

MAIA Adventurous Smart Beta Portfolio Bulletin

Investment Objective: The investment objective of the portfolio is to achieve capital growth from predominantly global thematic equity funds.

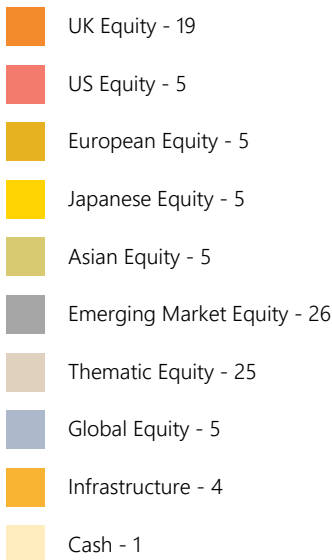
Strategy: The portfolio is made up of predominantly Exchange Traded Funds, adopting a multi-asset approach to portfolio construction.

Guidelines: The portfolio is suitable for investors who are prepared to accept an above average level of risk to their capital, to gain potentially higher rates of total return, over the long term. It is designed for investors with a higher tolerance for risk that would accept significant variation or movement to capital value to achieve their longer term objective. This portfolio is aimed at investors who require an actively managed and diversified portfolio and who have an investment horizon of at least 5 years. The portfolio is unconstrained and has high exposure to equities, especially overseas and specialist asset classes that MAIA’s portfolio managers have identified as the best potential for possible growth over the long term. The funds are selected to provide a broad exposure to global markets.

Portfolio Managers: The portfolio is managed by Laurence Boyle, Beccie Williams and Sophie Taylor who actively manage the portfolio based on the asset allocation set by the research team.

Asset Allocation (weightings %)

As at 30/06/2020



Top 10 holdings (weightings %)

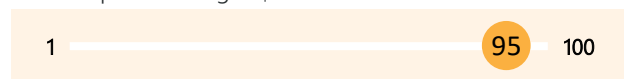
As at 30/06/2020

Top 10	%
Vanguard FTSE 250	9
SPDR Emerging Markets Small Cap	8
iShares Automation & Robotics	7
Sarasin Food & Agriculture Opportunities	7
Franklin FTSE Brazil	6
Franklin FTSE India	6
HSBC MSCI Emerging Markets	6
iShares Digitalisation	6
iShares UK Small Cap	6
iShares Healthcare Innovation	5

Asset Exposure Range Fixed Interest %



Asset Exposure Range Equities %



Annual Management Charge	Ongoing Fund Charges*	Benchmark**
0.5% + VAT	0.37%	IA Flexible Investment

*Source: MAIA Asset Management & FE Analytics, July 2020. **Source: MAIA Asset Management & Morningstar, July 2020.

Market Commentary

The second quarter of 2020 was strong across all asset classes post the sharp falls encountered in the first quarter of 2020. A degree of volatility remains as COVID-19 is still present, and many of the unknowns are yet to play out. However, with the work of governments and central banks globally, liquidity has returned to markets and the measures undertaken have provided global economies the injection they have needed to get through the lockdown measures imposed during the first six months of the year.

The main reason for the increase in returns is the amount of stimulus that has been provided globally to fight lockdowns and the resulting slowdown of economies. Central banks worked in unison to firstly cut interest rates and then implement Quantitative Easing (QE) measures in large amounts. The US, UK, Europe and Japan increased their QE programmes substantially. All central banks have highlighted the need for this to continue for the foreseeable future to fight the global recession we are currently in.

Softer economic data has been steadily improving over the quarter as economies have removed lockdown measures. China has been the barometer for the global economy. The Purchasing Managers Index (PMI), which is a measure of the prevailing direction of economic trends, has moved back into positive territory for the region as capacity utilisation has moved back towards 100%. In the US and Europe, retail sales have improved off their lows and PMIs (both services and manufacturing) have expanded post the lows made in March.

However, this does not mean all the risks are behind us and all data releases are positive. The virus is yet to be contained, with no vaccine so far identified. Over the quarter, Asia and Europe have had lower infection numbers whilst emerging markets, especially Latin America, have seen rising numbers taking the total number infected globally to over 1 million.

Many Asian and European countries have now started to lift lockdown measures along with the US. Major focus is being placed on whether these measures are being reduced too quickly and if so, whether further lockdown measures will be required.

Key People



Sophie Taylor

Product Specialist

T. 01564 796874

M. 07586 347454

E. sophie@maia-am.co.uk

Laurence Boyle

Chief Investment Officer

T. 01564 796875

M. 07799 064055

E. laurence@maia-am.co.uk

Beccie Williams

Head of Research

T. 01564 796876

M. 07894 634497

E. beccie@maia-am.co.uk

T. 01564 796870 E. info@maia-am.co.uk www.maia-am.co.uk

Important information: MAIA Asset Management Ltd is registered in England. Registered office: April Barns, Redditch Road, Ullenhall, Warwickshire, B95 5NY. Company registration No. 237 3988 66. We are authorised and Regulated by the Financial Conduct Authority, Registration Number 747887.

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