

# MGTS IDAD Refined Growth Fund Factsheet – June 2023



## Investment Objective

The objective of the MGTS IDAD Refined Growth Sub-fund (the “Refined Growth Fund” or the “Fund”) is to provide capital growth over any five-year period. The Fund uses structured products to deliver reliable and consistent returns for portfolio managers allocating to alternatives.

## Investment Manager Commentary

We saw diverging moves from the major central banks last month as they continue their fight against inflation. The Federal Reserve decided to pause for the moment, the ECB increased by 0.25% and the Bank of England surprised with a rise of 0.5%. All indicated that further tightening should be expected as inflation in the Western world is proving to be stickier than hoped for. Equity market resilience last month was surprising, probably due to the fact that economic growth is also proving to be more persistent than expected, in the face of all this monetary tightening.

Pleasingly, the Refined Growth fund rose 1.47% over the month of June as the vast majority of our structured notes witnessed positive returns as world equity markets moved higher. Our overweight exposure to global indices helped with our notes sensitive to Japan such as the Citi FTSE/Nikkei leading the weigh. Recent inflows have been largely deployed and with the increase in funding rates, we have been able to introduce several new auto call notes with coupons in excess of 9%.

Although central banks are still tightening, as inflation is proving more stubborn than hoped for at the start of the year, we sense a change in prevailing conditions. Economic growth is starting to fade globally, probably not so much that it will cause a recession, but enough to see the end of monetary tightening before year end. We anticipate a relatively benign period for equity markets for the rest of the year, as investors way up the positives of lower inflation set against the implications of slower growth. Further out as we look forward to 2024, there is the very real prospect of a recovery in economic growth with the backdrop of easier monetary policy, which would be extremely positive for investment

## Key Facts

|                                     |  |
|-------------------------------------|--|
| Authorised Corporate Director (ACD) | Margetts Fund Management Ltd                     |
| Investment Manager                  | IDAD Limited                                     |
| Portfolio Managers                  | Tom McGrath<br>Clive Moore                       |
| IA Sector                           | Flexible Investment                              |
| ISIN                                | GB00BN7JHC19 (Class A)<br>GB00BN7JHD26 (Class R) |
| Launch Date                         | September 2021                                   |
| Launch Price                        | 100.00p  |
| Vehicle Type                        | UK OEIC  |
| Price (NAV)                         | 97.07p (Class A)<br>95.62p (Class R)             |
| OCF                                 | 0.95% (Class A)<br>1.85% (Class R)               |
| Dealing Cut Off                     | 10.30 am   |
| Valuation Point                     | 12 noon  |
| Min Investment                      | £50,000  |
| Base Currency                       | GBP  |

\*Total Ongoing Charges are estimated at launch

## Performance

IA (Investment Association) Flexible Investment is used as the comparator. This is considered appropriate for investors to use when comparing performance as the strategy results in the Fund meeting the definition of this sector.

|                              | 1 Month | 3 Months | 6 Months | 1 Year | YTD  |
|------------------------------|---------|----------|----------|--------|------|
| MGTS IDAD Refined Growth (%) | 1.47    | 1.22     | 7.16     | 10.91  | 7.16 |

## Cumulative performance since inception



■ A - MGTS - IDAD Refined Growth A Acc in GB [-2.93%]  
■ B - IA Flexible Investment TR in GB [-6.92%]

06/09/2021 - 30/06/2023 Data from FE fundinfo2023

Past performance is not a guide to future performance  
Source Data: Financial Express



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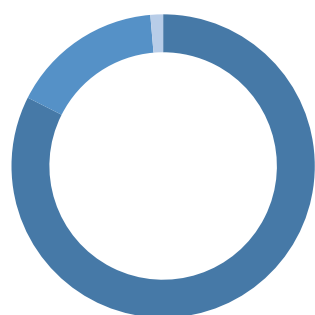


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## Sector Allocation



- Core Holdings (82.44%)
- Tactical Holdings (16.21%)
- Cash Holdings (1.35%)

