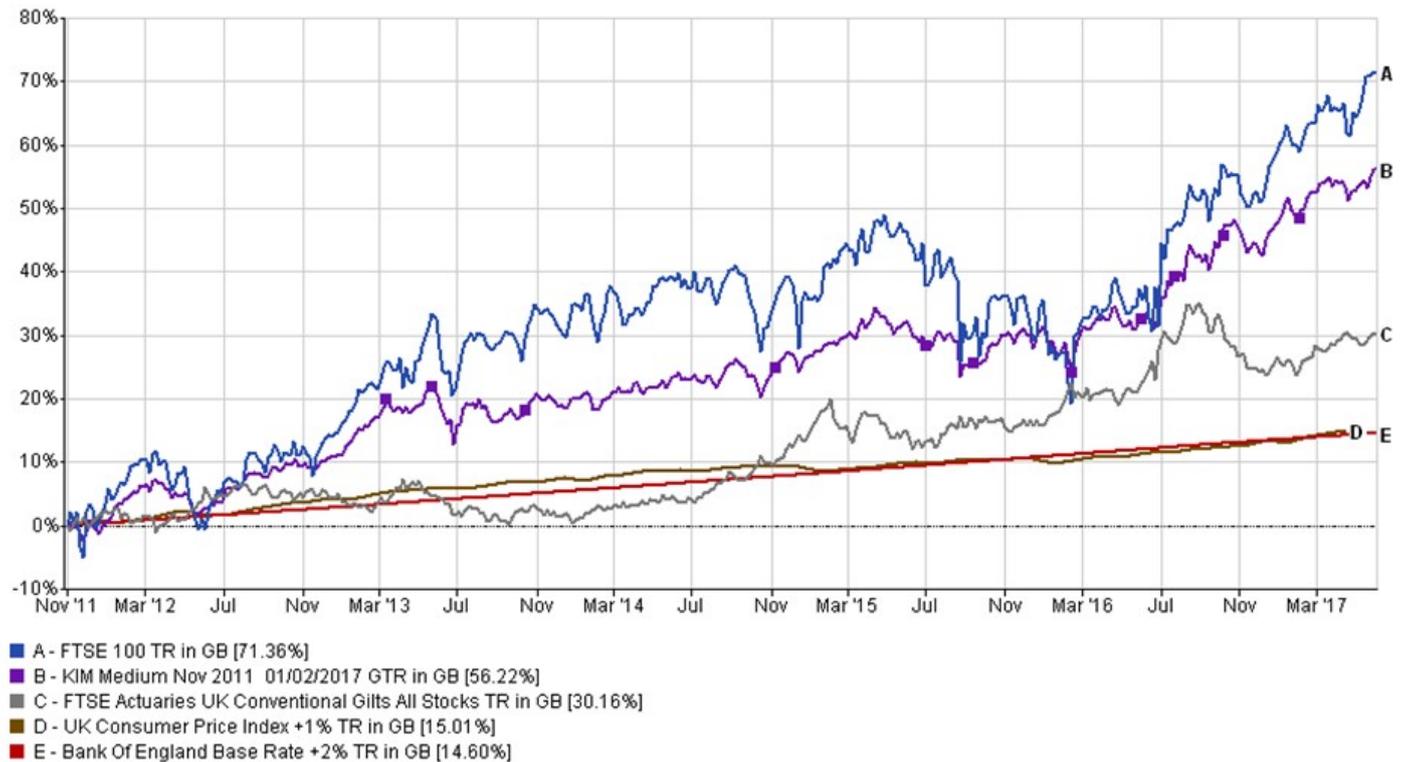


Forward Glance

Strategy Report - Medium Portfolio June 2017

1st November 2011— 31st May 2017 — gross return (since inception)



01/11/2011 - 31/05/2017 Data from FE 2017

The information contained in this document is an average return for our strategies over various time periods. Because of personal variations including timing of rebalancing, contributions, withdrawals or other individual circumstances, your portfolio performance may be slightly different to the general strategy and performance. Past performance is no guarantee of future success.

Strategy — June 2017

Election outcome

It was much as expected and resulted in our portfolio performing well as markets rise and sterling falls.

47 million people were eligible to vote last night and some 69% actually did. Of the potential voters, 28% voted Conservative, and 27% voted for Labour. Corbyn was pretty good at motivating his supporters to action, i.e. the young and the disenfranchised, in the same way that led to Trump's election, the Conservatives much less so. There are still an awful lot of people choosing not to vote.

