

Principal Asset Allocation Fund

August 2020 Factsheet



FUND OVERVIEW

The Principal Asset Allocation (PAA) Fund is a UCITS mutual fund authorised by the Central Bank of Ireland. It uses low Beta strategies to maximise risk-adjusted returns for investors. The Fund expects to achieve its investment objective predominantly through allocations to equity and fixed-income securities. The fund targets low volatility returns, adopting a cautious approach.



31/07/2019 - 28/08/2020 One-year relative return Source: Dexia Investor Services, FE Fund info, Trust Net
 A: IA Targeted Absolute Return B: Principal Asset Allocation Fund (GBP Shareclass A)

FUND MANAGER COMMENTARY

August saw continued outperformance for global risk assets with all major stock markets posting gains of between 2 and 8%. Credit also rallied while Government bonds fell. Economic data, particularly higher frequency statistics, point to continued growth, albeit at a more moderate pace than earlier in the summer. The backdrop remains troubling with increases in Covid cases in many countries suggestive of a second peak.

The Fund maintained its balanced allocation. Monthly performance was +1.03%, ahead of UK bonds and lagging a strong month for the FTSE100 index (-2.6%, +1.76%).

Our investment process is designed to produce low volatility, positive returns in a variety of market scenarios.

PRIMARY INVESTMENT ALLOCATIONS

Cash – The portfolio may hold cash in times of uncertainty, or, as margin for derivative positions.

Equities – Our equity strategy is a liquid, market neutral, systematic, multi factor, total return portfolio. We focus on the collinearity of factors and sound risk management.

Fixed Income – Our fixed income allocation is designed to produce recurring income by investing in low duration, high conviction bonds. Complementary to this is an opportunistic, alpha overlay focussed on market neutral relative value positions.

KEY INFORMATION

Fund Structure:	UCITS
Share Type:	Accumulation
Fund Inception Date:	19/12/2014
Ticker:	PAAAGBP
Pricing Frequency:	Daily
AMC:	0.65%
Administrator:	RBC Investor Services Ireland
Custodian:	RBC Investor Services Bank S.A
Base Currency:	GBP
Currency Availability:	GBP, EUR, USD
Asset Class:	Mixed Asset
Target Return:	Libor GBP Plus 5%
Risk Profile:	Cautious/Balanced

Investment Manager:	Mariana Investment Partners LLP
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ASSET ALLOCATION AS AT 28.08.20

Equity:	65%
Cash:	13%
Fixed Income:	22%

NET PERFORMANCE SUMMARY TO 28.08.20

(NAV as at 28.08.2020 – PAA A GBP - £97.65)

1 Month Return:	1.03%
3 Month Return:	3.15%
YTD Return:	10.91%
12 Month Return:	6.57%
Source:	RBC Investor Services Ireland Ltd

KEY FEATURES

- The investment objective of the Fund is to seek to achieve a positive return in all market conditions over a three-year period.
- The principal investment strategies are equity and fixed income and are designed to provide market neutral total returns in a variety of scenarios.
- Suitable for investors with a medium-term investment horizon (3-5yrs) who require capital stability and above inflation returns.

PORTFOLIO MANAGER

David Blake

ENQUIRIES

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PERFORMANCE: DISCRETE 1 YEAR

PAA A GBP	28/08/2020	30/08/2019	31/08/2018	31/08/2017	31/08/2016
	6.57%	-5.88%	-3.03%	2.67%	-2.74%

ASSET EXPOSURE

	Gross	Net
Equity		11%
UK Equities	9.7%	
Euro Equities	29.4%	
Swiss Equities	11.6%	
Danish Equities	3.9%	
Swedish Equities	10.3%	
Norwegian Equities		
Polish Equities		
Equity Futures	-53.9%	
Fixed Income		22%
Govt Bond		
Corp Bond	21.7%	
Cash	13.4%	13%
Total	154%	46%

Source: Mariana Investment Partners

TOP 10 HOLDINGS

Stoxx 600 Europe	-53.9%
MAERSK 4 04/04/25	2.3%
NWIDE 5.875 PERP	2.2%
F 3.25 11/19/20	2.1%
NETCOMPANY GROUP	1.5%
KONE OYJ	1.5%
DEUTSCHE POST	1.4%
B&M EUROPEAN RETAIL	1.4%
UNITED INTERNET	1.4%
BAE SYSTEMS	1.4%

Source: Mariana Investment Partners

LONG VS SHORT ALLOCATION

	Short	Long
Equity		
UK Equities		10%
Euro Equities		29%
Swiss Equities		12%
Danish Equities		4%
Swedish Equities		10%
Norwegian Equities		0%
Polish Equities		0%
Equity Futures	-54%	
Fixed Income		
Govt Bond		0%
Corp Bond		22%
Cash		13%

Source: Mariana Investment Partners

Global Economic & Market Conditions Risk

Market Risk: The Fund may invest in securities in markets, which experience specific risks due to increased volatility, liquidity, political and economic stability.

