INTRODUCTION TO

ABSOLUTE RETURN
PORTFOLIO STRATEGIES
ABOUT US

OUR ORIGINS
We are a rapidly growing asset management firm headquartered in London, originally the absolute return management team, which spun out of Redmayne Bentley Stockbrokers in 2005.

HIGHLY REGULATED
We, as a group, are regulated in four different jurisdictions by the Financial Conduct Authority in the UK, the Maltese Financial Services Authority, the Securities and Commodities Authority in the UAE and the Cayman Investment Management Authority.

DIVERSIFIED FINANCIAL SERVICES GROUP
We look after both retail and institutional clients with asset management, private client services, fiduciary and technology solutions.

INSTITUTIONAL FUND MANAGEMENT
We specialise in absolute return investing, making institutional fund management techniques available to even the most modest sum.

WE DO NOT HOLD CLIENT MONIES
Clients benefit from an independent custodian, with nearly USD1 trillion of assets under administration.

BIG BOUTIQUE
Given the size of the AUM we have under influence, our clients benefit from the economies of scale, network and research resources we have at our disposal. However, we still retain an intimate, very personal service to all clients.

UK
Ground Floor, 2 Bell Court
Leapale Lane
Guildford
Surrey, GU1 4LY
United Kingdom

DUBAI
Office 1004, Park Place
Sheikh Zayed Road
PO Box 413670
Dubai
United Arab Emirates

MALTA
Alpine House
34 Naxxar Road
San Gwann
Malta SGN 9032

CAYMAN
Governors Square, 2nd Floor
23 Lime Tree Bay
PO Box 1569
Grand Cayman KY1-1110
Cayman Islands
ASSESSING YOUR RISK PROFILE

STEP BY STEP

Whilst our portfolios can cover an entire spectrum of circumstances, we will usually follow certain steps as a minimum:

- Assess your financial needs and identify issues, gaps and opportunities, whilst getting to understand your 'mentality' towards money.
- Analyse the amount of risk you are prepared, and need, to take to achieve your objectives.
- Help you understand how your assets can meet your needs, now and in the future.
- Build you a portfolio that gives you confidence for the future.

The ATP strategies are actively and dynamically managed. We are constantly adjusting positions inside your portfolio holdings and will change the 'line up' from time to time too.

RISK RATED PORTFOLIO SOLUTION

RETURN AND VOLATILITY PROFILE

The first step is to agree with your adviser your risk profile. An investment profiling exercise will cover a number of areas to determine an appropriate profile as per below.
**WHAT IS ABSOLUTE RETURN INVESTING?**

**TARGETING POSITIVE RETURNS - WHATEVER THE WEATHER**

Absolute Return Investing

Such an approach comes in many colours, although the investment philosophy is always the same - to beat a cash benchmark over a given rolling period, even if financial markets have fallen during that period.

Absolute return strategies usually have the ability to ‘hedge’ against, or even profit from falls in different asset classes. More traditional approaches to stock market investing are almost one-way bets - they can only make money if stock markets are climbing.

**CHOOSE YOUR BENCHMARK CAREFULLY**

It’s often said in life, what gets measured gets done. Absolute return approaches measure their performance against cash related benchmarks. That’s because the benchmark is always positive. More traditional approaches, that measure performance against a stock market benchmark, can technically ‘outperform’ by losing money, as long as those losses are less than the stock market.

**RETURN TIME**

- Typical long-only fund
- Absolute return
- Objective

Potential for providing positive targeted returns over time with less volatility than more traditional approaches

Aiming for greater consistency than stock market variability in returns

Potential for positive returns in flat or declining markets

Significant diversification across traditional and alternative asset classes

Risk management techniques that dynamically increase or decrease market exposure
## THE RISK PROFILES

