

IZA Global Stable Portfolio GBP



IZA Capital Partners

Return Date: 2020/02/29

Portfolio Information

Portfolio Managers:

IZA Capital Partners

Portfolio Launch: June 2018

Target Return: UK CPI + 3%

Benchmark:

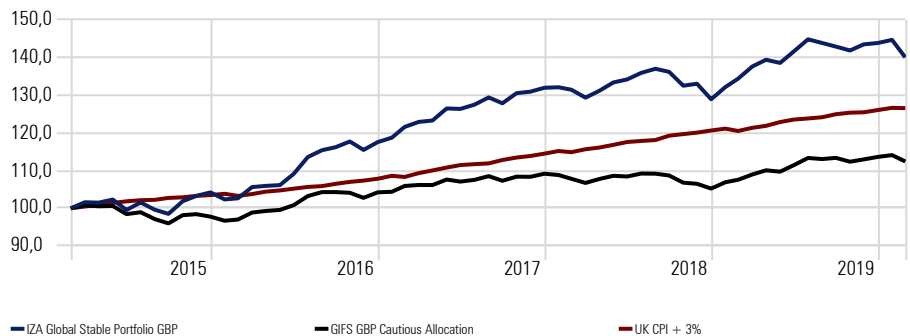
EAA Fund Cautious Allocation GBP

Risk Rating:

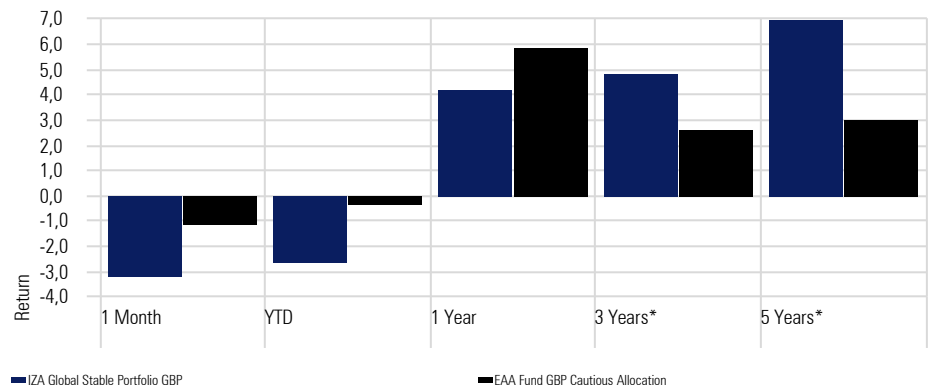
Low High

Investment Growth

Time Period: 2015/03/01 to 2020/02/29



Periodic Returns



Investment Objective and Strategy

The portfolio aims to achieve returns in excess of UK CPI + 3% p.a. over rolling three year periods. Over any three year rolling period the portfolio should always deliver a positive return. Portfolio returns will be generated through interest income, dividend income and capital growth. The portfolio benchmark is the EAA Fund GBP Cautious Allocation category. The portfolio is a multi-manager portfolio ideally comprising at least two underlying funds and not more than six. Fund selection will be bias towards high Sortino ratios, low downside standard deviation and to managers and funds that have successfully navigated sustained negative market conditions. Where possible underlying funds will be given as many of the asset allocation decisions as possible. Underlying investments will be held in multiple first world currencies, however, all performance and risk statistics will be in GBP.

Risk Measures

Time Period: Since Common Inception (2013/06/01) to 2020/02/29

Calculation Benchmark: EAA Fund GBP Cautious Allocation

	Inv	Bmk1
Return*	7,94	3,42
Std Dev	5,52	3,34
Sharpe Ratio (arith)	0,98	0,26
Sortino Ratio	0,40	-0,03
Downside Deviation	1,69	0,00
Alpha	4,38	0,00
Max Drawdown	-5,91	-3,72

Manager Comments

In February, the coronavirus (COVID-19) outbreak replaced trade as the main focus for the markets. Fears of near-term negative effects on Chinese and global growth, together with the expectation that central banks around the globe will provide further monetary policy support, sent core government bond yields lower throughout the month. By the end of the month, the US 10-year Treasury yield stood at a new all-time low of 1.1%, 2.1% points below the recent peak in October 2018. In the first couple of weeks of February, equity markets shrugged off concerns about the outbreak, supported by a better-than-expected US Q4 earnings season, improving business surveys for January, and the expectation that negative effects of the coronavirus would be temporary and localised. However, the increase in cases outside China led to a sharp selloff towards the end of the month. Developed market equities fell sharply, with the S&P 500 ending the month down 8.2%.

The portfolio was not totally immune to the rapid sell off. Names like Scottish Mortgage (SMT) outperformed associated equity benchmarks and within the Iza Wealth Global Balanced Fund (IWGB), diversifiers in the form of gold and inflation linked bonds (PIMCO) both delivered over 2%. Within IWGB, after a significant rally in SMT we took some profits ahead of the sell off and rebalanced the position back to target. Flat performance from Rubrics and Structured Notes also diluted some of harsh market action along with strength in the USD as investors flocked to safe-haven assets. Given the sharp reduction in rates to 1.1% on the US10 YR we decided to take profits on the 5% exposure to PIMCO and will take this up once again should rates normalise. This was also seen as a way of capitalising on investor overreaction as opposed to trying to time the bottom in equities. IWGB has created dry powder to deploy into various opportunities post the sell off. Markets like China are looking very attractive with a talented manager lined up to capitalise on these. China's quick response to the virus and massive stimulatory effort could see it continue to outperform going forward.