Settlement and Credit Risk: Refers to the likelihood of the Fund losing money if an issuer is unable to meet its financial obligations or goes bankrupt.

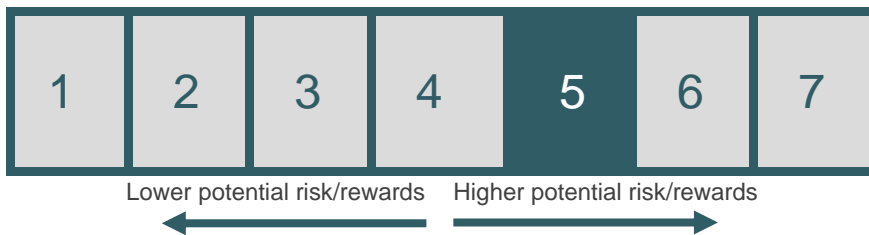
Valuation Risk: Funds may invest some of their assets in unquoted securities or quoted securities for which there is no reliable price source available. Such investments will be valued at the probable realisation value as determined in accordance with the provisions set out in the section "Valuation and Prices" of the Fund's prospectus and supplement.

Custodial Risk: There may be a risk of a loss where the assets of the Fund are held in custody that could result from insolvency, negligence or fraudulent action of the custodian or sub-custodian.

Liquidity Risk: At times, some shares or securities may trade infrequently which means it may be more difficult for the Fund to buy and sell them.

A more detailed description of the risk factors applicable to the Fund is set out in the "Risk Warnings" section of the Fund's prospectus, and key investor information document ("KIID") and supplement.

RISK & REWARD PROFILE



RISK & REWARD PROFILE

The indicator above illustrates the position of this Fund on a standard risk/reward category scale. This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean investment is "risk free". This indicator is not a measure of the risk that you may lose the amount you have invested. The Fund is categorised as a 5 because it is invested in a portfolio of global equity and fixed income assets that are diversified and of high credit quality. The indicator above does not take account of the following risks of investing in the Fund:

PLATFORM AVAILABILITY

As a daily traded UCITS VI fund PAA is available on all platforms and all Pension Trustees (QROPS/SIPPS).

Ascentric	Cofunds	Aegon Retirement Choices
Hargreaves Lansdown	Hubwise	Novia Financial
Novia Global	Transact	Old Mutual Wealth
Standard Life	Zurich	
RL360	Hansard	Investors Trust
Old Mutual International	Cornhill Management	STM Group Plc
Capital International Group	Platform One	Generali
Friends Provident International	Custodian Life	Moventum
Gravitas Financial Inc	Capital Platforms	SEB

Share Class	Currency	Sedol Code	ISIN Code
Front End Loaded	PAA Fund A GBP	BMMV1N4	IE00BMMV1N47
Front End Loaded	PAA Fund B GBP	BMMV1R8	IE00BMMV1R84
Front End Loaded	PAA Fund B EUR	BMMV1T0	IE00BMMV1T09
Front End Loaded	PAA Fund B USD	BMMV1S9	IE00BMMV1S91

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The price of shares and income from them can go down as well as up and past performance is not a guide to future performance. Investors may not get back the full amount originally invested. A comprehensive list of risk factors is detailed in the Prospectus and KIID and an investment should not be contemplated until the risks are fully considered. The Prospectus and KIID can be viewed at www.geminicapital.ie

The contents of this document are based upon sources of information believed to be reliable. Mariana Investment Partners LLP has taken reasonable care to ensure the information stated is accurate. However, Mariana Investment Partners LLP make no representation, guarantee or warranty that it is wholly accurate and complete.

The Principal Asset Allocation Fund is a sub-fund of GemCap Investment Funds (Ireland) plc, an umbrella type open-ended investment company with variable capital, incorporated on 1 June 2010 with limited liability under the laws of Ireland with segregated liability between sub-funds.

GemCap Investment Funds (Ireland) plc is authorised in Ireland by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) (the "UCITS Regulations"), as amended.

Gemini Capital Management (Ireland) Limited, trading as GemCap, is a limited liability company registered under the registered number 579677 under Irish law pursuant to the Companies Act 2014 which is regulated by the Central Bank of Ireland. Its principal office is at Suite 25, 63 Carysfort Avenue, Blackrock, Co. Dublin and its registered office is at 1 WML, Windmill Lane, Dublin 2, D02 F206. GemCap acts as both management company and global distributor to GemCap Investment Funds (Ireland) plc.

GemCap UK Limited Ltd provides distribution oversight services to GemCap acting as global distributor and is responsible for the oversight of all distribution arrangements for the sub-fund.