

IZA Global Stable Portfolio GBP



IZA Capital Partners

Return Date: 2020/05/31

Portfolio Information

Portfolio Managers:

IZA Capital Partners

Portfolio Launch: June 2018

Target Return: UK CPI + 3%

Benchmark:

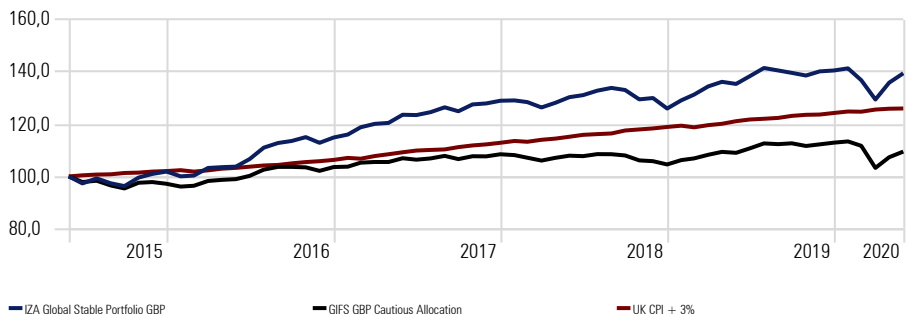
EAA Fund Cautious Allocation GBP

Risk Rating:

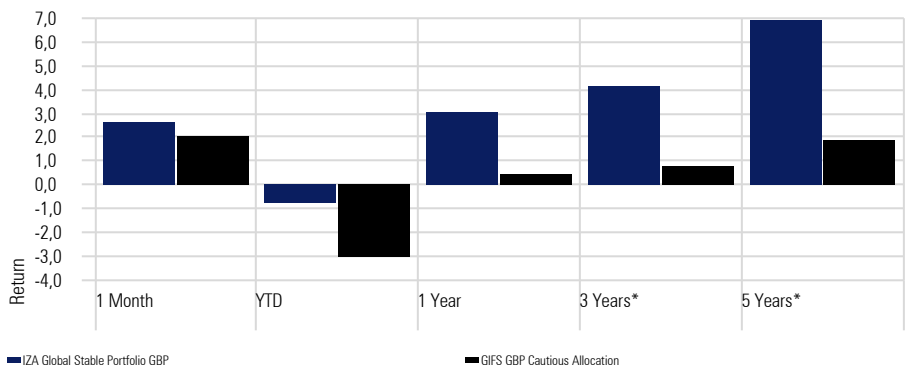
Low High

Investment Growth

Time Period: 2015/06/01 to 2020/05/31



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 2020/05/31

Calculation Benchmark: EAA Fund GBP Cautious Allocation

	Inv	Bmk1
Return*	7,94	3,18
Std Dev	6,16	4,20
Sharpe Ratio (arith)	1,05	0,40
Sortino Ratio	0,51	0,04
Downside Deviation	1,66	0,00
Alpha	4,66	0,00
Max Drawdown	-8,55	-6,73

Manager Comments

The rebound in equity markets extended into May. A cross-sectional review of asset returns shows that asset prices have moved on from pricing in deflation to pricing in the impact of re-opening and stimulus on growth. The USD (a highly countercyclical currency) was the worst-performing major asset while junk bonds and EM bonds topped the list. The impact of the COVID-19 pandemic continued to dominate markets, with an increasing focus on how countries would begin to relax their lockdown measures and how this would affect the economy. Volatility declined and the more moderate market moves compared to April suggest that investors are being watchful of how the situation develops. The path to higher interest rates is paved with lower rates. In order to generate inflation, central banks will need to keep rates at very low levels even once the economy has returned to full employment. Given that unemployment is quite high today, inflation is not an imminent risk. However, it could become a formidable problem in two-to-three years. Investors should maintain below-benchmark levels of duration in fixed income portfolios and favor inflation-linked securities over nominal bonds. While gold is no longer super cheap, it remains a good hedge against inflation. The yellow metal should also do well if the dollar weakens during the remainder of this year, as we anticipate. The Iza portfolios continued their impressive run in 2020 with all outperforming associated benchmarks. The equity box once again led the way with two of the three equity managers ending the month in the top quartile, outperforming their peers and MSCI ACW Index. Scottish Mortgage delivered more than double the market while FundsSmith continued its winning ways to end in the top 15% for the ASISA Global Equity category. This was supported by positive returns from gold, investment grade credit and global property. The latter started the month negative but showed a strong about turn as cyclical stocks caught a bid toward the end of the month and higher yielding property gained traction in a low yield world. As is typical for all Iza portfolios, our manager of choice for this asset class Catalyst has significantly outperformed its associated benchmark and passive ETF peers on a year to date basis. In fact in just the last 5 months this alpha/outperformance has now extended to over 7%.

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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

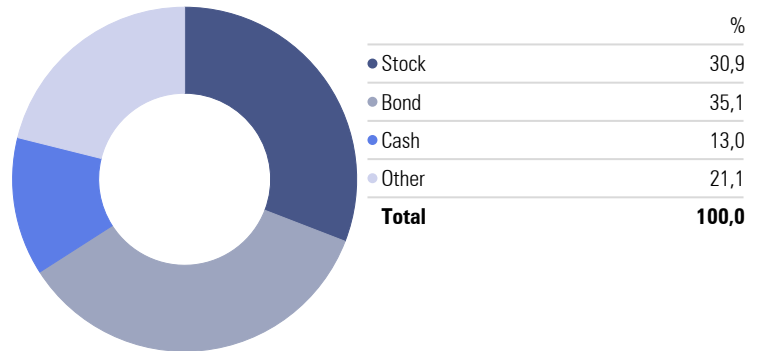
Data Point: Return Calculation Benchmark: GIFS GBP Cautious Allocation

	1 Mth	3 Mths	6 Mths	YTD	1 Year	3 Years*	5 Years*
IZA Global Stable Portfolio GBP	2,65	1,94	-0,52	-0,77	3,02	4,11	6,89
GIFS GBP Cautious Allocation	2,03	-1,98	-2,46	-3,03	0,44	0,79	1,84
UK CPI + 3%	0,08	0,99	1,88	1,40	4,03	4,88	4,74

*Annualised

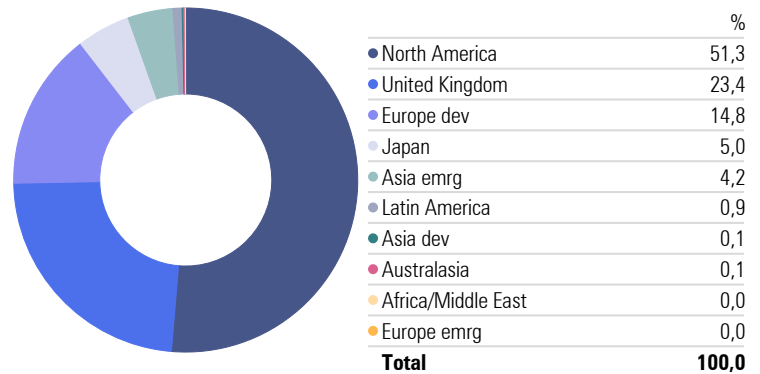
Asset Allocation

Portfolio Date: 2020/05/31



Regional Exposure

Portfolio Date: 2020/05/31



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	-5,41	4,99	2,65								-0,77
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.