



# Aria SICAV

## Absolute Income Protected Fund

A Luxembourg-based UCITIII fund approved under 2001/107/EC for retail investors

### Disclaimer

This document is not an offer or solicitation in any jurisdiction in which such offer is not authorised. Nothing in it should be construed as advice and is therefore not a recommendation to buy or sell shares. Past performance is not a guarantee of future returns. The value of investments may fall as well as rise.

Any decision to invest should be based on a full reading of the fund prospectus and the most recent financial statements. In case of any discrepancy between this marketing sheet and the prospectus in force, the prospectus shall prevail.

# Aria SICAV - Absolute Income

- Aria Protected Funds (“Aria”), was founded in 2007 by David Barclay-Miller and Scott Levy. Aria has developed into a multi-fund passive, protected fund platform with approximately GBP 125 million of assets under management.
- Aria Protected Funds provides low risk funds for a wide range of small and medium sized charities and trusts.
- Aria is committed to delivering the highest quality institutional management techniques through investment intermediaries
- Absolute Income Protected Fund (Aria SICAV) is the latest innovation in the Aria Protected Funds family to provide the highest level of investor and regulatory protection through the global standards established by the UCITSIII directive.
- Certainty
- Diversification
- Protection

# Absolute Income Protected Fund

- 6.4% yield minimum, gross (aer)
- Exposure to major asset classes (money market, commodities, FTSE, global property and infrastructure)
- Risk adjusted daily based on established institutional strategy
- GBP Denominated

<b>Strategy</b>	<b>Passive, Dynamic Risk Management</b>
<b>Launch Date</b>	<b>January 2010</b>
<b>Return Objective*</b>	<b>8-12% per annum in all markets</b>
<b>Target Volatility*</b>	<b>&lt;6% annualised</b>
<b>Target Sharpe*</b>	<b>&gt;1.5</b>
<b>Liquidity</b>	<b>Daily</b>
<b>Registered for Sale</b>	<b>UK, IOM, Germany and Belgium*</b>

\* Return, volatility and other figures quoted are targets only and are based over the long term on the performance projections of the investment strategy and market interest rates at time of modelling and therefore are subject to change. There is no guarantee of investment performance and past or projected performance is no indication of current or future performance/results. Countries Registered for Sale are current or pending. Please see website for the latest information.

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# The Opportunity

# Aria Protected Funds

- Aria Protected Funds are open-ended, passive managed funds whose performance is based on globally diversified, multi-asset indices
- **Passive** management provides a lower cost and lower risk platform for investing
- **Indices** are the easiest and lower cost method to gain exposure to global asset classes (including commodities)
- **Dynamic Risk Management** reduces the volatility and currency risk of the “hard to reach” asset classes
- **Performance** is based on the unique ability to reduce exposure to the investment portfolio during market turmoil and earn a return from lower risk money markets in times of high volatility and high uncertainty.
- **Dynamic Risk Management** uses the latest evolution of a well-established investment methodology by which investment banks, for more than 20 years, have preserved the wealth of its largest institutional, ultra-high net worth and family office investors.
- **Aria Protected Funds** combines all of the above in an easily accessible fund for clients who require a known yield to provide stability to their portfolios and want the comfort of the highest level of investor protection and asset security.

# Key Facts

- **Absolute Income**
  - **6.4% per annum (aer)** accumulated yield
  - **Potential** for further capital growth
  
- **Diversified exposure**
  - Infrastructure
  - Commodities (metals, energy, agriculture)
  - FTSE100
  - Diversified Property
  - Money Market
  
- **Dynamic Risk Management**
  - Returns generated by reducing exposure in volatile market to “cash”
  - **Lowest** possible cost
  - **No discretionary component**
  
- **Passive**
  - **No additional costs** for research, analysis, investment committees, or other traditional cost-centres in asset management