<table>
<thead>
<tr>
<th>PORTFOLIO</th>
<th>RISK LEVEL</th>
<th>SUITABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CAUTIOUS</strong></td>
<td></td>
<td>Suitable for investors who are cautious by nature or close to retirement and who seek steady growth but are willing to forego possible higher returns for steady performance and less volatility. Returns from this strategy should be slightly better than those available from a high street deposit account over a 5 year period, although the value of the investment could fall as well as rise. Investors in this strategy would feel uncomfortable if their investments rose and fell in value rapidly. This strategy will maintain a broad spread of investments, including higher exposure to less volatile asset classes such as money market funds, government bonds and absolute return strategies to help guard against significant falls in equity markets.</td>
</tr>
<tr>
<td>Benchmark:</td>
<td>1M LIBOR + 1%</td>
<td></td>
</tr>
<tr>
<td>Target Volatility:</td>
<td>Global Corporate Bond Index less 2%</td>
<td></td>
</tr>
<tr>
<td>Stock Market Exposure:</td>
<td>Lower Suggested Minimum</td>
<td></td>
</tr>
<tr>
<td>Suggested Minimum Investment Time Horizon:</td>
<td>5 years</td>
<td></td>
</tr>
</tbody>
</table>

| INCOME         |            | Suitable for investors who are taking income or close to retirement and who seek stable yield and distributions from their portfolio but are willing to forego possible higher returns in interests of preserving capital and less volatility. Returns from this strategy should be slightly better than those available from a high street deposit account over a 5 year period, although the value of the investment could fall as well as rise. Investors in this strategy would feel uncomfortable if their investments rose and fell in value rapidly. This strategy will maintain a broad spread of income-generating investments, including higher exposure to less volatile asset classes such as money market funds, government and index-linked bonds, convertibles, asset-based securities, commercial property etc, to help guard against significant falls in financial markets. |
| Benchmark:     | 1M LIBOR + 1% |
| Target Volatility: | Global Corporate Bond Index less 2% |
| Stock Market Exposure: | Lower |
| Suggested Minimum Investment Time Horizon: | 5 years |

| CONSERVATIVE   |            | Suitable for investors who are conservative by nature or close to retirement and who seek steady growth but are willing to forego possible higher returns for steady performance and less volatility. Returns from this strategy should be better than those available from a high street deposit account over a 5 year period, although the value of the investment could fall as well as rise. Investors in this strategy would feel uncomfortable if their investments fell significantly in value in any one year. This strategy will maintain a broad spread of investments, including higher exposure to less volatile asset classes such as fixed income and absolute return strategies to help guard against significant falls in equity markets. |
| Benchmark:     | 1M LIBOR + 2% |
| Target Volatility: | Global Corporate Bond Index less 1% |
| Stock Market Exposure: | Low - Medium |
| Suggested Minimum Investment Time Horizon: | 5 years |

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**EXAMPLE ASSET ALLOCATION**

These asset allocations are indicative at time of going to press, and may change depending on circumstances, market views etc. No assumptions should be made that similar asset allocations will be profitable or suitable. Allocations and their percentages will vary depending on an individual investor's needs.
Intelligent Portfolio Design

**HIGHER INCOME**

**Benchmark:**
1M LIBOR + 2.5%

**Target Volatility:**
Global Corporate Bond Index

**Stock Market Exposure:**
Medium

**Suggested Minimum Investment Time Horizon:**
5 years

Suitable for investors who are taking income, and who seek stable yield and distributions from their portfolio but would prefer or need their portfolio to maintain some growth potential. Investors accept though, that will be greater volatility in returns for that growth. Returns from this strategy should be better than those available from a high street deposit account over a 5 year period, although the value of the investment could fall as well as rise. Investors in this strategy would feel uncomfortable if their investments rose and fell to an extent which mirrors global equities. This strategy will maintain a spread of income-generating investments, including exposure to less volatile asset classes such as government and index-linked bonds, global corporate bonds, however, will also keep exposure to higher yielding global equities which offer some growth potential beyond their dividend income.

**HIGHER INCOME Benchmark:**
1M LIBOR + 2.5%

**Target Volatility:**
Global Corporate Bond Index

**Stock Market Exposure:**
Medium

**Suggested Minimum Investment Time Horizon:**
5 years

**BALANCED**

**Benchmark:**
1M LIBOR + 3%

**Target Volatility:**
Global Corporate Bond Index

**Stock Market Exposure:**
Medium - High

**Suggested Minimum Investment Time Horizon:**
5 years

Suitable for investors who are seeking longer-term growth potential with at least a medium-term time horizon and who are prepared to accept a moderate level of volatility of returns as the price for potential growth. This strategy is designed to balance risk and reward and is appropriate for investors looking for higher returns than those available from a high street over a five year period account and willing to accept a certain amount of fluctuation in the value of their investments as a result. Investors in this strategy would feel uncomfortable if their investments were to fall significantly in value in any one year. This strategy will maintain a broad spread of assets, but with a greater emphasis on equities.

