Optimal Multi-Asset Balanced Fund

as at 30 Nov 2021

Investment Objectives

The investment objective of the fund is to seek to deliver long-term capital growth.

The fund will endeavour to achieve its investment objective by investing in a range of assets while seeking to achieve returns resulting in lower levels of volatility than that experienced in broader equity markets.

Trailing Returns

Data Point: Return

	3 Month	6 Month	1 Year	3 Years	5 Years	Since Inception
Optimal Multi Asset Balanced A GBP	0.96	5.86	8.96	4.93	2.81	3.64
IA Mixed Investment 20-60% Shares	-0.70	1.85	6.94	5.85	4.80	4.85

The new investment team took over the mandate and began the asset allocation rebalance on 1 February 2021.

Key Facts

Fund Legal Name	Optimal Multi Asset Balanced Fund
Fund Legal Structure	Open Ended Investment Company
ISIN	IE00BRJL4C27
Inception Date	16/01/2015
Base Currency	Pound Sterling
Domicile	Ireland
Management Company	Link Fund Manager Solutions (Ireland) Limited
Administrator	Link Fund Administrators (Ireland) Ltd
Auditor	Grant Thornton
Custodian	Bank of New York Mellon SA/NV, Dublin Branch
Initial Charge (waived)	1.00%
Management Fee (reduced fee)	0.50%
Ongoing Charge Figure	2.07%

Asset Allocation

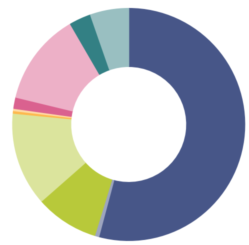
Portfolio Date: 30/11/2021

	%
Japan Equity	9.0
Technology Sector Equity	8.9
Sterling Fixed Income	8.9
US Equity Large Cap Blend	8.9
Europe Equity Large Cap	7.7
Global Fixed Income	6.5
US Equity Large Cap Value	6.1
US Fixed Income	6.1
Financials Sector Equity	6.0
UK Equity Large Cap	5.1
Energy Sector Equity	4.8
Infrastructure Sector Equity	4.0
Healthcare Sector Equity	3.7
Commodities Specified	3.3
Greater China Equity	2.8
US Equity Small Cap	2.5
Cash	1.9
Global Emerging Markets Equity	1.5
Asia ex-Japan Equity	1.4
Real Estate Sector Equity	1.0
Total	**100.0**

The above charts may not add up to 100% due to roundings

Equity Regional Exposure

Portfolio Date: 30/11/2021



	%
North America	54.1
Latin America	0.6
United Kingdom	8.8
Europe dev	13.0
Europe emrg	0.4
Africa/Middle East	0.3
Australasia	1.6
Japan	12.9
Asia dev	3.0
Asia emrg	5.3
Total	**100.0**

The above charts may not add up to 100% due to roundings

Top 10 Holdings

Portfolio Date: 30/11/2021

	Portfolio Weighting %
iShares £ Ultrashort Bond ETF GBP Dist	4.96
Janus Henderson Glb Tech Leaders I Acc	4.48
Schroder ISF European Value A Acc EUR	4.43
Vanguard FTSE UK All Shr Idx Unit Tr£Acc	4.26
Vanguard U.S. Eq Idx £ Acc	4.22
iShares Global Infras ETF USD Dist	4.05
Tabula US Enhanced Infla ETF GBP H	3.90
Robeco BP US Premium Equities I $	3.49
SPDR® MSCI World Technology ETF USD Acc	3.43
Nomura Fds Japan High Conviction I GBP	3.35
	40.57

Investment Team

Investment Managers	Asim Javed, CFA
Investment Manager 2	Peter Toogood

Manager's Commentary

The last few days of the month reminded us, again, that the Covid-19 episode is not over yet. The equity markets made new highs during the month and then fell off a cliff during the last few days, citing the Omicron variant scare. This, coupled with Fed's Powell's comments on inflation and tapering, gripped the market with negative sentiment. Whilst we still do not have hard data on the effectiveness of vaccines, there is some suggestion that while the Omicron variant is highly transmissible, its effects may not be as severe as other variants.

Inflation remains a risk. The US CPI figures are due this week and will give a better understanding of the inflation picture. Interestingly, the Fed's Chair admitted in his testimony that inflation is here to stay a little longer than the Fed expected it to. Demand and supply dynamics are expected to find a lower equilibrium towards the middle of 2022. This, and the base effect, should help ease the high inflation numbers as we move beyond Q1 2022. On the US monetary policy front, as we had expected, monetary tightening is the theme for 2022. The Fed is gearing up to change the rate of tapering and the bond market is penciling in at least 2 rate hikes next year. The US economy has passed the "substantial further progress" test on the inflation front and with a healthy job market, registering 4.2% unemployment rate, it is probable that the rate increases are brought forward in 2022. The Bank of England is also expected to tighten policy rates early next year.

The increased pace of tapering, yet to be announced in December FOMC meeting, may result in some headwinds for the equity markets. The key indices are near an all-time high levels and technically overbought before the recent drawdown. We expect the equity markets to do well once the tapering news is digested and markets are not surprised with an accelerated pace of monetary tightening. China has been in a difficult position since the start of the year and President Xi's common prosperity drive. The PBOC (central bank) has recently implemented a reduction in the reserve ratio, in an effort to improve liquidity conditions, to help offset the Evergrande saga and the wider property market issues China is currently facing. We are monitoring the situation closely.

The future world and recovery themes posted a strong positive performance during the month. Energy sector was under stress towards the end of the month and we expect this to recover in the near term once there is more clarity on CPI numbers.

Looking out from here, we still see some further risks in the short term from Omicron and tapering, in particular. On the plus side, however, the debt ceiling issues appear to have been navigated for now, which is helpful. Overall, we have a strong preference for equities over bonds from here, as well as selected commodities and will be looking to add to our favored markets as we move into 2022 on any renewed weakness.

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Source: Morningstar Direct