# Absolute Income and the Current Market

- **This is a favourable market environment for funds which deliver low volatility and a certain yield:**
  - Cash returns have been poor and with inflation on the horizon real returns are negative
  - All Investors need stable, low risk, yield assets to provide a core for their investment portfolios
  - Equity market trends are impossible to predict and highly volatile
  - Traditional fund management companies and IMA sectors have proven more risky than investors were led to believe
  - Bond Fund prices are looking very high and possibly the next potential bubble
- **Risk Management over asset management:** low correlation to markets over the past two years has meant investors in the Aria Protected Funds have seen positive returns in falling markets.
- **Human emotion is removed:** the retail fund management industry is overrun with expensive opinions and guesswork as to the future of the markets. What if they are wrong? And what price are they actually worth? Dynamic risk management is hands-off without the typical costs of research, analysis and trading.
- **Diversification:**
  - Yield + multiple sources of absolute return through asset classes like infrastructure and commodities which have shown better resilience than equity markets.
  - Dynamic Risk Management enables the Fund to efficiently deploy its capital across different markets as volatility levels increase or decrease
- **Counterparty Risk:** The fund has exposure to highly liquid indices minimising counterparty risk



# Strategy

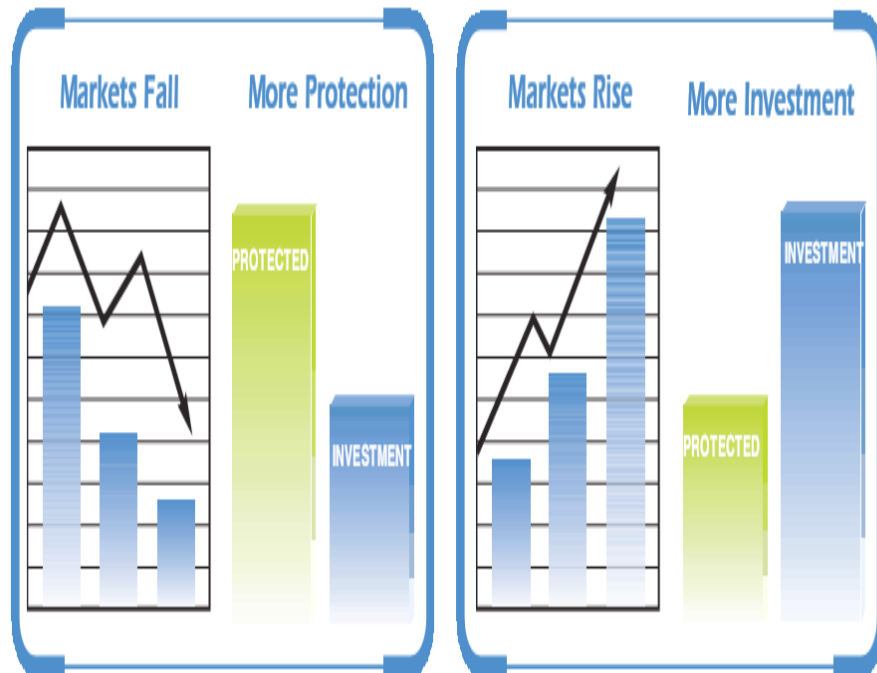
# Strategy in a Nutshell

- **A fully diversified, passive, index-based portfolio supported by a fixed yield**
  - **Diversified** through trading in six major asset classes with the ability to move into money markets in case of another major market upheaval
  - Passive management removes the uncertainty about what managers are doing with investors money and how their views and their ability to predict the future direction of markets can affect returns.
  - Annual, automatic rebalancing can add 1-2% per annum
  - Target of 8-12% in all market conditions
  
- **Yield, Yield, Yield**
  - **Yield is critical for all.** Fixed and certain minimum yield of 5.25% gross reinvested for a minimum of six years (or approximately 6.4% aer). Equivalent of up to 13% for higher rate taxpayers.
  - **Certainty** of yield and daily liquidity provide the flexibility required for all risk profiles.
  
- **Protection of Client Wealth and Risk Management**
  - Luxembourg offers the best asset protection regime in the World
  - Institutional risk management techniques are not available to most investors
  - The Aria SICAV is regulated and managed according to the highest levels of risk management, counterparty risk and investor protection available.
  - Uncertainty in the equity markets requires a proven strategy which preserves capital whilst reducing the potential for loss.

