

Optimal Multi Asset Balanced fund

January 2020



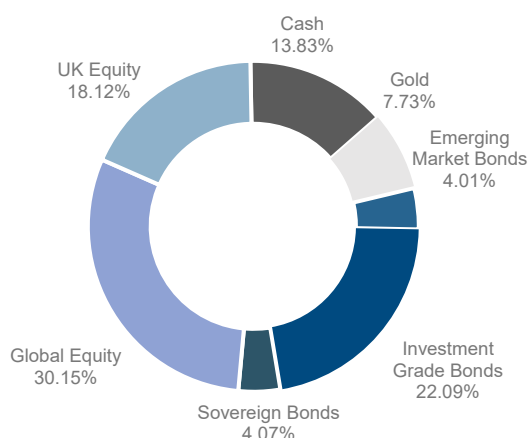
Class A (GBP)



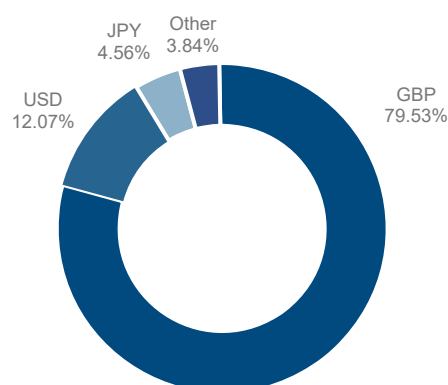
Investment Objective & Strategy

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.

Asset Allocation



Currency Exposure



Top 10 Equity Holdings

- 01 Lyxor JPX Nikkei 400 UCITS GBP
- 02 iShares MSCI World
- 03 RWC Enhanced Income
- 04 Land Securities
- 05 Xtrackers S&P 500 Inverse Daily Swap
- 06 Edinburgh Investment Trust
- 07 Alliance Trust
- 08 LF Morant Wright Japan
- 09 Aberdeen Asian Income
- 10 British Land

Top 5 Fixed Income Holdings

- 01 iShares 1-5 Year Corporate Bond
- 02 Barclays 0-5 Year Corporate Bond
- 03 iShares Ultrashort Bond
- 04 Muzinich Emerging Markets Short Duration
- 05 Muzinich Enhanced Short Yield

Average duration: 1.90 years

Concentration of top 10 holdings: 42.06%

All data as at: January 31st 2020
Source: MitonOptimal UK Limited

Monthly Commentary

In January equity markets continued where they left off at the end of December, continuing to rally, until the second half of the month when the Coronavirus broke and markets began to price for uncertainty and risk aversion. While global markets finished the period broadly unchanged, individual indices performed very differently with some Asian markets suffering worse losses than their western counterparts, although Chinese New Year might have exaggerated the moves due to less liquidity. The US stock market showed the most resilience finishing the month in positive territory while the major markets in Europe were not immune to news fearing uncertainty over global trade and fell over the period. Core government markets understandably rallied over the month as investors found refuge in safe haven assets, as did the gold price, while corporate bond spreads widened in line with the general risk aversion sentiment. In currencies, USD appreciated across the board, particularly versus EM, and GBP benefitted from the continued post-election relief.

Global economic data continued to outperform the consensus forecasts, driven predominantly by economic releases in EM. Data, while positive, was broadly in line in the US, the UK and Eurozone, although since then we have had the break out of the Coronavirus virus and only time will tell on how much impact this will have on economic activity.

Equity markets began the New Year in heavily overbought territory, as measured by the RSIs, following a long period of appreciation. The VIX Index, which measures volatility on the S&P 500, was at the lowest level for 18 months and the Bank of America/Merrill Lynch Investor survey for December illustrated how global investors had shifted their stance from being cautiously positioned and underweight stock markets for most of 2019 to an overweight position by the end of December. The question is, therefore, how much of the recent correction in markets is down to a genuine concern about the impact on trade, economic growth and earnings the virus will have or was it the catalyst for an understandable correction given the extended nature of the rally. We are watching markets closely and looking for an opportunity to increase our equity exposure if markets become oversold. If the virus is contained and economic growth is merely postponed, as was the case following the SARS outbreak, and with equities fairly valued, it makes sense to take advantage of the situation.

Fund Managers

James Sullivan
Managing Director (UK)
& Fund Manager



Peter Geikie-Cobb
Director (UK)
& Fund Manager



Performance

	3m	6m	1yr	3yr	5yr	Since launch
Optimal MA Balanced	1.40	2.08	4.33	2.78	15.62	15.55
BoE Base Rate	0.19	0.38	0.75	1.69	2.59	2.61
IA 20-60 Mixed Sector	2.40	1.44	8.89	13.38	24.19	26.65
UK Consumer Price Index	0.18	0.56	2.07	7.00	9.26	9.26

Risk Analysis (Since launch)

	Downside Risk	Max Gain	Max Loss	Volatility
Optimal MA Balanced	4.35	11.61	-4.86	4.45
IA 20-60 Mixed Sector	5.57	12.41	-4.18	5.10

Source: FE Analytics as at January 31st 2020. Past performance is not a guide to future returns.

Key Facts

Fund Name	Optimal Multi Asset Balanced	Investment Adviser	MitonOptimal UK Limited
UCITS Structure	Optimal Global Investment Funds Plc	Manager	Link Fund Manager Solutions (Ireland) Ltd
Launch Date	19-Jan-15	Administrator	Link Fund Administrators (Ireland) Ltd
Share Class	A (GBP) Acc	Depository	The Bank of New York Mellon SA/NV
Sedol / ISIN	BRJL4C2 / IE00BRJL4C27	Auditor	Grant Thornton International Ltd
AMC	0.75%	Valuation Point	Daily 23:00
OCF	1.29%	Cut-off	Daily 15:00
MOUK Contact Number	+44 (0) 1225 632 250	MOUK Contact Email	support@mitonoptimal.co.uk

Disclaimer

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