performance, we make ourselves available on as many industry leading research and comparison tools as possible.

This makes life easier for advisers and planners alike, so you can compare us against our peers and compile all the necessary data points you require.

Being readily available on various risk profiling tools also allows you to easily select the appropriate range and portfolio for your clients.

	Core MPS	Passive MPS	Decumulation MPS	Sustainable MPS	OEIC Fund Range
DD hub	✓	✓	✓	✓	N/A
defaqto engage	✓	✓	✓	✓	✓
defaqto RISK RATED	✓	✓		✓	
DYNAMIC PLANNER	✓				✓
ev	✓		✓	✓	✓
FE fundinfo	✓	✓	✓	✓	✓
Fintegrate	✓	✓	✓	✓	✓
iress	✓	✓	✓	✓	
MORNINGSTAR	✓	✓	✓	✓	✓
	✓	✓	✓	✓	
SELECTAPENSION	✓	✓	✓	✓	✓

WHITE LABELLED CLIENT COMMUNICATIONS

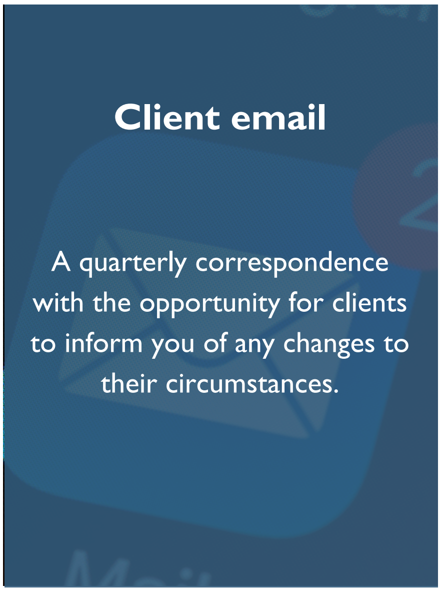
What clients receive

We believe that most clients like regular communication from their adviser and value updates that provide reassurance regarding their investments. Our white labelled client communication service is free of charge when clients are invested through our MPS discretionary model portfolios or OEIC Fund Range. We appreciate it may not be appropriate or required for some clients though and its inclusion is optional.

Our client communications are issued quarterly via email and are sent directly to your clients from our mailing system. The emails carry the details of your company and are addressed from their appointed financial adviser, increasing exposure to your company's brand, rather than IBOSS.

We strive to ensure our client facing material is jargon-free, making it easy for clients to engage with, whilst creating a level of client involvement that makes them feel part of their investment journey. It is this, in our opinion, that demonstrates to clients that you are going above and beyond, justifying fees and demonstrating value for money.

What's included



Client email

A quarterly correspondence with the opportunity for clients to inform you of any changes to their circumstances.

Portfolio Overview

Displays allocated fund changes and an overview that explains why each decision has been made by our Investment Team, as well as key information regarding their investments.

Market Summary

Informs the client of the latest relevant economic information, from stock market performance to political matters which may be affecting their investments.

What you receive

A list of all your subscribed clients to the communication service is made available prior to each quarterly mail out, along with copies of the updated documentation they are set to receive.

You will be immediately notified of any client comments that are made, as well as open rate and individual client engagement MI that is provided 3 weeks after each mail out date.

> We were hugely impressed by IBOSS's communications. The quarterly updates carry our branding and provide our clients with four additional touch points per year, which we couldn't replicate ourselves.
>
> ***Alan Tytherleigh | Odyssey Wealth Management***

WHY IBOSS?

Previously accepted levels of financial planning and investment management are no longer considered enough. Fast-moving markets, stricter regulations and ever increasing compliance legislation means the precious time you get to spend with clients is constantly decreasing.

Here are a few reasons why we think we can help provide value to you and your clients…

Direct access

We offer you direct access to our Investment Team. Questions relating to our investment philosophy, asset allocation or fund selection are answered promptly. In the same vein, if clients have just read something in the media about a fund, have concerns or even suggestions, we are very happy to answer their queries, but always via the adviser.

