



## Fund Overview

Global equity markets comfortably weathered another mid-month blip to continue their recovery and, in the case of the US market, continue its steady rise. This was despite a hint from the US Federal Reserve that they may start to taper their bond buying purchase scheme before the end of the year. The UK large cap market was up 1.9% for the month while the Fund was up 1%. This is how we would expect the Fund to perform given that its current sensitivity to the markets (its 'delta') is a little over 50%.

During August two of the Fund's larger investments matured on their fourth anniversaries, both returning 32%, despite one of the indices to which they were exposed, the UK large cap market, being lower than when we initially made the investments. This is due to the defensive nature of the investments. Each investment in the Fund pays a fixed return, providing the indices that the Fund's performance is linked to is at or above an agreed level (the positive return barrier) on the investment's anniversary. Wherever possible, when we purchase the investments, we aim to increase the potential of the investment delivering its return by reducing the positive return barrier over the investment's lifetime. For example, the gilt-backed investments (that the Fund replaced these maturities with) have dropping annual barriers from the second anniversary onwards, adding more positive return protection. It is worth remembering that as the Fund is open ended and prices daily, the NAV of the Fund reflects any "accrual" of return of capital, which effectively smooths out any capital repayments.

Since the Fund became fully invested on 4 March 2014, the Fund has delivered an annualised return of 7.22% and, as can be seen from the scenario analysis below, remains well placed to meet its objective, in anything but a significant and prolonged fall in equity markets.

## Forward Looking Scenario Analysis

The table below shows the estimated future returns for the Fund over a range of falling, flat or rising market conditions and over different time periods. The scenarios presented are an estimate of future performance based on current derivative market conditions and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment.

Market Move	-30%	-20%	-10%	0%	10%	20%	30%
3 months	-25.3%	-13.8%	-4.8%	1.7%	5.3%	6.2%	6.7%
1 year	-24.3%	-11.3%	-1.0%	6.0%	9.8%	10.9%	11.5%
2 years	-20.9%	-5.5%	5.2%	11.8%	15.5%	16.5%	17.1%
3 years	-17.3%	4.7%	13.9%	18.2%	20.5%	21.3%	21.7%

Source: Atlantic House. The figures used in this analysis are based on assumptions calculated from derivative pricing models on 31 August 2021.

## Performance Indicators if Assets Held to Maturity

The table below is a snapshot of the current shape of the Fund. Along with other calculations, these performance indicators are constantly monitored and analysed aiming to best achieve the Fund's objectives.

Market Move	-20%	-10%	0%	+10%	+20%
Estimated Fund Move Assets Held to Maturity	21.7%	21.2%	10.7%	4.2%	4.2%
Average Time to Holdings' Maturity (years)	3.99	3.49	1.72	0.68	0.68
Equivalent Annualised Return	5.0%	5.7%	6.1%	6.3%	6.3%

## Estimated Fund Move or 'Intrinsic Value'

The intrinsic value is the aggregate terminal value of the Fund considering estimated fees over the relevant period. The table above shows that, for example, if an investor bought the Fund today and none of the markets on which the investments were based moved between now and when the investments mature, the Fund would increase by 10.7%, a terminal value of GBP 1.8658 (based on current NAV of GBP 1.6855). What this does not tell us is the yield that is represented by these intrinsic values.



## Average Time to Holdings' Maturity

The table above also shows the weighted average time to maturity of the investments held within the Fund. Currently this is 1.72 years because, at current market levels, most of the current investments are likely to mature within 1 to 3 years. This number gives the investor an idea of how long it will take for them to earn the Equivalent Annualised Return.

## Equivalent Annualised Return

The table also shows the current expected return of the Fund considering estimated fees for certain movements in the underlying indices. For example, if markets do not move, we would expect the Fund to yield 6.1% given its current make-up. You can also see that we expect a positive return if the market falls 20% and then stays at this level until all investments mature.

## Key Risks

**This is a marketing communication.** A comprehensive list of risk factors is detailed in the Risk Warnings Section of the Prospectus and the Supplement of the Fund and in the relevant key investor information document (KIID) final investment decision should not be contemplated until the risks are fully considered. A copy of the English version of the Supplement, the Prospectus, and any other offering document and the KIID can be viewed at [www.atlantichousefm.com](http://www.atlantichousefm.com) and [www.gemincapital.ie](http://www.gemincapital.ie). A summary of investor rights associated with an investment in the Fund is available in English at [www.gemincapital.ie](http://www.gemincapital.ie).

Calculations do not consider credit spread movements of the issuers of the securities. The Mark to Market of the securities and therefore the NAV of the Fund will decrease as credit spreads widen and vice versa if spreads narrow.

The value of investments and income from them can go down and you may get back less than originally invested. There is no guarantee that the Fund will achieve its objective.

The Fund invests in derivatives for investment purposes, for efficient portfolio management and/ or to protect against exchange risks. Derivatives are highly sensitive to changes in the value of the asset from which their value is derived. A small movement in the value of the underlying asset can cause a large movement in the value of the derivative. This can increase the sizes of losses and gains, causing the value of a derivative investment to fluctuate and the Fund could lose more than the amount invested.

The Fund invests in high quality government and corporate bonds. All bonds will be rated at least A- by Standard and Poors at outset. If any of the bonds the Fund owns suffer credit events the performance of the Fund could be adversely affected.

Other risks the Fund is exposed to include but are not limited to, credit and counterparty risk, possible changes in exchange rates, interest rates and inflation, changing expectations of future market volatility, changing expectations of equity market correlation and changing dividend expectations.

A decision may be taken at any time to terminate the arrangements for the marketing of the Fund in any jurisdiction in which it is currently being marketed. Shareholders in affected EEA Member State will be notified of any decision marketing arrangements in advance and will be provided the opportunity to redeem their shareholding in the Company free of any charges or deductions for at least 30 working days from the date of such notification.

## Important Information

Source for all data is Atlantic House Investments, Solactive and Bloomberg as at 31 August 2021, unless stated otherwise.

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