**BALANCED Benchmark:**
1M LIBOR + 3%

**Target Volatility:**
Global Corporate Bond Index

**Stock Market Exposure:**
Medium - High

**Suggested Minimum Investment Time Horizon:**
5 years

**PROGRESSIVE**

**Benchmark:**
1M LIBOR + 3.5%

**Target Volatility:**
Global Corporate Bond Index plus 1%

**Stock Market Exposure:**
Medium - High

**Suggested Minimum Investment Time Horizon:**
6 years

Suitable for investors who are seeking longer-term growth potential with at least a medium-term time horizon and who are prepared to accept a moderate level of volatility of returns as the price for potential growth. This strategy is designed to balance risk and reward and is appropriate for investors looking for higher returns than those available from a high street over a five year period account and willing to accept a certain amount of fluctuation in the value of their investments as a result. Investors in this strategy would feel uncomfortable if their investments were to fall significantly in value in any one year. This strategy will maintain a broad spread of assets, but with a greater emphasis on equities.

**PROGRESSIVE Benchmark:**
1M LIBOR + 3.5%

**Target Volatility:**
Global Corporate Bond Index plus 1%

**Stock Market Exposure:**
Medium - High

**Suggested Minimum Investment Time Horizon:**
6 years

**ADVENTUROUS**

**Benchmark:**
1M LIBOR + 4%

**Target Volatility:**
Global Corporate Bond Index plus 2%

**Stock Market Exposure:**
High

**Suggested Minimum Investment Time Horizon:**
7 years

Suitable for investors willing to accept a much higher level of risk on their investments in return for potentially, higher returns in the longer run. Investors in this strategy are willing to accept what might be significant short-term fluctuations in the value of their investments as a result. They would feel comfortable if their investments fell in value more than 6 months in any one year and might well see this as an ideal time to invest more. This strategy will maintain a higher exposure to more volatile investments, including equities and commodities.

**ADVENTUROUS Benchmark:**
1M LIBOR + 4%

**Target Volatility:**
Global Corporate Bond Index plus 2%

**Stock Market Exposure:**
High

**Suggested Minimum Investment Time Horizon:**
7 years

**KEY FOR ASSET ALLOCATION PIE CHART**

- **GLOBAL EQUITY ABSOLUTE RETURN**
- **GLOBAL EQUITY LEADERS**
- **ALTERNATIVE INCOME**
- **GLOBAL DIVIDEND VALUE PLUS**
- **DIVERSIFIED ALTERNATIVE ASSETS**
- **CASH**
- **PARALA ABSOLUTE RETURN**
**How Do We Build Your Portfolio?**

**Portfolio Construction**

- **Multi-Strategy Investing**
  Multi-Strategy Investing involves combining multiple uncorrelated absolute return funds.

- **All Terrain Portfolios**
  This seeks to produce a portfolio which aims to perform in ‘all weathers’.

- **Broad Diversification**
  Different asset classes and investment strategies react differently to changing economic and market conditions.

- **Building Blocks**
  The All Terrain Portfolio strategies are diversified across a range of ARIA building block funds.

- **Diversification by Asset Class**
  Each bringing exposure to a broad range of asset classes, including equities, fixed income and alternative investment strategies.

- **Strategy Actively Managed Keeping Charges Low**
  Each with an actively-managed asset allocation policy, which is directly invested, (not a fund of funds).