Honesty & transparency

In an industry riddled with jargon, we'll say it as we see it and give you an honest answer. You might not always like the answer, but you will know it is honestly given. Our Chief Investment Officer, Chris Metcalfe, is often described as straight talking at our seminars and webinars, something that advisers appreciate when it comes to investment and market updates.

Additionally, we are transparent in everything we do. Portfolio holdings and performance are readily available on our website and updated monthly/quarterly. Fund change rationale and market commentary is also always available to explain why we make the decisions we do.

Compliance aid

We can help you in the transition of your existing investment proposition, should you choose to use any of our solutions. We also offer support with rationale on platform due diligence, which can be carried out by us, on behalf of others.

IBOSS due diligence responses are also available via DD|hub, a centralised solution for managing the due diligence process, including a comprehensive library of due diligence questions with responses from various other providers.

Additionally, we use the services of Threesixty to help ensure all of our materials follow the very latest compliance legislation for their intended audience, this includes all documentation issued to clients on your behalf.

Experience

In all areas of the business there are employees that possess a varied and vast experience of the financial services industry, including previous directors, advisers and paraplanners, as well as ex-business development managers from other wealth management companies.

Service

When dealing with IBOSS, all parties involved receive a first-class service. This is something we pride ourselves on and has been proven by multiple awards and nominations.

The majority of IBOSS employees having worked for the company from its infancy and contributing to our growth over many years.

You can read or watch the excellent reviews by advisers and planners who use the services of IBOSS on our website, where many complement our high-quality service levels.

INDUSTRY ACCREDITATIONS

IBOSS were honoured with the 'Best DFM' award at the esteemed Professional Adviser Awards 2024. Award winners are recognised by a panel of industry professionals to showcase their significant achievements and progress made in the industry over the previous year.

Providing excellent communication and superior service levels to advisers and clients is something we have always been focused on, so we are very proud to have been recognised for this across multiple industry-leading awards.

IBOSS has exemplified great service by winning the five star award, and placing top in the DFM category for three consecutive years at the FT Financial Adviser Service Awards. Because of this, the FT awarded us the 'Outstanding Achievement' award in 2022.

In 2023, IBOSS won both 'Best Reporting' & 'Best Communication in a Crisis' at Citywire's Adviser Choice Awards for the second consecutive year. As well as winning 'Best DFM North'.

The IBOSS Managed Portfolio Service range on platform has been 5 Star rated by Defaqto, this shows it provides one of the highest quality offerings on the market. Star Ratings look at the features and benefits of a product or propositions, rather than solely focusing on cost.

In addition, the Core MPS is 5 Diamond Rated, meaning it offers an excellent proposition relative to the peer group across charges and other fund manager features including the business, team and investment process.

The IBOSS OEIC Fund Range is 4 Diamond Rated as a Risk Focused Fund Family, meaning they offer a good proposition relative to the peer group across charges, performance, risk shape and other features.

Each IBOSS fund has also been rated individually within the Multi-Manager Returned Focused category. IBOSS fund 2 has been 5 Diamond Rated, offering an excellent proposition relative to the peer group across charges, accessibility, performance and other features. IBOSS funds 1, 2 and 6 are all rated 4 Diamonds.

IBOSS have received a 'B-' in a DFM financial strength assessment report by independent consultancy company, AKG. Overall, the aim of AKG's assessments is to provide independently evaluated information to assist in the choices made by the intermediary. AKG believes that a major consideration for an intermediary in selecting a DFM provider is the comfort and assurance that can be obtained from an independent, external assessment.

FREQUENTLY ASKED QUESTIONS

To assist you with further information that may not have been answered in this guide, we have put together a list of questions & answers that advisers & planners regularly ask us.

“Where does your asset allocation come from?”

