

Overview

The Twenty20 Systematic iBasket seeks to gain exposure to asset and sub-asset classes that have shown the largest growth over the previous short to medium-term horizon. The portfolio will invest 100% in Exchange Traded Funds (ETFs) and cash comprising assets in equities, fixed income, commodities, and alternatives across different regions globally.

The portfolio will be reviewed on a monthly basis. It will invest mainly in equity and alternatives ETFs, but during periods of economic downturn it may move part or all of the allocations away from falling markets to lower risk ETFs or cash.

The aim of the Twenty20 Systematic iBasket is to provide a return in line with or outperforming global equities, while trying to reduce the volatility and drawdowns in the portfolio during economic downturns.

Investment Philosophy

- Twenty20 Investments constructs portfolios built entirely from ETFs, aiming to achieve outperformance by optimising and adjusting the weights using a defined systematic process.
- Our asset allocation adapts to changes in the markets aiming to protect capital in a falling market while looking to outperform global equities by identifying the best investment opportunities in a timely manner.

Investment Strategy

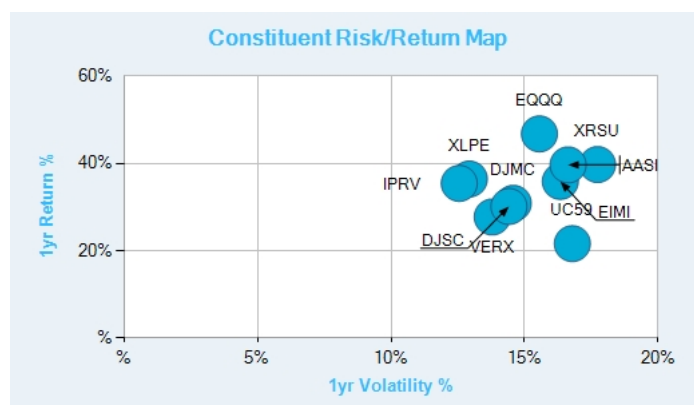
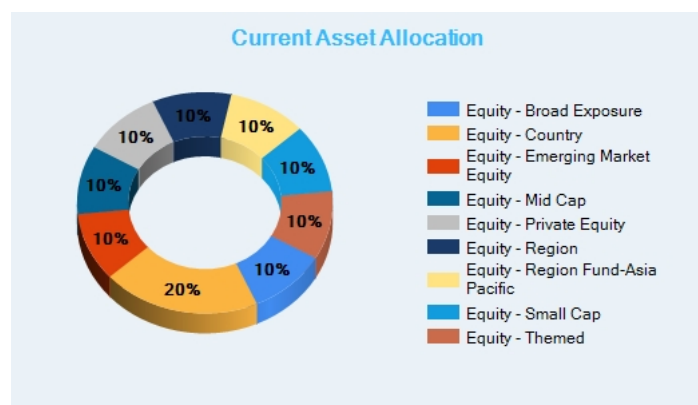
- We use the versatility of ETFs to gain exposure to a wide range of asset and sub-asset classes which makes the portfolio liquid, well diversified and very competitively priced.
- The strategy systematically selects the best performing ETFs over a set of short to medium-term time horizons with the aim of capturing those asset and sub-asset classes and regions that have a higher likelihood of higher returns.
- At times, when the strategy suggests that lower risk fixed income ETFs and gold seem to provide a better return than equities, we will switch into these lower risk assets.
- The available ETFs are selected by our Fund Research Department. This rigorous and systematic research process carefully analyses a wide universe of ETFs, identifying the best investment opportunities as and when they occur.



Weightings Manager	Twenty20 Investments
Legal Form	Model Portfolio
Target Investments	Investing 100% in Exchange Traded Funds comprising assets in equities, fixed income, alternatives, commodities and cash
Investment Objective	The model utilises a trend-following strategy that picks the highest returning ETFs
Target Return	MSCI All Country World
Target Risk	Seeking to provide a lower risk than global equities over a medium to long-term horizon
Minimum Subscription	£15,000
Redemption Period	Daily
Withdrawal Notice	Daily
Management Fee	0.50% + VAT
Subscription Fee	0%
Investment Wrapper	SIPP, ISA, JISA, General Investment
Platform Availability	Ascentric, Praemium, Nucleus, Transact

Portfolio Construction

Asset Allocation - 2 Jun, 2017



A portfolio allocation diversified across asset and sub-asset classes and across regions.

