

PARALA CAUTIOUS INCOME MACRO MULTI-ASSET FUND GBP - C CLASS

PARALA CAPITAL

OCTOBER 2019

The value of investments can fall and you may get back less than you invested. Past performance is not a guide to future performance. Any specific investments mentioned are for illustrative purposes only and are not intended as investment advice.

FUND INFORMATION

Benchmark: 1M LIBOR + 2%

Investment objective: Capital appreciation while controlling risk

Share class: GBP

ISIN: MT7000019246

Fund name: ARIA SICAV – Parala Cautious Income Macro Multi-Asset Fund

Legal Structure: UCITS V

Domicile: Malta

Investment manager:
ARIA Capital Management

Administrator: Fexserv Fund Services (Malta) Ltd.

Custodian: Sparkasse Bank (Malta)

Auditor: Deloitte

Management charge: 0.95% per annum

Performance fee: 20% over 1Month Libor+2% subject to high watermark

Legal Adviser: Camilleri Preziosi

Notice Period: (business days): 2 days
sub/2 days red

Dealing Frequency: Weekly

Launch Date: August 2017

NAV: Weekly

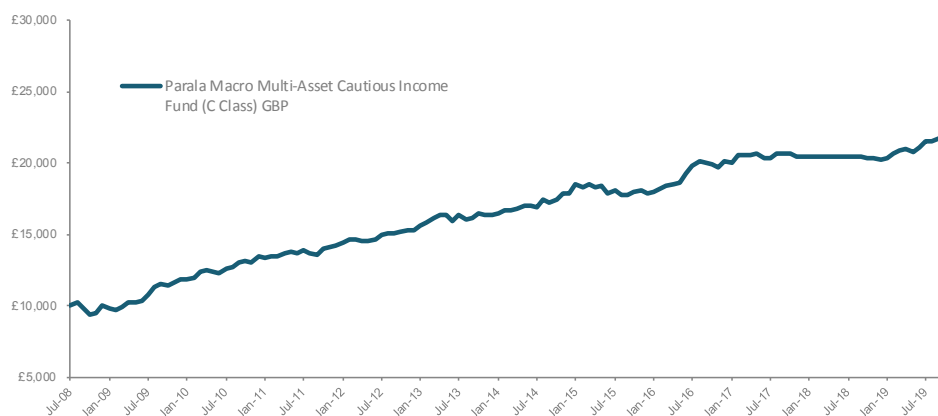
Min Subscription Amount: £1,000

Website: www.ariacm.com
Email: sales@ariacm.com
Telephone: +971 4 3252800

KEY FEATURES

The Parala Macro Multi-Asset (MMA) portfolio strategies are diversified, actively managed multi-asset portfolios, with a focus on providing returns above the industry average benchmark. Parala's Macro-Alpha Model generates forward-looking rankings for each asset and an optimisation framework to determine optimal weights. Using monthly inputs for both macroeconomic and risk factors it identifies the sensitivity of each asset to changing macro-conditions and their exposure to risk factors. This in turn generates a forward-looking estimate of return, volatility and covariance for each asset allowing the model to determine optimal asset weightings