# Dynamic Risk Management

## Volatility means Uncertainty

The “volatility target mechanism” means that the Absolute Income Protected Fund invests more when the markets are rising and moves the portfolio into cash when the markets are falling to target maximum return with maximum security



- In **rising** markets:
  - The Fund aims to capture performance by daily increasing exposure
  - Exposure rises faster as markets move in consistent direction (low volatility)
- In **falling** markets:
  - The Fund aims to preserve capital by moving into cash
  - Exposure will reduce to minimise losses during this period
- Investors wealth should be:
  - Enhanced by up to 6.4% yield (reinvested)
  - Protected by ability to move out of the market when volatility is high
  - Less susceptible to potential losses through the uncertain direction of future markets

# Competitive Advantage

- **Diversification**
  - Access to major global asset classes without currency or manager risk
  - Not tied by “long only” retail asset management restrictions
  - Index-based gives the widest exposure for the lowest cost
  - Targeted to provide 8-12% per annum, stable returns across all economic cycles
  
- **Certainty**
  - Positive performance in 2008 and 2009
  - Risk Management and Fund structure meets the highest levels of EU and UK regulatory scrutiny
  - “What you see is what you get” ... with no typical fund manager risk
  
- **Protection**
  - 6.4% aer yield reinvested (5.25% reinvested over six years)
  - Dynamic Risk Management delivers Capital Protection
  - Highest level of investor protection and safe keeping of assets

Estimated performance figures are the manager estimated performance figures and the final performance figures are the final performance figures from the administrator; all figures are calculated from daily NAV of Aria Absolute Income Protected Fund SICAV-SIF Class B GBP net of all fees. Information on the Aria Absolute Income Protected Fund SICAV-SIF is provided for information purposes only to illustrate the investment process. Performance of the Absolute Income Protected Fund (UCITSIII) will differ from that of the Aria Absolute Income Protected Fund SICAV-SIF and therefore historic data should be interpreted accordingly. There is no guarantee of investment performance and past or projected performance is no indication of current or future performance.



# Performance History

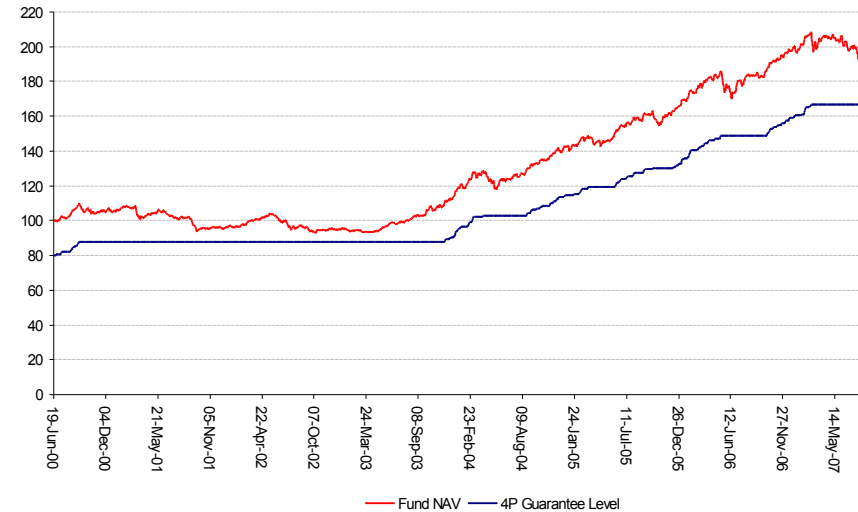
# Back in the Day 2000 - 2007

- Annualised Growth: c.10.6% per annum

*In good times and bad the fund can deliver the expected benefits:*

- Smaller losses in bad times
- Outperformance in good times
- Diversification Benefit

