Optimal Multi-Asset Balanced Fund

as at 30 Sep 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	1.97	6.07	12.10	3.69	2.47	3.52
IA Mixed Investment 20-60% Shares	0.78	3.38	11.24	4.59	4.52	4.89

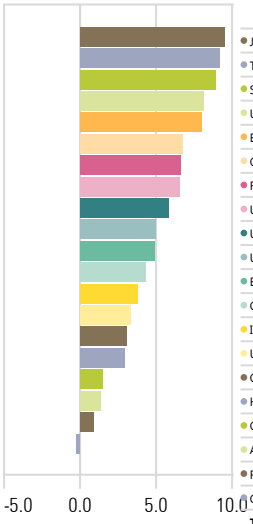
The new investment team took over the mandate and began the asset allocation rebalance on 1 February 2021.

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: 30/09/2021

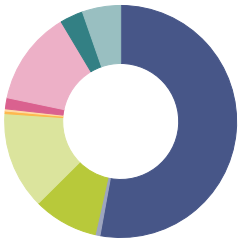


	%
Japan Equity	9.4
Technology Sector Equity	9.1
Sterling Fixed Income	8.9
US Equity Large Cap Blend	8.1
Europe Equity Large Cap	8.0
Global Fixed Income	6.7
Financials Sector Equity	6.6
US Equity Large Cap Value	6.5
US Fixed Income	5.8
UK Equity Large Cap	5.0
Energy Sector Equity	4.9
Commodities Specified	4.3
Infrastructure Sector Equity	3.8
US Equity Small Cap	3.3
Greater China Equity	3.1
Healthcare Sector Equity	3.0
Global Emerging Markets Equity	1.5
Asia ex-Japan Equity	1.4
Real Estate Sector Equity	0.9
Cash	-0.3
Total	**100.0**

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

Equity Regional Exposure

Portfolio Date: 30/09/2021



	%
North America	52.9
Latin America	0.7
United Kingdom	9.0
Europe dev	13.5
Europe emrg	0.4
Africa/Middle East	0.3
Australasia	1.5
Japan	13.1
Asia dev	3.2
Asia emrg	5.3
Total	**100.0**

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

Top 10 Holdings

Portfolio Date: 30/09/2021

	Portfolio Weighting %
iShares £ Ultrashort Bond ETF GBP Dist	5.06
Schroder ISF European Value A Acc EUR	4.49
Vanguard FTSE UK All Shr Idx Unit Tr£Acc	4.19
Janus Henderson Glb Tech Leaders I Acc	4.15
Jupiter Financial Innovt D USD Acc	4.00
Vanguard U.S. Eq Idx £ Acc	3.85
iShares Global Infras ETF USD Dist	3.80
Tabula US Enhanced Infla ETF GBP H	3.70
WisdomTree Energy ETC	3.59
Vanguard FTSE Dev €pe ex-UK Eq Idx £ Acc	3.49
	40.33

Manager's Commentary

Buoyed by further signs of economic recovery and accommodative monetary and fiscal policy, a number of developed equity markets, led by the US, continued to make new high as we entered the third quarter, only to be held in check somewhat in September as the focus shifted to potential moderating from central banks, rising stagflation fears and the Evergrande corporate bond situation. The story for developing markets, however, was more challenging, as further signs of a steady slowdown in China's growth rate coupled with regulatory clampdowns, clipped a number of Asian equity market wings.

A broadly held and stated position by the developed world's central banks is that the current inflationary pressures are transitory and are a result of the bottlenecks in supply chains. Whilst that may eventually prove to be a correct prognosis, "transitory" is a vague term and we have consistently argued that inflation is likely to overshoot the central banks expectations and stick around for a little longer than expected. As for the interest rate increases, FOMC voting (Dot Plot) suggests that the momentum is building for the first move start at some stage in 2022. On tapering, we believe the economic recovery is broadly on track and scaling back bond purchases may not have a similar affect as it did in 2013. In his post-FOMC statement, Chair Powell noted that "substantial further progress" tests for both the inflation and full employment must be met before interest rate increase. The Bond markets reacted to Fed's statement on tapering as expected with the yield on the 10- year bond rising from 1.28% to 1.46% during the month.

The last few days of the month were littered with political risk emanating from the US. Political manoeuvring over the debt ceiling vote and on the Biden administration's $3.5tr spending package only added to market jitters. Globally, the timing of debt ceiling drama, tapering talks and Chinese slow down created a confluence of events that resulted in a ~5% correction in equities during September. Our proprietary technical indicator points to a change in momentum after this recent drawdown. Global equities remain under pressure, especially the Emerging Market equities. We expect the Chinese authorities to step in and provide liquidity to their property sector. The clean energy sector remained in negative territory whilst we see soaring energy prices aided by the supply chain crunch. We expect supply chain blockages to be temporary and a strong recovery in the medium to long term.

The inflation proofing and recovery themes posted positive returns during the month. Chinese equity returns remain under pressure. We expect the Chinese central bank (PBOC) to step in and provide liquidity and stabilising catalyst to the property market.

We remain risk-on as the world navigates through the reopening phase. The central bank's policies and their forward guidance will remain pivotal in keeping an orderly transition into a normal economy.

Investment Team

Investment Managers	Asim Javed, CFA
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Source: Morningstar Direct