

# Risk Rating

Margetts Strategy Funds

August 2019



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# Contents

Executive summary

Providence Strategy Fund

Select Strategy Fund

International Strategy Fund

Venture Strategy Fund



# Executive summary

## Accumulation Risk Ratings

### Summary

We conclude the following Risk Ratings for the Margetts Strategy Funds:

Providence Strategy Fund	4
Select Strategy Fund	6
International Strategy Fund	8
Venture Strategy Fund	10

### Assessment

The Defaqto methodology involves using both quantitative and qualitative inputs in order to risk rate a fund:

1. Input 1 - Historic volatility of the fund
2. Input 2 - Forecast the fund's future volatility
3. Input 3 - Discussion with the fund manager

Our methodology requires us to take the highest of the relevant historic and stochastic volatilities.

Since our profiles are overlapping and not contiguous, we have some discretion as to whether a fund is rated in the upper or the lower profile of the highest data point.

Our assessment has been considered by our Investment Committee, and has taken into account some of Margetts's suggestions when arriving at our risk ratings.

### Investment Committee Summary

#### Historic Volatility

Historic volatilities of up to 10 years have been used.

#### Stochastic (future) volatility

Our analysis has been based on holdings data provided by Margetts.

# Providence Strategy Fund

Risk rated on 01 August 2019

## Mandate

To achieve long term capital growth with increasing income from distributions. The fund will invest in cash, fixed interest securities, domestic and international equities, with a view to minimising volatility.

## Investment Committee Notes

We used fund holdings supplied by Margetts to calculate all stochastic measures. This fund could be risk rated as a 4 or a 5. Through discussion with Margetts in which the Defaqto methodology and their approach were considered, both Defaqto and Margetts believe that this fund is most appropriately risk rated as a 4.

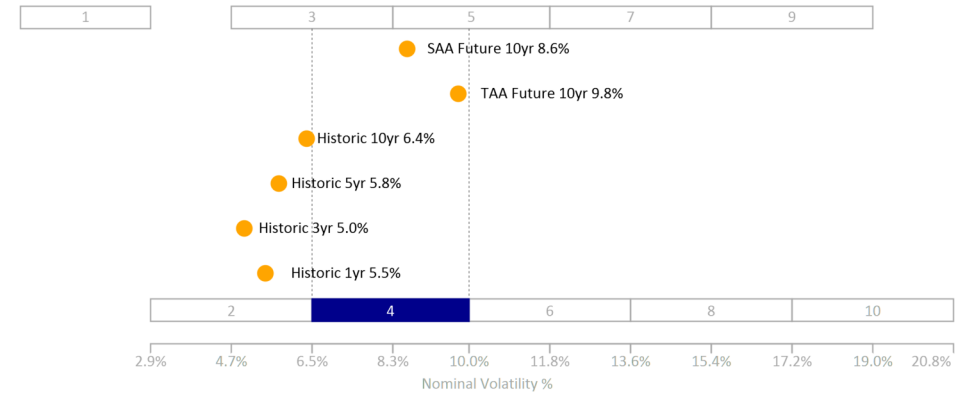
## Conclusion/Risk Rating



## Next review

November 2019

## Defaqto Risk Ruler



# Select Strategy Fund

Risk rated on 01 August 2019

## Mandate

The fund aims to achieve medium to long term capital growth on a medium risk basis. The fund will adopt a cautious but active management approach via a diverse spread of mainly UK and European equity, fixed interest, money market collective investments and cash. The fund will include collective investment schemes investing in various world markets.

## Investment Committee Notes

We used fund holdings supplied by Margetts to calculate all stochastic measures. This fund could be risk rated as a 6 or a 7. Through discussion with Margetts in which the Defaqto methodology and their approach were considered, both Defaqto and Margetts believe that this fund is most appropriately risk rated as a 6.

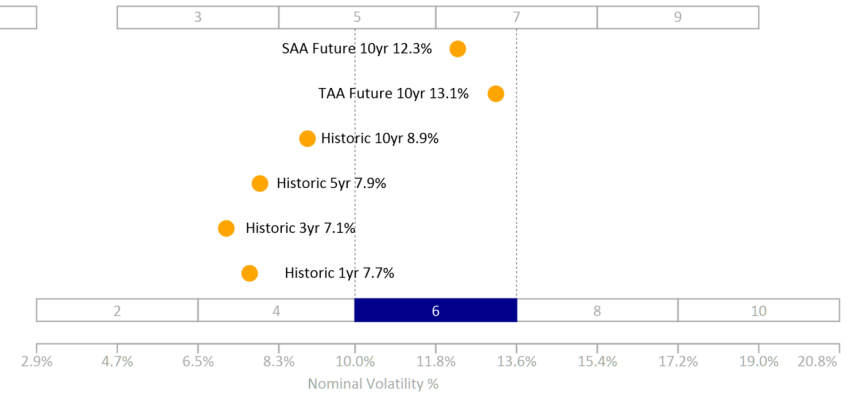
## Conclusion/Risk Rating



## Next review

November 2019

## Defaqto Risk Ruler



# International Strategy Fund

Risk rated on 01 August 2019

## Mandate

Long term growth from capital appreciation and re-invested income. The investment emphasis will be on global equities and may include relatively high weightings in overseas markets. A degree of volatility should be expected in the short/medium term.

## Investment Committee Notes

We used fund holdings supplied by Margetts to calculate all stochastic measures. This fund could be risk rated as an 8 or a 9. Through discussion with Margetts in which the Defaqto methodology and their approach were considered, both Defaqto and Margetts believe that this fund is most appropriately risk rated as a 8.

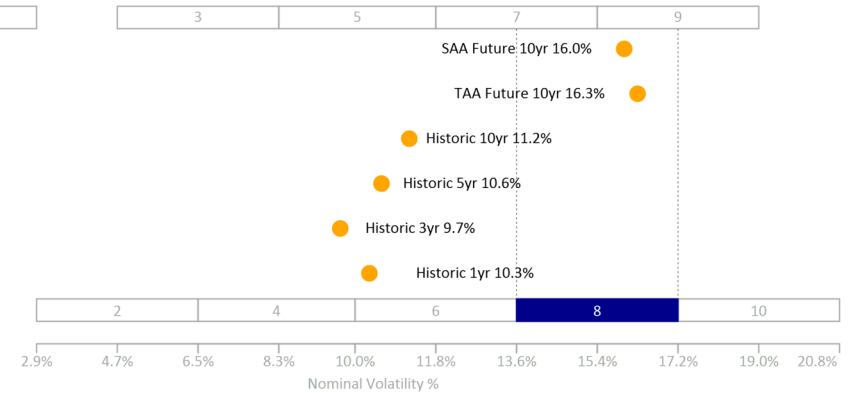
## Conclusion/Risk Rating



## Next review

November 2019

## Defaqto Risk Ruler



# Venture Strategy Fund

Risk rated on 01 August 2019

## Mandate

Long term growth through a diversified portfolio of predominantly international equities. A high degree of volatility over the short term is possible.

## Investment Committee Notes

We used fund holdings supplied by Margetts to calculate all stochastic measures. This fund could be risk rated as a 9 or a 10. Through discussion with Margetts in which the Defaqto methodology and their approach were considered, both Defaqto and Margetts believe that this fund is most appropriately risk rated as a 10.

## Conclusion/Risk Rating



## Next review

November 2019

## Defaqto Risk Ruler