On an asset-by-asset basis, the one year risk and return characteristics of the constituent ETFs are shown in the chart above.

iBasket Top Holdings - 2 Jun, 2017

Twenty20 Systematic iBasket	Ticker	Asset Class	Sub-Asset Class	Region
Vanguard FTSE Developed Europe ex UK UCITS ETF	VERX	Equity	Broad Exposure	Europe
UBS ETF - MSCI EMU 100% hedged to GBP UCITS ETF (GBP) A-dis	UC59	Equity	Country	Europe
Powershares EQQQ Fund	EQQQ	Equity	Country	North America
iShares Core MSCI Emerging Markets IMI UCITS ETF	EIMI	Equity	Emerging Market Equity	EM-Global
DB X-TRACKERS RUSSELL 2000	XRSU	Equity	Mid Cap	United States
DB X-TRCKERS LPX MM PRV EQTY	XLPE	Equity	Private Equity	Global
iShares EURO STOXX Mid UCITS ETF	DJMC	Equity	Region	Europe
AMUNDI ETF MSCI EM ASIA	AASI	Equity	Region Fund-Asia Pacific	Asia Pacific
iShares EURO STOXX Small UCITS ETF	DJSC	Equity	Small Cap	Europe
iShares Listed Private Equity UCITS ETF	IPRV	Equity	Themed	Global

Performance

Performance	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17	May 17
iBasket Return	11.99%	3.29%	0.37%	0.99%	2.45%	-2.74%	2.83%	0.69%	2.56%	1.34%	-0.02%	2.65%
Equal Weight Benchmark*	5.92%	4.49%	1.11%	0.95%	1.94%	-2.75%	2.84%	0.47%	3.35%	0.19%	-0.27%	1.88%

	iBasket Return	Equal Weight Benchmark*
3m Performance	4.01%	1.80%
6m Performance	10.45%	8.70%
1 Year Performance	29.05%	21.72%
YTD Performance	7.41%	5.70%

*: The Equal Weight Benchmark comprises all potential ETFs in the portfolio, equally weighted.

Market Commentary

Another month laden with politics and elections on the news front. President Macron's win in France was greeted well by the market and brought on what might be best described as a risk-on environment in Europe. In the UK the pre-election mood had been heating up and with it an increase in uncertainty on who will win the election. Sterling continued its rally at the beginning of the month, but was down later on with the news on a tighter outcome as suggested by opinion polls and ended the month down -0.5% against the Dollar. Developed Markets Equities (MSCI World) returned 2.1% in May in USD (2.7% in GBP).

The markets looked quite rosy at the beginning of May when polls showed a comfortable lead for the Conservatives in the June election. When that majority began to tighten later on in the month, Sterling weakened somewhat, but the FTSE 100 still managed to rally 4.9% for the month. Consumer spending was reported upwards, although GDP growth was revised down as were the manufacturing and services sectors.

The Eurozone saw a good run in equities boosted by the French election outcome that did not upset the apple cart, a further decrease in the unemployment rate to 9.3%, and increase in consumer confidence. Progress on bailout talks around Greek debt did also help, with Greek equities returning 9% in EUR. On the other hand, there are concerns of a possible early election in Italy this autumn, with potentially more euro-sceptic parties winning ground.

Despite the economy still waiting for Trumponomics to happen in the form of tax cuts and political stimulus, the rally in the United States continued. The US market saw a broad-based higher earnings trend, resulting in a record level of the S&P 500 at more than 2,430 and a 1.4% return for the month in USD (1.9% in GBP). The employment rate for May fell to 4.4% and an increase in the flash May PMI Composite index, pointing to continued growth.

Generally a more risk-on feeling globally was supportive for Emerging Markets with the MSCI Emerging Markets returning 3% in USD (3.6% in GBP). Eastern European equities did well amid the wider improved European outlook. At the bottom of the spectrum though were Brazilian equities with another round of corruption allegations and increased political risk. China was downgraded by Moody's amid an increased corporate debt pile.