Fund Historical Performance  
June 2000 - June 2007



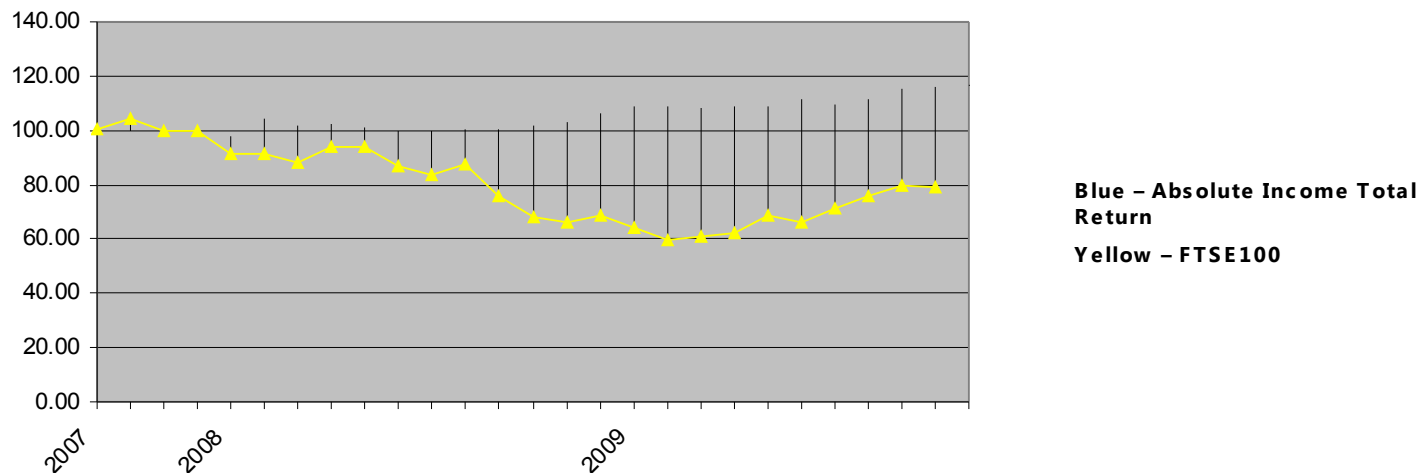
<b>Good Times</b>	"The Market"	The Fund	<b>Bad Times</b>	"The Market"	The Fund
Jan 2003 – Jan 2005	Nasdaq – +61% FTSE – +35%	+50%	Jan – Sept 2001 (Bush to Al-Qaeda)	Nasdaq – -42% FTSE – -30%	-11.5%
Jan 2005 – Jan 2007	Nasdaq – +13% FTSE – +29%	+39.5%	Jan – October 2002 (Bubble well and truly popped)	Nasdaq – -43% FTSE – -27.5%	-3.3%

Source: Aria Structured Investments s.a r.l. and Deutsche Bank

Information correct as of 10 May 2010

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# Historical Performance 2007 - 2009



**Blue – Absolute Income Total Return**  
**Yellow – FTSE100**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2009</b>	0.00%	- 0.43%	0.02%	0.57%	1.92%	- 1.74%	1.80%	3.37%	0.90%	0.53%			7.07%
<b>2008</b>	6.93%	- 2.56%	0.82%	- 1.23%	- 1.36%	0.01%	0.43%	0.13%	1.36%	1.28%	3.27%	2.31%	11.64%
<b>2007</b>									0.05%	0.14%	0.35%	- 2.86%	-2.34%

The performance results shown above for the period from September 2007 through November 2009 reflect the performance of the Aria Absolute Income Protected Fund SICAV-SIF total return including income but net of all fees which is provided for information purposes only to illustrate the investment process. Performance of the Aria SICAV Absolute Income Protected Fund will be different and therefore historic data should be interpreted accordingly. There is no guarantee of investment performance and past or projected performance is no indication of current or future performance/results.

Source: Bloomberg, Aria Structured Investments s.a r.l.