CUMULATIVE PERFORMANCE OF 10,000 GBP*



Source: ARIA, Altsoft, Bloomberg

DISCRETE PERFORMANCE*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	0.43%	1.74%	0.86%	0.53%	-0.94%	1.49%	1.83%	0.21%	0.88%	-0.73%			6.45%
2018	0.03%	-0.02%	-0.01%	0.01%	0.19%	-0.04%	0.18%	0.08%	-0.17%	-0.76%	0.26%	-0.38%	-0.63%
2017	-0.46%	2.69%	-0.15%	-0.14%	0.43%	-1.28%	0.01%	1.43%	0.00%	-0.03%	-0.82%	-0.37%	1.24%
2016	0.66%	1.05%	1.14%	0.29%	0.67%	3.64%	2.80%	1.56%	-0.37%	-0.86%	-0.75%	2.13%	12.54%
2015	3.27%	-0.97%	0.87%	-0.68%	0.31%	-2.91%	1.05%	-1.46%	-0.07%	1.03%	0.48%	-0.82%	-0.05%
2014	0.46%	1.65%	-0.26%	0.85%	1.32%	-0.32%	-0.28%	3.06%	-1.16%	0.82%	2.45%	0.41%	9.30%
2013	1.97%	1.59%	1.52%	1.34%	-0.01%	-2.63%	2.60%	-1.41%	0.61%	2.04%	-0.97%	0.16%	6.88%
2012	1.43%	1.41%	-0.40%	-0.32%	-0.44%	0.81%	2.15%	0.86%	0.37%	0.23%	0.98%	0.18%	7.45%
2011	-0.62%	0.94%	-0.02%	1.90%	0.46%	-0.34%	0.90%	-1.35%	-0.55%	3.10%	0.42%	1.37%	6.31%
2010	-0.45%	1.34%	3.33%	1.04%	-1.15%	-0.18%	1.93%	1.45%	2.17%	0.95%	-1.05%	3.09%	13.04%
2009	-2.56%	-1.39%	2.51%	3.42%	0.40%	1.01%	3.66%	5.28%	1.48%	-0.46%	1.56%	2.01%	18.01%
2008								2.27%	-3.54%	-4.42%	1.34%	5.38%	0.70%

Source: ARIA, Altsoft, Bloomberg

IMPORTANT DISCLOSURES*

*The Performance figures are simulated and are based on the back-tested data of the fund's strategy, until the Fund Launch Date, net of any applicable annual management charge applied by ARIA. Please note there may be additional third party fees applicable based on the manner in which you access the strategy (financial adviser fees for example) which are not factored into the return data. Past Performance of any kind, actual or simulated, is not a reliable indicator of future performance.






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INVESTMENT HIGHLIGHTS

-  Dynamic multi asset investment strategy
-  Driven by macro economic model written by world renowned academics
-  Available in both fund format and direct ETF portfolio
-  Quantitative and forward looking approach to asset allocation
-  Parala's academic alpha

INVESTING RATIONALE

A long/short multi-asset approach: which can deliver absolute returns across a range of market environments

Global Diversification: means gaining exposure to a globally diverse mix of asset classes in order to generate returns commensurate with the level of risk

Consistency in Process: investing is an emotional business, and therefore the approach relies on an objective, academically verified, disciplined and consistent approach to investing

Dynamic Risk Management: as economic conditions change, so does the asset mix within the Fund

Active + Passive: actively managed asset allocations are updated monthly, whilst using ETFs to minimise costs

ANNUALISED PERFORMANCE*

1 month	-0.73%
YTD	6.45%
1 year	6.31%
3 year (Ann.)	2.77%
Since Inception (Ann.)	7.08%
Volatility (Since inception)	5.26%

FUND EXPOSURES

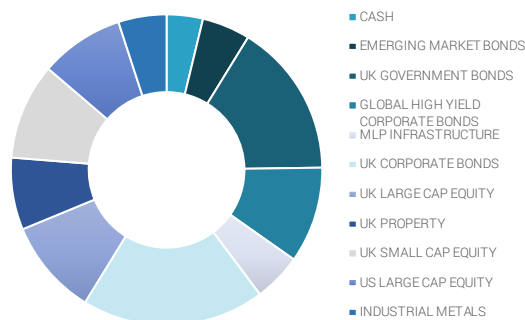
iShares Core £ Corporate Bond	19.0%
iShares Core UK Gilts	16.0%
iShares Global High Yield Corporate Bond	10.0%
db X-trackers FTSE All Share	10.0%
iShares MSCI UK Small Cap	10.0%
Vanguard S&P 500	8.7%
iShares UK Property	7.5%
ETFS US Energy Infrastructure MLP	5.0%