Source: IDAD Ltd 30.06.2023

## Top 10 Holdings

| Top 10 Holdings                              | %     |
|--|-------|
| Natixis Triple Index Memory Income Autocall  | 6.38% |
| Bank of America Dual Index Reducing Autocall | 6.18% |
| Morgan Stanley SPX Nikkei Classic Autocall   | 4.70% |
| Leonteq Asia Classic Autocall                | 4.43% |
| Barclays 85-65 Memory Income Autocall        | 4.41% |
| SocGen Triple Index Classic Autocall         | 4.17% |
| SCB S&P 500 Classic Autocall                 | 4.13% |
| MedioBanca Dual Index Classic Autocall       | 4.12% |
| BBVA Triple Index Classic Autocall           | 4.10% |
| BIL Dual Index Memory Income                 | 4.05% |

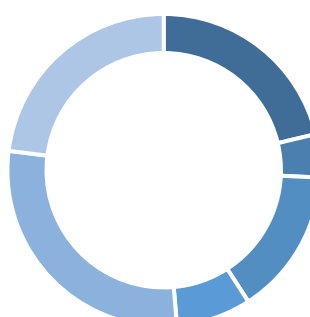
Source: IDAD Ltd 30.06.2023

## Market Exposure (Delta)



- Asia (ex Japan) (15.29%)
- Australia (3.20%)
- Europe (ex UK) (10.88%)
- Japan (5.57%)
- North America (20.36%)
- UK (16.54%)

Delta as a percentage of the total fund, includes cash  
Source: FVC 30.06.2023



- Asia (ex Japan) (21.29%)
- Australia (4.46%)
- Europe (ex UK) (15.15%)
- Japan (7.75%)
- North America (28.34%)
- UK (23.02%)

Delta as a percentage of the total, excludes cash  
Source: FVC 30.06.2023

## Share Class Information

| Name                                | ISIN         | Minimum Initial Investment | Minimum Regular Investment | Initial Charge | AMC   | Ongoing Charges |
|-------------------------------------|--------------|----------------------------|----------------------------|----------------|-------|-----------------|
| MGTS IDAD Refined Growth Fund A Acc | GB00BN7JHC19 | £50,000                    | £100                       | 0%             | 0.60% | 0.95%           |
| MGTS IDAD Refined Growth Fund R Acc | GB00BN7JHD26 | £50,000                    | £100                       | 5%             | 1.50% | 1.85%           |

## Investment Strategy

The investment policy of the Refined Growth Fund is to provide capital growth over any five-year period. The Fund builds on the benefits of using structured product solutions to deliver more reliable and consistent returns for portfolio managers allocating assets to alternatives. By leveraging IDAD's extensive relationships with more than 30 investment-grade issuers, the Fund is able to enhance returns using diversified counterparty credit risk. Introducing traditional investment management skills and experience adds further value and contributes significantly to returns.

## Core Holdings

The Fund has a core allocation to index-linked products providing broadly-diversified developed markets exposure. Products will be designed to deliver capital growth even if the underlying equity markets are flat or even fall slightly. These holdings represent around 80% of assets.

## Tactical Holdings

A satellite allocation representing up to 20% of assets that are designed to produce higher returns by investing in products linked to a wider range of underlying instruments, such as less-developed equity market indices, sectoral indices, stocks and commodities. This part of the portfolio may become very defensive during periods when the managers are concerned regarding market direction.

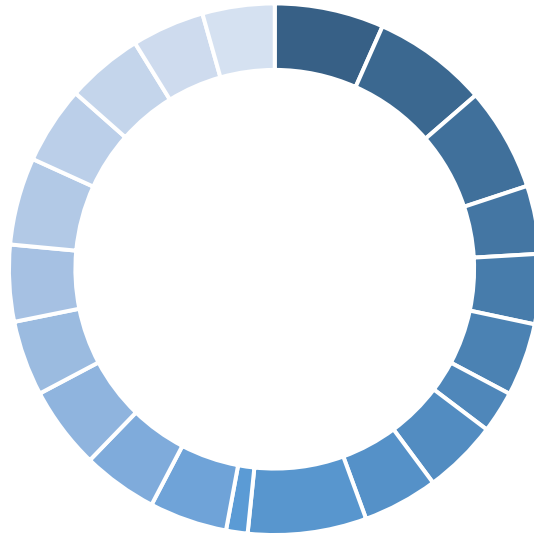
## Liquidity & exposure management

The Fund may also invest in ETFs to manage liquidity and geographic exposures.