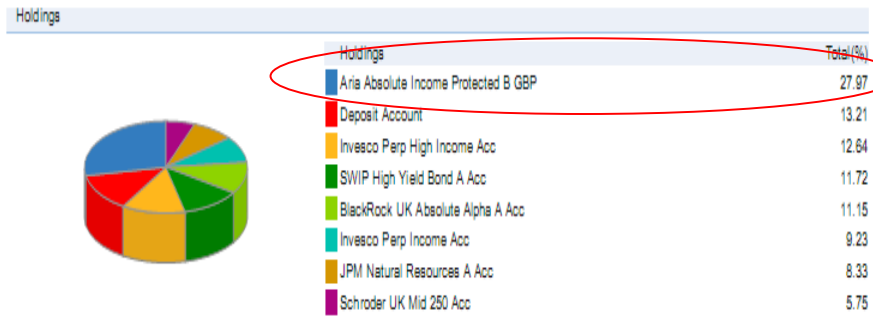
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# Portfolio Diversification Benefit

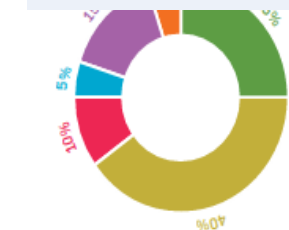
A sample portfolio of the most popular funds according to trustnet in January 2009 assembled in a Cautious

Portfolio as defined by the AKG recommended asset allocation



Absolute Income Protected Fund can provide:

- ✓ Higher Return for Lower Risk
- ✓ True Diversification Benefit
- ✓ Portfolios less uncertainty and volatility





# UCITS Fund

## Easy and Secure Access

FSA registration means no limitations to allocation or target client base (direct or advised sales)

The UCITS III framework is globally accepted by a broader range of investors, including many pension funds and trusts

Transparency and liquidity solve concerns of investors for integrity of investments

Daily liquidity allows for maximum investor choice

Advantageous tax treatment in most European countries

Regulated service providers and independent risk monitoring provide comfort and a higher level of security under the UCITS III constraints

# Share Class Details

<b>Adviser</b>	Aria Structured Investments s.a r.l.
<b>Investment Strategy</b>	Passive, protected with capital and yield protection
<b>Target Investors</b>	Medium to long term investing for core portfolios for all risk appetites
<b>Risk Rating</b>	2.5 out of 10
<b>Yield</b>	5.25%. Equivalent of 10.50% for higher rate taxpayers and 6.4% aer over six years
<b>Domicile</b>	Luxembourg
<b>Launch Date</b>	November 2009
<b>Share Classes</b>	Accumulation
<b>Currency Denomination</b>	Sterling (Acc)
<b>Issue Price</b>	£10
<b>Minimum Subscription</b>	£1m (or by arrangement)
<b>Subscription Deadline</b>	12 p.m. Luxembourg time; 1 Banking day prior to the relevant Valuation Day
<b>Redemption Deadline</b>	12 p.m. Luxembourg time; 1 Banking day prior to the relevant Valuation Day
<b>Valuation Day</b>	Daily
<b>Annual Management Charge</b>	1.50% p.a.
<b>Sales Charge</b>	None
<b>Redemption Charge</b>	None
<b>Initial Charge</b>	Up to 5%
<b>Sponsor and Investment Manager</b>	Lemanik SA
<b>EU Savings Directive</b>	Out of Scope



# Appendices

# Lemanik's Role as Sponsor

- Lemanik and Aria have established Luxembourg Sicav (Aria SICAV), approved by the Luxembourg regulator
- Lemanik acts as Sponsor for the Sicav and as such has the following duties:
  - Appointment of custodian and administrator
  - Obtaining approval from the CSSF for the Sicav and related Sub-Funds
  - Payment of fees and expenses connected with the management and operation of the Fund
  - Risk monitoring and compliance reporting for the Fund in accordance with UCITS III regulations
  - Trade monitoring and reconciliation of NAV levels as provided by the administrator (RBC Dexia Luxembourg S.A.)
- Aria Structured Investments is the Adviser for the Aria SICAV -- Absolute Income Protected Fund

# Important Disclosures

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