

Ivy+ Balanced Growth UCITS Fund

Questions & Answers

1) Who is the fund designed for?

As the fund uses an investment approach which protects against sizeable falls in value, and smooths returns, it is ideal for investors who are nearing retirement, or are in retirement. It delivers protection whilst still being invested in growth assets.

2) How does the fund protect against falls in value?

The fund uses a quantitative indicator which is applied to all investments in the fund. It identifies when a specific asset has moved into an uptrend or downtrend. In effect it gives a signal to buy or sell particular holdings. If it is a sell signal, then it will move assets into more defensive investments, such as cash.

3) What assets does the fund invest in?

The fund invests in a wide range of assets, which include developed market equities, emerging market equities, property, commodities, fixed interest and specialist funds.

4) Why doesn't the fund just invest in secure assets to protect a pension pot?

A pension fund has to provide an income for as long as you live. Today, people are living longer than ever before, so the money has to last longer as well. Added to this, inflation is forecast to increase significantly, decreasing the purchasing power of your income. To ensure that the pension income increases and lasts over time, it is essential that the pension fund is invested in growth assets.

5) What is the likely outcome of the fund?

Research and back testing of the investment approach suggest that investors might receive 75% of the upward movement of markets but only 25% of the downward movement of markets. This is not a guarantee of performance but rather an indication of what an investor might expect to receive in terms of relative results.

6) What performance should we expect?

In the back testing of the fund's investment approach starting in 2001, the fund produced a theoretical annualised return of just over 6% after fund management costs. This is not a guide to future performance.

7) Does the risk management process reduce volatility?

The risk management process within the fund significantly reduces the volatility of the underlying investments and importantly significantly reduces exposure to long drawn out downward moving markets.

8) What is Sequence risk?

Sequence risk is the risk of receiving lower or negative returns early in a period of decumulation, which can then reduce the amount of income available in later years. The sequence of investment returns is a primary concern for retirees who are living off the income and capital of their investments. The Ivy+ fund is designed to help mitigate against the dangers of sequence risk.

9) What is the fund risk rating?

The fund has an ESMA risk rating of 4 (5% to 10% Volatility), but please be aware that a risk rating is a measure of volatility, and does not tell you the likelihood of a substantial fall in value.

10) How was the approach developed?

The academic model behind the Ivy+ Fund has been created by Professors Stephen Thomas and Andrew Clare from Cass Business School. They are regarded as international leaders in investment strategy, with a large global following of their research papers. The model that they have created has been back tested over the past 25 years, and has been used 'live' over the past 8 months. Because their model is 'rule based', with no emotion or human intervention, the back testing that they have done is entirely appropriate.

11) How is the strategy implemented?

The strategy is implemented using passive index tracking investment funds and ETF. This enables costs to be kept to a minimum.

12) What is the fund structure?

The fund is structured as a UCITS Fund, which gives a high level of regulatory oversight. The fund is hosted by Platform Capital Ltd and uses its fund platform.

13) What are the fund costs?

The ongoing charges figure (OCF) for the fund is 0.90%, and the annual management charge (AMC) is 0.25%, and a 10% performance fee on net new gains above a high water mark.

14) Who are the fund providers?

The administrator of the fund is SEI. Currently they administer over \$750 billion of assets. The custodian is Brown Bros Harriman.

15) Is the fund exposed to currency movements?

The prices of all the investments that the fund makes which are in foreign currencies, are re-based back to the funds' base currency for the purposes of applying the quantitative indicator. This incorporates changes in currencies into the risk management process.

16) How can we access the fund?

Access to the fund is via the Raymond James Platform or Conexim Advisers platform.

17) Who are ML capital?

Founded in 2009, ML Capital is an independent asset management firm, headquartered in Dublin, Ireland, specialising in European regulated fund solutions (UCITS & AIFMD). In 2014 it purchased Harvest Global Asset Management, a firm dating back to the early 1990s, and Assets under Management are now above \$3 billion. Today we have a reputation for being both innovative and at the forefront of devising fund management solutions that meet the changing regulatory requirements. We are also recognised for putting investor interests and protection at the heart of what we do.

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