**Risk Graded All Terrain Discretionary Portfolio Strategies**

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<table>
<thead>
<tr>
<th>Building Block Funds</th>
<th>Holdings</th>
<th>%age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long/Short Global Equity</td>
<td>Google</td>
<td>1.85%</td>
</tr>
<tr>
<td></td>
<td>Facebook</td>
<td>1.79%</td>
</tr>
<tr>
<td></td>
<td>Tesla (Short)</td>
<td>1.75%</td>
</tr>
<tr>
<td></td>
<td>Lloyds TSB (Short)</td>
<td>1.82%</td>
</tr>
<tr>
<td></td>
<td>BMW</td>
<td>1.76%</td>
</tr>
<tr>
<td>Fixed Income &amp; Credit</td>
<td>Euro Index Linked Gilts</td>
<td>8.75%</td>
</tr>
<tr>
<td></td>
<td>UK Corporate Bonds</td>
<td>7.62%</td>
</tr>
<tr>
<td></td>
<td>Euro Government Bonds</td>
<td>7.58%</td>
</tr>
<tr>
<td></td>
<td>US REITS</td>
<td>8.54%</td>
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<tr>
<td></td>
<td>US Treasuries</td>
<td>8.35%</td>
</tr>
<tr>
<td>Global Equities</td>
<td>Adidas AG</td>
<td>1.95%</td>
</tr>
<tr>
<td></td>
<td>Nvidia Corp</td>
<td>1.82%</td>
</tr>
<tr>
<td></td>
<td>Fresnillo</td>
<td>1.84%</td>
</tr>
<tr>
<td></td>
<td>Melrose Industries</td>
<td>1.74%</td>
</tr>
<tr>
<td></td>
<td>Randgold Resources</td>
<td>1.72%</td>
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<tr>
<td>Alternative Assets</td>
<td>Gold Mining Equities</td>
<td>11.15%</td>
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<tr>
<td></td>
<td>Natural Gas Equities</td>
<td>6.75%</td>
</tr>
<tr>
<td></td>
<td>EUR/USD (Short)</td>
<td>7.26%</td>
</tr>
<tr>
<td></td>
<td>JPY/GBP</td>
<td>7.29%</td>
</tr>
<tr>
<td></td>
<td>Volatility Insurance</td>
<td>4.50%</td>
</tr>
<tr>
<td>Enhanced Income</td>
<td>Nestle</td>
<td>3.45%</td>
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<tr>
<td></td>
<td>Roche AG</td>
<td>3.40%</td>
</tr>
<tr>
<td></td>
<td>Ashleyzeneva</td>
<td>3.16%</td>
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<tr>
<td></td>
<td>HSBC</td>
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<tr>
<td></td>
<td>McDonalds</td>
<td>3.08%</td>
</tr>
<tr>
<td>Global Macro</td>
<td>Chinese Equity</td>
<td>4.15%</td>
</tr>
<tr>
<td></td>
<td>US Mid Cap</td>
<td>4.25%</td>
</tr>
<tr>
<td></td>
<td>Euro Government Bonds (Long)</td>
<td>4.15%</td>
</tr>
<tr>
<td></td>
<td>Silver</td>
<td>4.12%</td>
</tr>
<tr>
<td></td>
<td>Emerging Markets</td>
<td>4.00%</td>
</tr>
</tbody>
</table>
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*Please note these asset allocations are illustrative. All funds are very actively managed and thus holdings change frequently.*
AN ABSOLUTE RETURN STRATEGY IN PRACTICE

Long example - profiting from an investment going up in value

Long investing:
A fund manager invests in a holding in the belief it will go up in value and thus make money. A portfolio’s ‘long exposure’ is, therefore, the percentage of its net asset value represented by bought assets and the portfolio will benefit from any price rise in these assets.

Short example - profiting from an investment going down in value

Shorting:
Investment technique where the fund will ‘borrow’ a stock in order to sell it, on the understanding they will buy it back at a specified point in the future. If that purchase price is lower than the earlier sale price, we will make money. A portfolio’s ‘short exposure’ is, therefore, the percentage of its net asset value represented by assets borrowed from a third party and sold.

BY COMBINING LONG AND SHORT INVESTMENTS, WE CAN REDUCE THE INFLUENCE OF FALLING MARKETS AND POTENTIALLY BENEFIT EVEN WITHOUT STOCK MARKET GAINS.
## WHY INVEST WITH US?

<table>
<thead>
<tr>
<th>Icon</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>🔐</td>
<td>Offices in 4 jurisdictions globally regulated by the FCA in the UK, MFSA in Malta, ESCA in UAE and CIMA in Cayman (for professional clients only).</td>
</tr>
<tr>
<td>📝</td>
<td>Established FCA regulated discretionary portfolio with a team of experienced fund managers</td>
</tr>
<tr>
<td>📊</td>
<td>Risk profiled model portfolio strategies tailored to clients' attitude to risk</td>
</tr>
<tr>
<td>📊</td>
<td>Diverse strategies within the building block funds ensures potentially attractive opportunities in all market conditions yet keeping trading costs to a minimum</td>
</tr>
<tr>
<td>📊</td>
<td>Demonstrable evidence of generating positive returns in falling markets</td>
</tr>
<tr>
<td>⌛️</td>
<td>Actively managed portfolios, both at fund and portfolio level</td>
</tr>
<tr>
<td>💰</td>
<td>Capital preservation when investment climates are less favourable</td>
</tr>
<tr>
<td>💰</td>
<td>Range of cost-effective management charges which can include pension or Trustee charges</td>
</tr>
<tr>
<td>🔐</td>
<td>Consolidate all client assets and investments on one platform including SIPP, QROPS, ISA, GIA, Trusts and Offshore Bonds</td>
</tr>
<tr>
<td>📝</td>
<td>Online valuations, monthly client updates and asset allocation change communications</td>
</tr>
</tbody>
</table>
THE SECURITY OF YOUR ASSETS