What we must hope is that the establishment finally understands that the speed of change and the empowerment of the digital age both reinforce prejudice and motivate action that ensures predicting any election outcome, anywhere in the developed world, is very challenging.

Politics slowly becomes more marginalised as the global digital world allows everyone to just circumnavigate tax, regulation, disbelieving all they are expected to understand and believing only what they want to.

Having predicted the outcomes of the 2010 election hung parliament, the slim lead for the Tories in 2015, the BREXIT vote and now very accurately this election as well as reasonable perspectives on EU and US elections; I think we can assume our view of the future to be reasonably accurate.

In general, I think this puts back monetary reform in the developed world, thus we can expect more printing of money, fudging bailouts and so on.

I suggest the EU will forge ahead post German and - maybe Italian - elections to reform and thus create a scenario in which Britain remains in some association with the EU.

The Italian question, of both the election and the enormous and unaffordable debt, comes down to:

- the mother of all bailouts to avoid disaster for the world, or
- banking collapse
- administration change
- leading to EU exit and Euro mess

Any decisions in the immediate aftermath of such an event are fraught with danger, but we should expect huge volatility to come. We struggle to see another election coming, thus we stick with the strategy through market gyrations

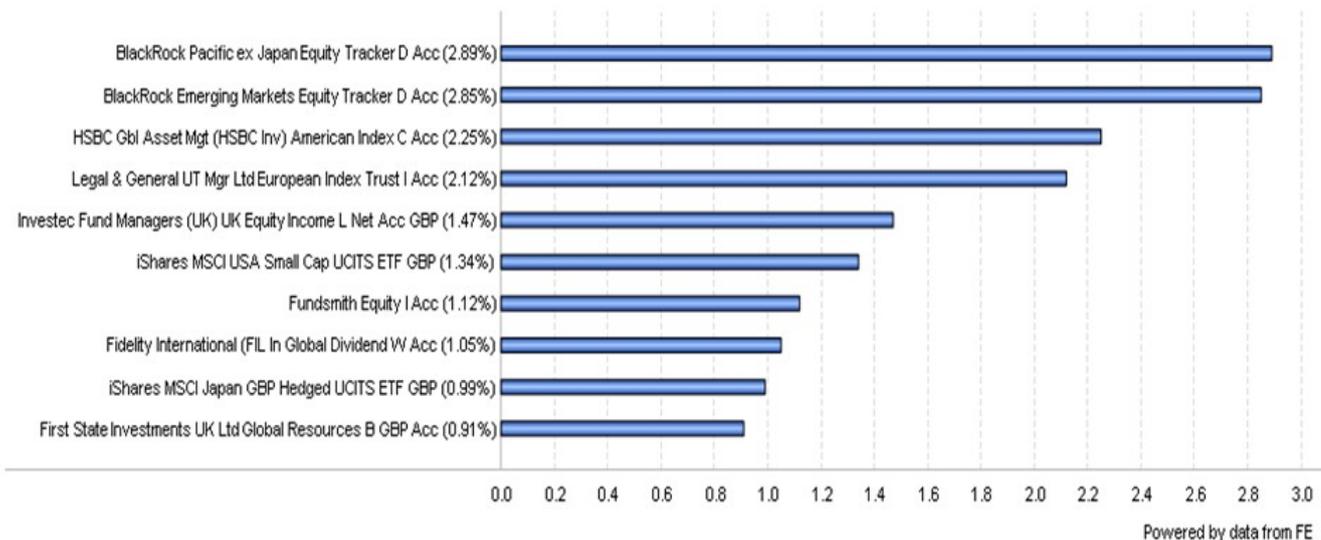
Portfolio analysis

