Alpha Beta PARTNERS

Optimal Multi-Asset Balanced Fund

as at 30 June 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	-8.65	-12.11	-9.14	0.17	-0.36	1.57
IA Mixed Investment 20-60% Shares	-6.42	-9.57	-7.14	1.02	1.71	3.25

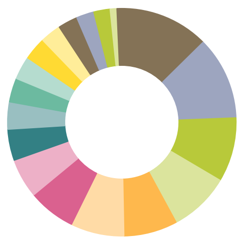
The AlphaBeta Investment team took over this mandate on 1 February 2021.

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: 30/06/2022

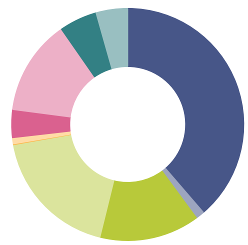


	%
US Equity Large Cap Blend	12.6
Energy Sector Equity	11.8
Technology Sector Equity	9.1
Europe Fixed Income	8.6
Japan Equity	7.6
UK Equity Large Cap	7.6
Europe Equity Large Cap	6.7
Infrastructure Sector Equity	5.6
Sterling Fixed Income	4.4
Global Fixed Income	3.9
Global Equity Large Cap	3.4
US Fixed Income	3.3
Utilities Sector Equity	3.2
Equity Miscellaneous	3.0
Global Emerging Markets Equity	2.8
Real Estate Sector Equity	2.5
Asia ex-Japan Equity	2.3
Natural Resources Sector Equity	1.0
Cash	0.7
Total	**100.0**

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

Equity Regional Exposure

Portfolio Date: 30/06/2022



	%
North America	38.7
Latin America	1.2
United Kingdom	13.9
Europe dev	18.4
Europe emrg	0.1
Africa/Middle East	0.9
Australasia	3.9
Japan	13.3
Asia dev	5.3
Asia emrg	4.4
Total	**100.0**

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

Top 10 Holdings

Portfolio Date: 30/06/2022

	Portfolio Weighting %
Amundi MSCI USA SRI PAB ETF DR C	6.34
iShares MSCI USA SRI ETF USD Acc	6.24
Amundi Index MSCI Japan SRI PAB ETF DR C	5.02
Xtrackers MSCI Eurp InfoTechESGScrnETF1C	5.00
Amundi MSCI UK IMI SRI PAB ETF DR GBP	t.99
L&G Clean Energy ETF USD Acc	4.97
Xtrackers II ESG EUR CBSD ETF 1 EUR Acc	4.20
RobecoSAM Smart Mobility Equities I USD	4.14
RobecoSAM SDG Credit Income IH GBP	3.86
iShares Global Clean Energy ETF USD Dist	3.72
	48.49

Manager's Commentary

The geopolitical risk emanating from the Russia-Ukraine conflict continued to affect the markets in June, with the wider impact of the conflict continuing to be felt across energy and agricultural commodity prices and into inflation numbers.

After a prolonged period "behind the curve" the Federal Reserve and other central banks have woken up to the issues presented by strong inflationary pressure. Interest rates have been raised twice in US and similarly around the world to control rising prices. Excess liquidity will be removed using quantitative tightening, a relatively new technique and whose side-effects for markets is not fully understood. Simultaneously economies, led by the United States, are naturally slowing and so the ability to create an economic "soft landing" will be tough indeed. The pathway to avoid a recession is narrowing.

With inflation rates elevated and at 40 plus year highs throughout G7 and beyond, markets are now primarily responding to the central banks response and monetary policy risks and with an increasing probability of a recession in the next 12-18 months being factored in.

As markets anticipate a possible recession, an earnings slowdown will be factored in and could impact valuations as results are announced. Consumer behavior will be important from here. For us, the S&P 500 index level of around 3200-3000 would be a clear re-entry point and a strong buying envelope, provided there is no new exogenous risk. With the current PE ratio hovering around 19-times earnings today, these levels point to a more modest PE of around 14 times.

Significant falls in value have been recorded with even US treasuries down 10%. The culprit is of course inflation and the knock-on anticipation of rising interest rates which has dragged yields higher and capital values lower. Higher yielding corporate bonds have suffered more so as their default risk has risen. The benchmark 10-year treasury hit 3.49% yield, very close to our target level of 3.5%. However, glimmers of hope are now appearing – longer dated treasury yields have begun to fall along with some early indications that inflation may have peaked. Commodity prices for many industrial metals including the leading indicator copper have begun to fall back.

We raised cash in portfolios across the board most recently and had previously reduced duration in fixed income allocations which has certainly helped buffer portfolios against market gyrations so far along with the unhedged US dollar exposure which has performed heroically.We are now favouring changes to duration and cash and intend to take some further equity exposure off into any sign of strength.

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Investment Team

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Source: Morningstar Direct