We do not hold client monies – we arrange that for you with one of the largest global custodians in SEI (Europe) Limited, which provides the same solution to HSBC Private Bank, Brewin Dolphin, amongst others.

Your assets are held with an FCA regulated custodian SEI with US$751bn in client assets under administration.*

*As at 30/09/2016, source: SEI website corporate profile

We are covered by the Financial Services Compensation Scheme (FSCS). FSCS is the UK’s compensation fund “of last resort” available to consumers who have bought financial services from firms regulated in the UK.

THE TEAM

James Hindmarch
Portfolio Manager

James completed an MSc in Finance, before starting his career at Fund of Hedge Fund manager, FRM Ltd. From there he moved to a private Family Office, before joining ARIA. He is a Fellow of the Chartered Institute of Securities and Investments and spearheads much of the quantitative research for the ARIA funds.

Steven Goldin
Portfolio Manager

Steven is a Portfolio Manager for the ARIA Parala Absolute Return Strategy fund, has over 20 years’ investment experience. Previously, Steven was Global head of Strategy Indices with Standard & Poors and holds an MBA from New York University’s Stern School of Business, where he graduated Summa Cum Laude.

Matt Brittain
Portfolio Manager

Matt is a Portfolio Manager, having started his career at Berkeley Fund Managers, before joining King and Shaxon in the City of London and then heading up the Moorgate office for Redmayne Bentley Stockbrokers. He has a BSc Hons in Economics from Manchester (Allianz Business School), is a Chartered Member of the CISI and holds the IMC, MSCI and various corporate finance designations.

Paul Magro
Independent Risk Manager

Paul is responsible for independent risk management of the ARIA SICAV building block funds. The co-founder and managing director of RiskCap International Limited after completing his PhD in Finance at the University of Bangor. He is also a visiting lecturer at the University of Malta’s Banking and Finance department lecturing on hedge fund strategies, alternative investments and financial modelling.

James Ward
Portfolio Analyst

James holds a BSc Hons in Management (International Business Economics) from the University of Manchester. He started his career at Clay Rogers & Partners Ltd, before joining ARIA as Portfolio Analyst, based in their Dubai Branch. James gained a CISI Level 3 Certificate in Investment and Wealth Management and CISI Certificate in Global Securities (UAE). Most recently achieving his Securities and Commodities Authority (SCA) Financial Analyst License. He is now pursuing his Level 4 Certificate in Investment Management.
We are passionate about protecting and growing the wealth of our clients, taking care of all of their investing requirements. We believe in ‘all terrain investment management’, which means targeting positive returns in any market environment. We also believe in a fee structure that truly aligns itself with clients’ best interests, incentivising us to first maintain, then increase our clients’ wealth in real terms. Unfortunately, it appears to us that many managers within the investment management industry have sought to put their interests before those of its customers, by selling investment performance which compares favourably with certain stock market indices but not in absolute terms. This is little noticed when the ‘wind is at their backs,’ i.e. when stock markets are rising, but is less satisfactory during periods of decline. We will readily concede that benchmarking as a notion has intuitive appeal, but for most clients (in real life) cash or bank deposit rates or, indeed, inflation, are more relevant-to-real life benchmarks. The ‘relative return’ investing approach, favoured by much of the industry, justifies losing money by comparing itself to a stock market index, such as the FTSE 100.

This is not our approach. We are active, absolute return fund managers. This means that the portfolios we manage are not constrained by any requirement to represent any stock market and we will not buy a particular stock or other holding because it is a prominent constituent of a potentially falling index. Each investment is made on the basis of merit alone: we must genuinely believe that its value is likely to increase and be comfortable that the potential reward justifies any exposure to risk. Importantly, as well, an investment needs to fit with the rest of the portfolio, but whether it is part of the FTSE 100 is, for the most part, irrelevant.

Our investment philosophy is simply all terrain investment management.