Source: ARIA, Altsoft, Bloomberg

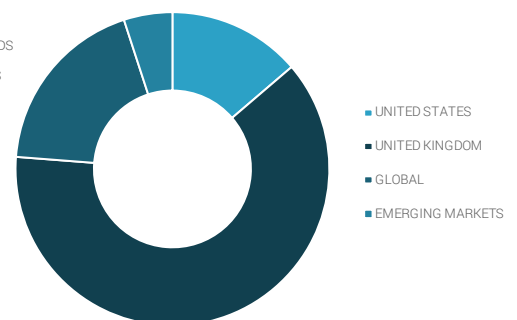
Source: ARIA, Altsoft, Bloomberg

ASSET & GEOGRAPHICAL ALLOCATION

Sector asset allocation



Geographical asset allocation



Source: ARIA, Altsoft, Bloomberg

RISK STATISTICS*

Parala	Cash	Fixed Inc	Property	Equities	Commod.	Hedge funds
5.26%	9.88%	5.58%	5.58%	5.26%	9.88%	5.58%
1.30	0.91	1.23	1.23	1.30	0.91	1.23
0.61	0.83	0.63	0.63	0.61	0.83	0.63
-7.80%	-20.55%	-7.80%	-7.80%	-7.80%	-20.55%	-7.80%
62.96%	61.48%	62.22%	62.22%	62.96%	61.48%	62.22%