We don’t want to be constrained by an asset allocation tool. Therefore, when creating the portfolios IBOSS studied numerous economic principles, including Harry Markowiztz’s modern portfolio theory, and those of Watson Wyatt and respected fund managers, as well as long term historical performance data. We then compiled our core asset allocation defining the percentages allocated to each asset class.

The emphasis was on:

- Historical data and economic context
- High levels of diversification and low levels of correlation
- Geographical market conditions

Using multiple funds in each sector further reduces volatility, as no fund manager gets it right every time and it reduces the risk of one manager adversely impacting on the performance.

“Why so many funds?”

In the Core range we hold circa 40 funds.

The actual reason for the large number of funds is our preference for multiple funds in each sector to offset manager and style risk.

This has proved to be a very effective strategy to reduce overall drawdowns.

“Is there a set minimum investment amount?”

Whilst IBOSS don’t set any minimum investment amounts, depending on the platform of choice there may be some restrictions. However, in the majority of cases, this is normally as low as £100.

"What platforms are you available on?”

We are led by adviser demand, so please do not hesitate to ask if your platform of choice is not currently on our list. Our most up to date platform availability can be found on our website - www.ibossam.com/about-us/faqs/

As of June 2024, our discretionary MPS ranges are available across 15 platforms. This includes the majority of the most popular platforms in the industry and we are continuously having discussions with more platforms to increase our availability.

The OEIC Fund Range has no platform restrictions and is available via any preferred provider.

"What risk management framework is in place?"

Governance of the risk management framework is the ultimate responsibility of the board of directors, which performs the governing function of the firm under the supervision of the ACD. The board of directors are responsible for all aspects of the business, including setting the culture and ensuring that the firm acts honestly, fairly, professionally and independently.

> The whole IBOSS team is very accessible. They aren’t sat in their ivory towers and they are always available for us to contact them.
>
> ***Rob Barron | Flourish Financial Planning***

This communication is designed for professional financial advisers only and is not approved for direct marketing with individual clients. These investments are not suitable for everyone, and you should obtain expert advice from a professional financial adviser. Investments are intended to be held over a medium to long term timescale, taking into account the minimum period of time designated by the risk rating of the particular fund or portfolio, although this does not provide any guarantee that your objectives will be met. Please note that the content is based on the author's opinion and is not intended as investment advice. It remains the responsibility of the financial adviser to verify the accuracy of the information and assess whether the OEIC fund or discretionary fund management model portfolio is suitable and appropriate for their customer.

Past performance is not a reliable indicator of future performance. The value of investments and the income derived from them can fall as well as rise, and investors may get back less than they invested.

OEIC Fund Range - important information about the funds can be found in the Supplementary Information Document and NURS-KII Document which are available on Margetts' website or upon request. Margetts Fund Management are our Authorised Corporate Director (ACD) of our OEIC.

We provide the DFM MPS as both distributor and manufacturer. Details of our target market assessment can be found in our compliance investment procedures, available upon request. Each fund will be assessed independently, but it is highly unlikely that any one fund held in our portfolio will meet the target market in isolation—detail of why the inclusion collectively will be suitable is included within our research.

The DFM MPS performance and displayed underlying portfolio charge is produced using the preferred share classes, this may differ from platform to platform and is shown net of fund fees only, they do not incorporate platform costs, adviser's client fee or DFM service charge.

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

IBOSS Asset Management Limited is owned by Mattioli Woods Limited. Mattioli Woods Limited is registered in England and Wales at Companies House, Registered number 3140521. Registered office, 1 New Walk Place, Leicester, LE1 6RU.

IBOSS Limited (Portfolio Management Service) is a non-regulated organisation and provides model portfolio research and outsourced white labelling administration service to support IFA firms, it is owned by Mattioli Woods Limited; the same group who own IBOSS Asset Management Limited.

Registered Office is the same: 2 Sceptre House, Hornbeam Square North, Harrogate, HG2 8PB. Registered in England No: 6427223.

IAM 167.6.23

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