Investment objective

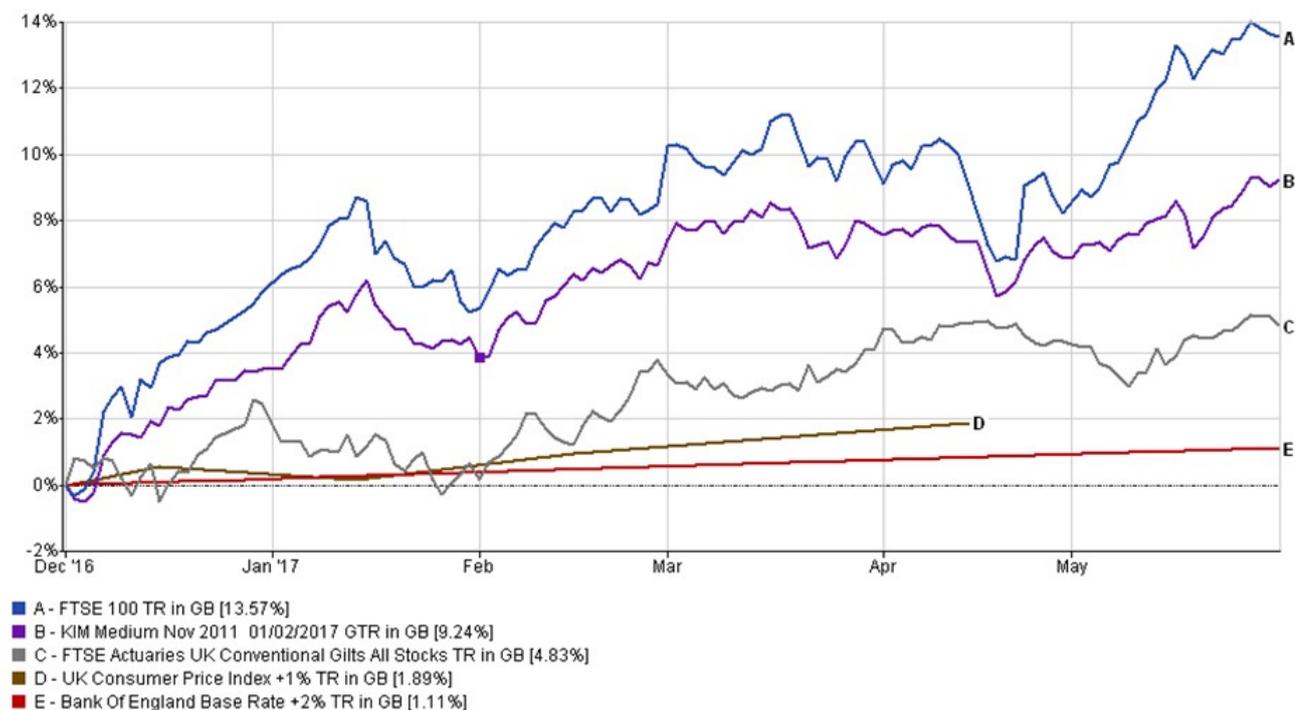
The medium portfolio offers a diverse fund range with the aim of achieving capital growth over the longer-term. The portfolio has the ability to invest in a broad range of investments on a wide geographical basis. Equity exposure within this portfolio will vary between 50% - 70%.

Portfolio details			
Inception date	1/11/2011	Number of holdings	25
Estimate yield	1.99%	Benchmark	BoE Base Rate +2%
Total expense ratio	0.46% (net—clean)	Volatility target range	6% - 10%
Minimum investment time horizon	Five years		

Contribution to performance by fund — 1 year



1st September 2016 — 31st May 2017 — gross return (six months)



Statistics (five years)

Gross

	1 st November 2011 – 31 st May 2017			Six-month performance	Average annual compound return
	Maximum fall in capital *	Performance	Volatility		
Index: FTSE 100	-17.21	71.36	13.70	13.57	10.13
Index: FTSE UK Conventional Gilts All Stocks	-8.22	30.16	6.33	4.83	4.83
Index: S&P 500	-11.64	175.82	13.35	8.71	19.93
Index: FTSE Eurofirst 300	-17.65	98.39	14.41	21.01	13.05
Index: AFI Balanced Index	-10.17	61.64	7.27	9.59	8.98
BM: BoE Base Rate = 2%	0.00	14.60	0.02	1.11	2.47
Portfolio: KMG Medium-High Nov 2011	-10.56	65.29	8.40	10.61	9.42
Portfolio: KMG Medium Nov 2011	-7.94	56.22	6.90	9.24	8.32
Portfolio: KMG Medium-Low Nov 2011	-5.53	46.55	4.92	7.15	7.09

* The percentage between the highest and lowest values



ROUGH BEECH COURT, DOWLANDS LANE, SMALLFIELD, SURREY RH6 9SD
T: 01342 840 100 E: KMG@KMG.CO.UK W: WWW.KMG.CO.UK

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 Our firm registration number is 422752