Alpha Beta PARTNERS

Optimal Multi-Asset Balanced Fund

as at 31 Dec 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	1.38	3.38	6.22	5.50	2.65	3.59
IA Mixed Investment 20-60% Shares	1.88	2.69	6.28	7.22	4.63	4.99

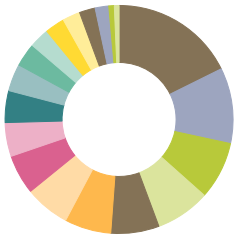
The new investment team took over the mandate and began the asset allocation rebalance on 1 February 2021.

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: 31/12/2021

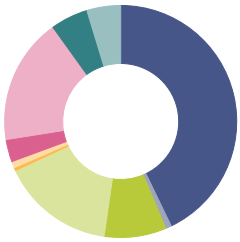


	%
Technology Sector Equity	17.7
Japan Equity	10.7
Europe Equity Large Cap	8.2
Europe Fixed Income	7.7
Cash	6.8
Global Fixed Income	6.6
US Equity Large Cap Value	6.4
Energy Sector Equity	5.6
US Equity Large Cap Blend	4.8
UK Equity Large Cap	4.5
Global Emerging Markets Equity	3.9
Real Estate Sector Equity	3.3
Global Equity Large Cap	2.8
Financials Sector Equity	2.8
Infrastructure Sector Equity	2.5
Asia ex-Japan Equity	2.3
Sterling Fixed Income	1.9
Commodities Specified	0.8
Healthcare Sector Equity	0.7
Total	**100.0**

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

Equity Regional Exposure

Portfolio Date: 31/12/2021



	%
North America	42.8
Latin America	0.8
United Kingdom	8.6
Europe dev	15.8
Europe emrg	0.4
Africa/Middle East	0.9
Australasia	3.1
Japan	17.6
Asia dev	5.2
Asia emrg	4.7
Total	**100.0**

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

Top 10 Holdings

Portfolio Date: 31/12/2021

	Portfolio Weighting %
Xtrackers MSCI Eurp InfoTechESGScrnETF1C	5.69
Amundi Index MSCI Japan SRI ETF DR C	4.88
Schroder ISF European Value A Acc EUR	4.70
Janus Henderson Glb Tech Leaders I Acc	4.59
Vanguard FTSE UK All Shr Idx Unit Tr£Acc	4.51
Xtrackers II ESG EUR CBSD ETF 1 EUR Acc	3.89
RobecoSAM Smart Mobility Equities I USD	3.88
Robeco BP US Premium Equities I $	3.60
SPDR® MSCI World Technology ETF USD Acc	3.51
Vanguard FTSE Dev €pe ex-UK Eq Idx £ Acc	3.49
	42.74

Manager's Commentary

Our favored markets ended the year at an all-time high, delivering further seasonal cheer to investors, and particularly those in Alpha Beta portfolios.

The final quarter of 2021 was an interesting one, littered with event and political risks, as forecast in our Q3 Quarterly Update. In the United States the "debt ceiling" issue and monetary policy clarity were resolved whilst the Biden Administration's spending package was not passed. Our anticipation of returning inflation stood out against more tranquil investment industry mood music last year and our forecast of inflation trending "higher for longer" was proven accurate and will remain so into 2022. Globally we see deflationary pressures coming through later in 2022 but it is unlikely central bank 2% inflation targets will be met in absolute terms in the short term.

Whilst the latest US CPI inflation figure is a whopping 6.8%, the bond market reaction remains muted. The US treasury yield curve remains in flattening mode and there was no material shift during the quarter. It seems for now at least that the market either believes 1) the Federal Reserve's projections will be delivered and inflation will ebb away, or 2) the central bank's tightening interest rates into slower economic growth ahead represent policy error and may trigger the next recession.

The Federal Reserve meeting during December set a clear course for higher rates in 2022 but an ongoing commitment to support markets if conditions turn weaker. This central bank strategy is likely to be adopted more widely. Forward visibility is helpful to equity investors, at least for now and the central banks are providing ample time before embarking upon a policy tightening journey. This is to ensure an orderly transition into a post Covid era, as we have been cautioning through the year.

The Recovery and Inflation proofing themes continue to post positive returns whilst clean energy investments and Asian equities continued to struggle during the quarter.

Our in-house proprietary technical indicators pointed to a positive change in momentum since the Omicron emergence at the end of November and suggest some further upside in US equities is achievable in the near term. We marginally increased our US equity exposure in late December.

We expect equities to perform strongly in the first quarter with earnings momentum from 2021 still likely to provide a supportive tail wind. We remain cautiously risk-on as the markets navigate this transition.

Investment Team

Investment Managers	Asim Javed, CFA
Investment Manager 2	Peter Toogood

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Source: Morningstar Direct