Global bonds were stronger across the risk spectrum in May, except for inflation-linked bonds with inflation slowing down slightly in a few regions. Investment-grade and Emerging Markets bonds on average did well.

Commodities did not fare so well in May. Brent crude was down -2.8% amid oversupply concerns and Gold was more or less flat for the month, returning 0.3%. Commodities on average produced a negative return, which in turn led to the slowing down of inflation that we had also seen filtered through for inflation-linked bonds.

Market Returns Overview - 2 Jun, 2017

ETF Name	Asset Class	Sub-Asset Class	Asset Region	ytd	1m	1yr	3yr	5yr
iShares Core FTSE 100 UCITS ETF	Equity	Country	Europe	7.3%	4.9%	25.5%	22.8%	68.8%
iShares S&P 500 UCITS ETF (Inc)	Equity	Country	North America	3.9%	2.0%	31.3%	70.2%	136.5%
LYXOR ETF JAPAN TOPIX	Equity	Country Fund-Japan	Japan	5.2%	3.7%	30.2%	62.6%	97.7%
SPDR® MSCI Europe ETF	Equity	Region	Europe	12.1%	5.5%	31.8%	30.1%	98.2%
LYXOR ETF MSCI AC ASIA-PACXJ	Equity	Region	Asia Pacific ex Japan	12.4%	3.2%	39.7%	40.8%	67.6%
iShares MSCI Emerging Markets UCITS ETF (Inc)	Equity	Region	EM-Global	12.1%	3.5%	42.3%	34.3%	43.3%
iShares Developed Markets Property Yield UCITS ETF	Equity	REITs	Global	-0.3%	1.3%	16.5%	50.3%	80.6%
iShares Core UK Gilts UCITS ETF	Fixed Income	Government Bonds	Europe	2.3%	0.4%	6.7%	23.8%	22.6%
iShares £ Index-Linked Gilts UCITS ETF	Fixed Income	Inflation Bonds	Europe	2.4%	-1.7%	21.6%	42.6%	48.8%
iShares £ Corporate Bond ex-Financials UCITS ETF	Fixed Income	Investment Grade Bonds	Europe	3.0%	1.2%	10.8%	25.0%	38.8%
iShares Core Euro Government Bond UCITS ETF	Fixed Income	Government Bonds	Europe	1.8%	4.3%	12.8%	19.2%	37.9%
iShares USD Government Bond 7-10 UCITS ETF (Acc)	Fixed Income	Government Bonds	North America	-1.3%	1.6%	11.9%	41.4%	28.9%
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	Fixed Income	Government Bonds	EM-Global	1.8%	1.4%	22.8%	50.0%	58.6%

Source: Twenty20 Investments, Markit. All returns in GBP.

Experienced Management Team

Twenty20 Investments is a division within Sapia Partners LLP

The management team of Twenty20 Investments were key players in the development of the systematic investment solutions that Barclays Global Investors (BGI) became famous for and have developed their models as a unit since 2006.

Having spent several years at iShares, BlackRock, developing new ETFs and designing ETF portfolios for institutional clients the investment team are also leading experts in ETFs and their usage in dynamic asset allocation.



Allan Lane, PhD - Managing Partner Allan is the founding and managing partner of Twenty20 Investments. Prior to this Allan spearheaded BlackRock's iShares' investment research initiative in Europe, working with a number of clients in the portfolio solutions space. Allan has held a number of senior roles in the investment banking industry, including Head of Active Fixed Income Implementation at Barclays Global Investors, Global Head of Quantitative Research at RBS and Head of Equity Derivatives Models at JP Morgan.



Irene Bauer, PhD – Founding Partner & Chief Investment Officer Irene is a founding partner of Twenty20 Investments and is providing the expertise in research and investment strategies. Previously, Irene was leading a client advisory role at iShares, BlackRock, providing ETF portfolio solutions and insights. Irene has experience across all aspects of ETFs having designed and researched new products at iShares. Previously, Irene was responsible for the asset allocation models in the Active Fixed Income business of Barclays Global Investors and modelled structured products at ABN Amro.

Risk Warning

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