Alpha Beta PARTNERS

Optimal Multi-Asset Balanced Fund

as at 30 April 2022

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	-0.54	-6.66	-1.55	2.05	1.03	2.50
IA Mixed Investment 20-60% Shares	-2.09	-3.92	-2.18	3.03	2.92	4.01

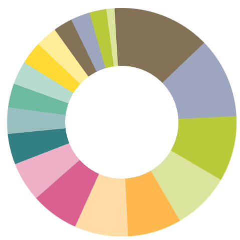
The new investment team took over the mandate and began the asset allocation rebalance on 1 February 2021.

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: 30/04/2022

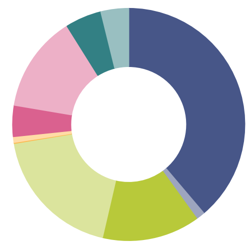


	%
US Equity Large Cap Blend	12.8
Energy Sector Equity	11.4
Technology Sector Equity	9.3
Europe Fixed Income	8.1
UK Equity Large Cap	7.6
Japan Equity	7.5
Europe Equity Large Cap	6.7
Infrastructure Sector Equity	5.6
Sterling Fixed Income	4.3
Global Fixed Income	3.8
Global Equity Large Cap	3.4
Utilities Sector Equity	3.3
US Fixed Income	3.2
Equity Miscellaneous	3.1
Global Emerging Markets Equity	2.7
Real Estate Sector Equity	2.7
Asia ex-Japan Equity	2.4
Natural Resources Sector Equity	1.2
Cash	0.9
Total	**100.0**

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

Equity Regional Exposure

Portfolio Date: 30/04/2022



	%
North America	38.8
Latin America	1.2
United Kingdom	13.6
Europe dev	18.8
Europe emrg	0.1
Africa/Middle East	0.8
Australasia	4.3
Japan	13.4
Asia dev	5.1
Asia emrg	3.9
Total	**100.0**

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

Top 10 Holdings

Portfolio Date: 30/04/2022

	Portfolio Weighting %
Amundi MSCI USA SRI PAB ETF DR C	6.46
iShares MSCI USA SRI ETF USD Acc	6.36
Xtrackers MSCI Eurp InfoTechESGScrnETF1C	5.33
Amundi MSCI UK IMI SRI PAB ETF DR GBP	5.06
Amundi Index MSCI Japan SRI PAB ETF DR C	4.99
L&G Clean Energy ETF USD Acc	4.95
RobecoSAM Smart Mobility Equities I USD	3.94
Xtrackers II ESG EUR CBSD ETF 1 EUR Acc	3.93
RobecoSAM SDG Credit Income IH GBP	3.75
iShares Global Clean Energy ETF USD Dist	3.43
	48.20

Investment Team

Investment Managers	Asim Javed, CFA
Investment Manager 2	Peter Toogood

Manager's Commentary

The geopolitical risk emanating from Russia-Ukraine conflict continued to affect the market. The wider impact of this conflict can be felt across energy and agricultural commodity prices, ultimately finding its way to the inflation numbers.

With CPI inflation in the United States standing at 8.5%, created by the Covid-19 supply shock and exacerbated by mountains of central bank liquidity, the vampire-like effect of spiraling price rises across the board is a serious headwind to progress. A possible summer of discontent at home takes us back to images of the 1970s. Central banks face a tough challenge of slaying the inflation vampire whilst maneuvering delicately to avoid a recession. Raising rates multiple times and removing excess liquidity by a new tool called quantitative tightening will slow economic growth. However, economies are simultaneously slowing down quite naturally following the turbo charged recovery from the worst effects of the pandemic. So, the distinct possibility of central bank policy error must be calculated and factored into our forthcoming asset allocation decisions.

The Federal Reserve announced has raised FFR again in May's FOMC as expected. Interestingly, the accompanying Q&A session revealed the limitations of monetary policy in curbing the supply-side inflation. It is however, destroying the demand side of the equation. This leads us back to thinking if the fed is behind the curve again. Care should be taken not to raise rates aggressively as we progress through the year. There is scope for central bank policy error in this regard and we remain alert to early signals.

US 10-year treasury yields hit 3%, the highest level since 2018. The world's supply of negative yielding bonds has evaporated before our eyes as the bond bubble steadily deflates. Higher bond yields prove a disruptor for equity valuations, particularly for those levered firms and those whose stock prices have risen perhaps too high. Then there is a case of curve inversion – we have seen both the Treasury 10/2 and OIS 30/5 curve inverted – signaling tighter borrowing conditions for economic agents in the near term.

We believe now is time for some sensible housekeeping. There is still scope for equity bounce, of that we have little doubt, but the risk reward balance has shifted. We are now favouring changes to duration, cash and at the next upside failure we intend to take some of the equity exposure off. All portfolios remained inside their allocated risk corridors during the month.

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Source: Morningstar Direct