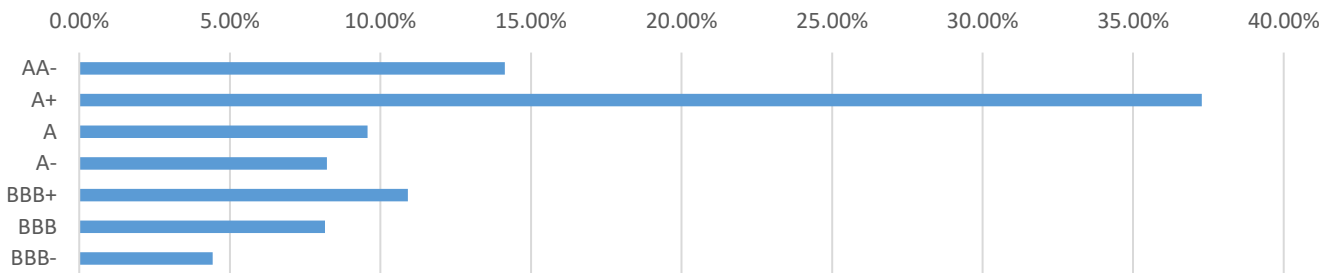
## Credit Analysis

- Banco Bilbao Vizcaya Argentari
- Bank of America Corporation
- Barclays PLC
- BNP Paribas SA
- Canadian Imperial Bank of Comm
- Credit Agricole Group
- Credit Suisse Group AG
- EFG International AG
- Goldman Sachs Group Inc/The
- Groupe BPCE
- Investec PLC
- JPMorgan Chase & Co
- Legend Holdings Corp
- Leonteq AG
- Marex Group PLC
- Mediobanca Banca di Credito Fi
- Morgan Stanley
- Societe Generale SA
- Standard Chartered PLC
- UBS Group AG
- UniCredit Bank AG



Source: IDAD 30.06.2023

## Fitch Rating\*



Source: IDAD 30.06.2023

\*If no Fitch rating is available, an S&P or Moody's rating may be substituted  
All Issuer ratings included, excludes cash and ETF's

## Portfolio Analysis

Average cover to capital loss is the notional-weighted average distance to knock-in (capital-at-risk) barriers, expressed as a percentage of barrier level. Average cover to capital gain is the notional-weighted average distance to autocall or coupon barriers as a percentage of barrier level. A positive percentage indicates that, on average, market levels are above barrier levels.

**Average cover to capital gain: -3.25%**  
**Average cover to capital loss: 43.09%**

## Performance Scenario Analysis

This table is designed to demonstrate future performance of the Fund in different performance scenarios and is based on the current underlying assets held (the structured product underlyings, ETFs and cash). Actual performance will depend on actual market conditions and will also be affected by the changing make up of the portfolio over time.

| Move in the Underlying Assets | -20%    | -10%   | 0%     | 10%    | 20%    |
|-------------------------------|---------|--------|--------|--------|--------|
| Over 3 months                 | -18.71% | -6.62% | 2.23%  | 7.53%  | 10.06% |
| Over 1 year                   | -13.25% | -0.92% | 7.68%  | 12.05% | 14.48% |
| Over 2 years                  | -5.61%  | 5.54%  | 13.54% | 15.79% | 18.90% |
| Over 3 years                  | 2.10%   | 10.28% | 17.23% | 15.65% | 17.10% |
| Over 4 years                  | 8.09%   | 13.29% | 18.36% | 15.04% | 15.14% |



## IMPORTANT INFORMATION

This document has been produced for information only and represents the views of IDAD Limited at the time of writing. It should not be construed as Investment Advice. No investment decisions should be made without first seeking advice. Full details of the MGTS/IDAD Funds, including risk warnings, are published in the MGTS/ IDAD Funds Prospectus. Margetts Fund Management Limited is the Authorised Corporate Director of The Funds and is authorised and regulated by the Financial Conduct Authority FRN 208565.

## RISK WARNINGS

The MGTS/IDAD Funds are subject to normal stock market fluctuations and other risks inherent in such investments. The value of your investment and the income derived from it can go down as well as up, and you may not get back the money that you have invested. Investments in overseas equities may be affected by changes in exchange rates, which could cause the value of your investment to increase or diminish. Capital appreciation in the early years will be adversely affected by Initial Charges, so you should regard your investment as medium to long term. Past performance is not a guide to future performance. Every effort is taken to ensure the accuracy of this data, but no warranties are given.

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