

MAIA Strategic Reserve Portfolio Bulletin

Investment Objective: The investment objective is to achieve cash plus returns over a rolling 1-year period, through a multi-asset approach.

Strategy: The portfolio is made up of funds, adopting a multi-asset approach to portfolio construction.

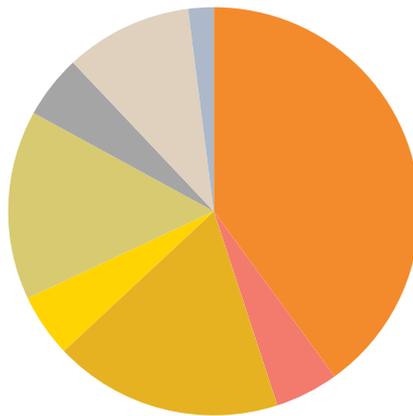
Guidelines: The portfolio is suitable for investors who are prepared to accept very limited risk to their capital but would like a higher return than cash over the long term. The portfolio is designed to embrace a range of complementary assets including traditional bond funds as well as alternative assets that are available in the marketplace. This portfolio is aimed at investors who require an actively managed and diversified portfolio and who have an investment horizon of at least 1 year.

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

- Fixed Interest - 40
- Thematic Equity - 5
- Long Short Equity - 18
- Multi Strategy - 5
- Defined Returns - 15
- Gold - 5
- Infrastructure - 10
- Cash - 2



Top 10 holdings (weightings %)

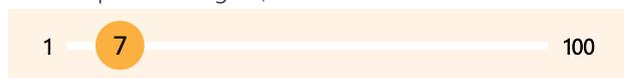
As at 30/06/2020

Top 10	%
Artemis US Absolute Return	9
BlackRock UK Absolute Alpha	9
Liontrust Monthly Income Bond	7
Rathbone Strategic Bond	7
Twentyfour Absolute Return Credit	7
Muzinich Asia Credit Opportunities	7
Allianz Strategic Bond	6
GAM Star Credit Opportunities	6
AHFM Defined Returns	5
Foresight UK Infrastructure Income	5

Asset Exposure Range Fixed Interest %



Asset Exposure Range Equities %



Annual Management Charge	Ongoing Fund Charges*	Benchmark**
0.5% + VAT	0.68%	ICE LIBOR 3 Month GBP

*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



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