Source: ARIA, Altsoft, Bloomberg

IMPORTANT DISCLOSURES*

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INVESTMENT RESEARCH TEAM



Steve Goldin
Portfolio Manager

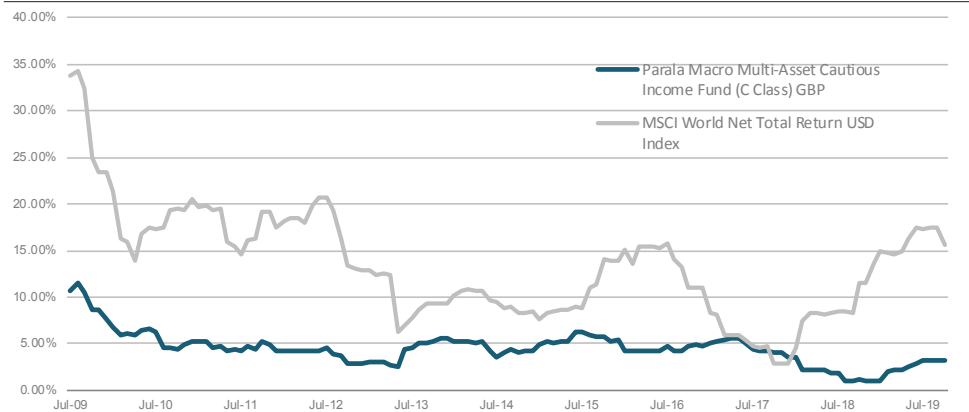


Russ Wermers
Investment Research



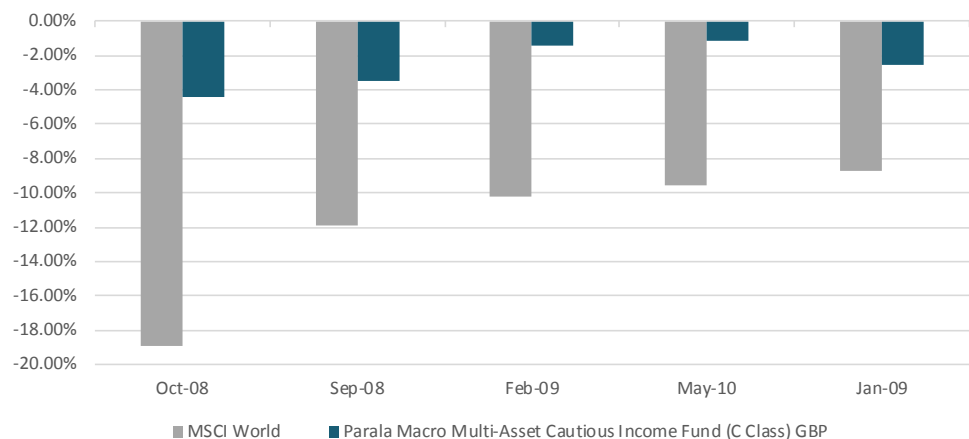
Allan Timmermann
Investment Research

ROLLING 12 MONTH VOLATILITY*



Source: ARIA, Altsoft, Bloomberg

FUND PERFORMANCE vs WORST 5 EQUITY PERIODS*



Source: ARIA, Altsoft, Bloomberg

DISCLAIMER*

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GLOSSARY

Volatility: Standard deviation is a statistical measurement which, when applied to an investment fund, expresses its volatility, or risk. It shows how widely a range of returns varied from the fund's average return over a particular period.

Volatility Targeting: Means portfolios are managed to a certain level of risk, which is defined by a given volatility target number. This usually means a rolling target range.

Market Drawdown: Represents the worst possible return over a specified period. E.g. Buying at the maximum price over the period and selling at the worst.

MSCI World: MSCI World is an index which includes exposure to global stock markets including the US, UK, Europe and SE Asia which provides a relevant reference for how global markets are performing.

Sharpe Ratio: This is a commonly-used measure which calculates the level of a fund's return over and above the return of a national risk free investment, such as cash or Government bonds. The ratio is an indication of the amount of excess return generated per unit of risk.

Bloomberg Barclays US Aggregate Bond Index: A broad based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The Index includes treasuries, government-related and corporate securities.

FTSE 100: This is an index that measures the performance of the shares of the top 100 largest companies listed on the London Stock Exchange.

OCTOBER 2019

RISK CONSIDERATIONS

Please carefully consider the below risks in addition to the more detailed description in the Prospectus and Offering Supplement entitled "Risk Factors".

- **Market risk:** The value of assets in the Fund are typically dictated by a number of factors, including the confidence levels of the market in which they are traded.
- **Operational risk:** Material losses to the Fund may arise as a result of human error, system and/or process failures, inadequate procedures or controls.
- **Liquidity risk:** The Fund may not always find another party willing to purchase an asset that they want to sell which could impact their ability to meet redemption requests on demand.
- **Exchange rate risk:** Changes in exchange rates may reduce or increase the returns an investor might expect to receive independent of the performance of such assets. If applicable, investment techniques used to attempt to reduce the risk of currency movements (hedging), may not be effective. Hedging also involves additional risks associated with derivatives.
- **Custodian risk:** Insolvency, breaches of duty of care or misconduct of a custodian or sub-custodian responsible for the safekeeping of the Fund's assets can result in a loss to the Fund.
- **Derivatives risk:** Certain derivatives may result in losses greater than the amount originally invested.
- **Counterparty risk:** A party that the Funds transact with may fail to meet its obligations which could cause losses.
- **Emerging markets risk:** Emerging markets are likely to bear higher risk due to lower liquidity and possible lack of adequate financial, legal, social, political and economic structures, protection and stability as well as uncertain tax positions.
- **Volatility risk:** An investment in the Fund can expose investors to higher volatility levels than is normally associated with "balanced" investment strategies, therefore the value of their investment may be subject to significant changes in the short term.
- **Leverage risk:** The Fund may operate with leverage. Leverage occurs when the economic exposure created by the use of derivatives is greater than the amount invested. A leveraged portfolio may result in large fluctuations in the value of the Fund and therefore entails a high degree of risk including the risk that losses may be substantial.
- **Historical performance data:** The composition of each strategy is determined by reference to historical data. However, past performance is not an indicator of future performance. The performance of a market may differ to that indicated by a mathematical formula based on historical data, which in turn may adversely affect the value of your investment.

IMPORTANT DISCLOSURES

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