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## Target Market Assessment

### MAIA Managed Portfolio Services & Bespoke MPS options for Advisers

#### Target Market

Our services are suitable for investors who wish to use a managed portfolio service and are primarily looking to invest in markets over the medium to long term (5+ years), achieving a total return which is above the relevant benchmark. This will include investors looking to invest a lump sum as well as those wishing to make regular savings and might be in the form of a general investment account or tax efficient wrappers such as SIPP or ISAs. We offer a multi-asset, globally diversified investment solution and our portfolios are suitable for both inexperienced and sophisticated investors.

IFAs will need to ensure that our service is appropriate for their clients. In particular, when considering using our managed portfolio service they should be comfortable with the fluctuations in capital values that are inherent with investing: for example, our service may not be suitable for clients who have a low capacity to loss, a very low risk appetite or inexperienced investors who have not received financial advice.

Investors do not need professional client knowledge but a basic understanding of the risks and benefits of investing in capital markets over the long term. MAIA Managed Portfolio Service (MPS) will only be available through advisers and so a non-advised investment in to the MPS will not be available. Investors should have no immediate need to access their investment and be comfortable with committing their capital over longer term periods, on average 5 years plus.

The client should have been advised and capacity for loss discussed with an adviser before any investment into the MPS. The underlying client will need to ensure that they can bear any loss the MPS creates over all timeframes. The client must also be able to bear any capital loss if the underlying investment does not perform as intended. The client should be able to accept short-term fluctuations in the value of their investment without a material impact on their standard of living or financial security. Investors should be able to commit their capital for at least 5 years (on average) and understand that the investment term should be viewed on a long-term basis.

#### Risks

Our service provides investors with a range of risk targeted multi manager portfolios depending on their attitude to risk which will have been assessed by a qualified Financial Adviser. The product will not provide solutions for those looking for an investment in unregulated or unlisted investments or those seeking to invest in risk-free assets. The product is marketed to advised sales through our client base of professional advisers. No direct investment is available for any investor. All investments are placed through a platform.

MAIA will only invest in funds that are suitably regulated by the FCA, are managed by a team with a demonstrable track record and are administered by a regulated investment house.

The portfolios will have their risk assessed using data acquired from independent third parties including Defaqto and Dynamic Planner, and combining this information with the investment strategy unit's views on the risk inherent within various asset classes. The underlying risk profiling of

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the portfolios is monitored to ensure that they continue to sit within an agreed risk allocation. If a portfolio is drifting from its risk score, this will be highlighted to the Portfolio Managers for action to be taken.

Portfolios will aim to achieve a return more than the underlying benchmark depending on the model. Investors will typically achieve a return higher than that provided by bank deposits, whilst having risk exposure appropriately managed. Although designed to be held over the longer term, the liquidity of the portfolios allows investors to withdraw capital whenever required, without penalty.

## Product Design

When constructing the Managed Portfolio Service, we target returns that are understandable and relevant to the typical mainstream investor. We believe that aiming to beat a readily available and known benchmark will allow for full disclosure of returns to take place and adequate comparisons to be made with other options in the market.

By clearly defining our investment aims, the investor can easily assess whether the product is performing as it should and if its aims are being met.

## Charges

In determining our annual management charge and service proposition, we placed strong emphasis on ensuring our end investors receive excellent value for money and fair outcomes. We assessed many of our competitors in the marketplace who offered risk rated multi-asset/multi-manager investment portfolios and MPS services and compared the charges levied against the levels of service on offer.

We believe our pricing to be exceptionally competitive in the current market environment when compared to offerings structured as both MPS services and unitised funds. In addition, a core part of our process when selecting underlying managers focusses strongly on charges to ensure that the most proficient and cost-efficient option is always being utilised. We are also providing a range of literature and other services to sit alongside the investment offering designed to enhance the investor experience. These include regular meetings, performance data and market commentary literature. These combined factors give rationale for our pricing level and why we're confident in delivering good value. Returns are expected to outweigh the costs and charges of holding the investment and our target return is assessed net of all fees within our control. This includes total fund costs and fees to MAIA.

MAIA charges a flat fee based on the value of the portfolio. There are no other costs levied by MAIA such as transactional charges. The models are also subject to underlying fund charges (OCFs) total costs ex ante. All charges including our Annual Management Charge are clearly stated on each bulletin and are calculated as a percentage of the amount invested.

## Product Testing

We continually monitor performance to ensure the best outcomes for investors. We do not utilise any third-party scenario testing tools. Instead, each model's bear beta is calculated against its benchmark over a three-year period. The bear beta of the model measures the model's sensitivity of returns to negative changes in the benchmark return, and therefore reflects the worst-case

scenario for the model. We believe that when markets fall it is due to differing circumstances and as each market downturn is different, utilising data from a loss perspective is far more relevant.

MAIA do not have custody of the assets held in the Managed Portfolio Service. Therefore, if MAIA were to experience financial difficulties this would not have a detrimental impact on our investors. At a fund management level, we monitor underlying assets held across fund houses, depositors and ACDs to limit exposure. Third party funds into which the MPS invests are appropriately regulated and comply with CASS rules including segregation of client assets.

We have covered in our Due Diligence how underlying fund houses will deal with issues such as capacity. We are constantly monitoring this as part of our due diligence and do not envisage this being an issue in the short to medium term.

Due to the MPS consisting of Open-Ended instruments & ETF's, liquidity and high in/outflows will easily be met with no additional resources from the firm or strain on the market. As the assets are administered via platforms and investment timing is controlled by the financial adviser, higher than anticipated demand in to the MPS will not have a detrimental impact on MAIA's resources.