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Fund Holdings

	Portfolio Weighting %
IZA Wealth Global Balanced A GBP Acc	35,00
Rubrics Global Credit UCITS C GBP	20,00
RIT Capital Partners Ord	12,50
Fundsmith Equity I Acc	10,00
Invesco Sterling Bond C GBP Acc	10,00
Royal London Sterl Extra Yld Bd A	10,00
ICE LIBOR 1 Month GBP	2,50

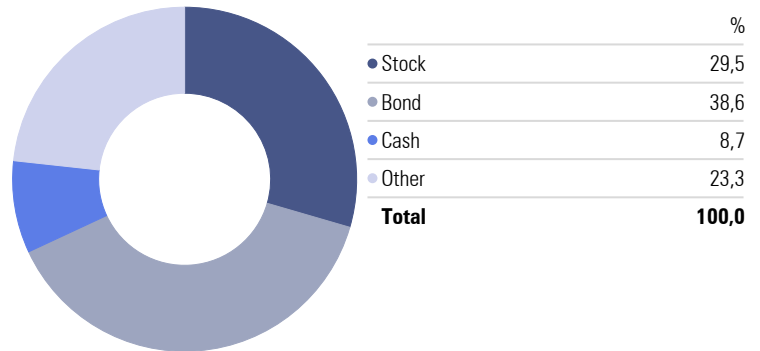
Trailing Returns

Data Point: Return	Calculation Benchmark: GIFS GBP Cautious Allocation							
	1 Mth	3 Mths	6 Mths	YTD	1 Year	3 Years*	5 Years*	
IZA Global Stable Portfolio GBP	-3,22	-2,42	-2,66	-2,66	4,20	4,82	6,97	
GIFS GBP Cautious Allocation	-1,49	-0,50	-0,57	-1,07	4,52	2,00	2,37	
UK CPI + 3%	-0,06	0,88	1,94	0,40	5,04	5,34	4,83	

*Annualised

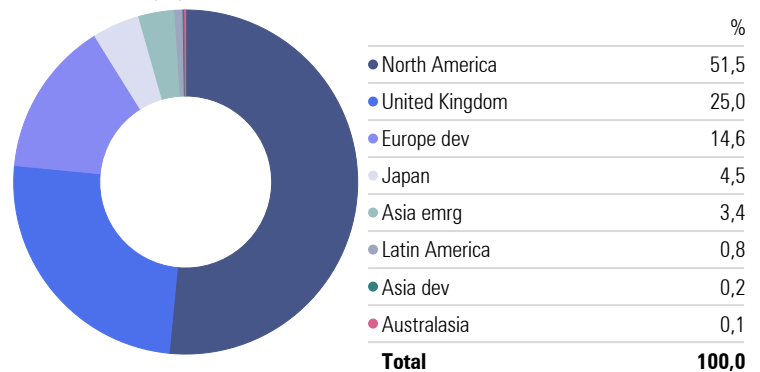
Asset Allocation

Portfolio Date: 2020/02/29



Regional Exposure

Portfolio Date: 2020/02/29



IZA Global Stable Portfolio GBP - Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2020	0,58	-3,22											-2,66
2019	2,50	1,70	2,40	1,30	-0,60	2,20	2,27	-0,67	-0,66	-0,73	1,15	0,25	11,59
2018	0,10	-0,50	-1,60	1,40	1,70	0,60	1,30	0,80	-0,60	-2,70	0,40	-3,10	-2,31
2017	1,00	2,40	1,10	0,30	2,60	-0,10	0,90	1,50	-1,20	2,10	0,30	0,80	12,28
2016	-1,80	0,30	2,90	0,30	0,20	2,80	4,10	1,60	0,70	1,30	-1,90	1,80	12,82
2015	2,80	1,50	1,60	-0,10	0,80	-2,70	2,00	-1,90	-1,10	3,40	1,40	0,90	8,74

Disclaimer

The Portfolio may be closed to new investments at any time in order to be managed in accordance with its mandate. Permissible deductions may include management fees, brokerage, auditor's fees, bank charges and trustee fees. The portfolio is a long-term investment. Performance figures are produced by IZA Capital Partners, supplied by independent service providers, and are for lump sum investments with income distributions reinvested. IZA Capital Partners is an Authorised Financial Services Provider. The previous month's change in inflation is used as an estimate for the current month (since inflation numbers are released one month in arrears). *Returns are based on the strategic underlying weightings of the funds and will not exactly reflect individual client returns. All returns are net of fund management fees, but exclude advice and administration fees. Prior to portfolio launch date, the performance is pro-forma using the actual underlying fund performances and is net of all fees and expenses. Past performance is not necessarily an indication of future performance.