



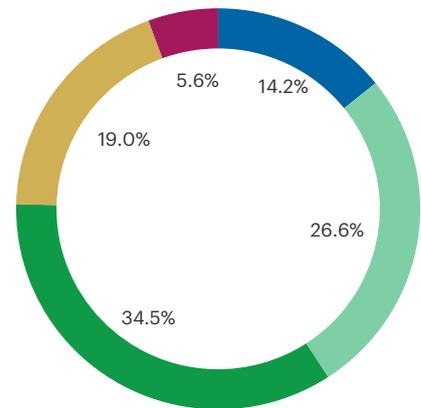
# IFSL Equilibrium Defensive

Portfolio A Acc | March 2021

The Fund aims to increase the value of your investment over any rolling three year period through a combination of capital growth, that is profit on investments, and income paid out of investments, such as interest and dividends, after any charges have been taken out of the Fund. However, there is no certainty this will be achieved. Over the longer term, any 5 year period, the Fund aims to deliver an average of cash plus 3% per annum. Cash is measured as the Bank of England Base Rate for these purposes.

|                  |                                       |                  |              |                                       |       |
|------------------|---------------------------------------|------------------|--------------|---------------------------------------|-------|
| <b>Manager</b>   | Equilibrium Investment Management LLP | <b>ISIN</b>      | GBO0BMYC7159 | <b>Annual management charge (AMC)</b> | 0.25% |
| <b>ACD</b>       | Investment Funds Services Limited     | <b>Sedol</b>     | BMYC715      |                                       |       |
| <b>Fund type</b> | Open Ended Investment Company (OEIC)  | <b>Holdings</b>  | 26           | <b>Ongoing charges figure (OCF)</b>   | 1.07% |
| <b>Launch</b>    | 2 February 2021                       | <b>Fund size</b> | £5.0m        |                                       |       |

|                            |   |       |
|----------------------------|---|-------|
| Liquidity                  | Sterling Cash & Money Market              | 10.6% |
|                            | Euro Cash & Money Market                  | 1.3%  |
|                            | US Dollar Cash & Money Market             | 2.2%  |
| Short Dated Fixed Interest | Royal London Short Duration High Yield    | 3.6%  |
|                            | TwentyFour Monument Bond Fund             | 4.5%  |
|                            | iShares \$ TIPS 0-5 Yrs ETF               | 4.5%  |
|                            | iShares £ Ultrashort Bond ETF             | 4.4%  |
|                            | Janus Henderson Absolute Return Fixed Inc | 4.7%  |
|                            | L&G Sterling Short Dated Bond Index       | 4.9%  |
| Fixed Interest             | Allianz Strategic Bond                    | 3.7%  |
|                            | Nomura Global Dynamic Bond                | 4.0%  |
|                            | Jupiter Strategic Bond                    | 4.5%  |
|                            | TwentyFour Dynamic Bond                   | 3.8%  |
|                            | Waverton Sterling Bond                    | 3.7%  |
|                            | Aegon High Yield Bond                     | 4.6%  |
|                            | Vanguard UK Investment Grade Bond Index   | 5.0%  |
|                            | Royal London Short Duration Index Linked  | 5.3%  |
| Alternative Equity         | Carmignac Long Short European Equity      | 3.0%  |
|                            | Foresight UK Infrastructure Income        | 2.2%  |
|                            | Foresight Global Real Infrastructure      | 1.4%  |
|                            | Blackrock European Absolute Alpha         | 4.7%  |
|                            | MontLake Crabel Gemini                    | 4.7%  |
|                            | Man GLG Absolute Value                    | 3.0%  |
| UK Conservative Equity     | Miton UK Multi Cap Income                 | 1.4%  |
| UK Dynamic Equity          | Lindsell Train UK Equity                  | 2.1%  |
| Global Established Equity  | Morgan Stanley Global Brands              | 2.2%  |



## Key recent changes

The fund was launched in February 2021. In future months key changes will appear here.

## Commentary

Bond markets have had a very poor period of late. The UK 10-year gilt now yields 0.85%, having been only 0.28% at the end of January. The US 10-year treasury bond now yields 1.44% having been 1.04% a month ago. Bond prices fall when yields rise.

At present, markets are being driven by a “reflation” narrative. Investors are betting that we will see a strong economic recovery later this year.

This potential for economic recovery and the massive amounts of stimulus from both central banks and governments are fuelling concerns of higher inflation. In fact, we are almost certain to see some temporarily high levels of inflation at some point this year as prices recover from the lows of last year. Inflation is always a “year on year” number and so will be inflated by the low base during the depths of the 2020 downturn.

Whilst we still think this is most likely a temporary factor, this concern is one reason why bond yields have risen. Whilst the Defensive fund has a large proportion in bonds, we try to have a very diverse mix. We hold a large proportion in short dated fixed interest and cash. We have exposure to inflation linked bonds and floating rate notes, where the yield can change when interest rates move.

We also hold a mixture of corporate bonds and not just government bonds which have sold off the most. This means that, although it has not been immune to the difficult market conditions, the fund has held up relatively well in this environment.

## Performance

Performance will be included once the fund passes its first anniversary.

### Rolling total returns

|   |   |   |   |   |
|---|---|---|---|---|
| - | - | - | - | - |
| - | - | - | - | - |

### Discrete annual total returns

|   |   |   |   |   |
|---|---|---|---|---|
| - | - | - | - | - |
| - | - | - | - | - |

## Notes and risk information

All data is to 26 February 2021 and collated by Equilibrium Investment Management LLP. Performance data sourced from FE Analytics. The views expressed herein should not be taken as statements of fact or relied upon when making investment decisions. Past performance is never a guide to future performance. Investments may (will) fall as well as rise and you may not get back your original investment. Changes in currency exchange rates or interest rates may have an adverse effect on the value of your investments.

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AMC: Equilibrium Investment Management’s fee. OCF: the overall cost of running the fund including the AMC.

The figures shown are subject to rounding which can mean that they do not add up to 100%.

### Equilibrium Investment Management LLP

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