



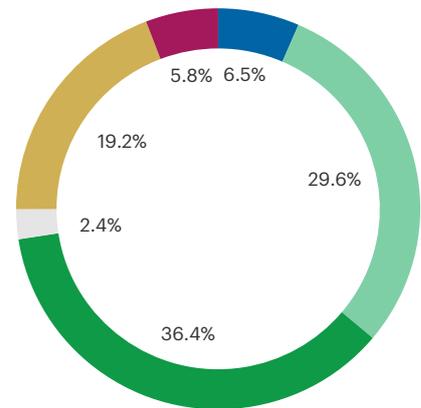
# IFSL Equilibrium Defensive

Portfolio A Acc | June 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>	30	<b>Ongoing charges figure (OCF)</b>	1.07%
<b>Launch</b>	2 February 2021	<b>Fund size</b>	£12.3m		

Liquidity	Sterling Cash & Money Market	3.2%	
	Euro Cash & Money Market	1.5%	
	US Dollar Cash & Money Market	1.8%	
Short Dated Fixed Interest	Royal London Short Duration High Yield	5.1%	
	TwentyFour Monument Bond Fund	5.0%	
	iShares \$ TIPS 0-5 Yrs ETF	4.8%	
	iShares £ Ultrashort Bond ETF	3.6%	
	Janus Henderson Absolute Return Fixed Inc	4.1%	
	L&G Sterling Short Dated Bond Index	3.1%	
	EdenTree Amity Short Dated Bond	4.0%	
Fixed Interest	Allianz Strategic Bond	5.0%	
	Nomura Global Dynamic Bond	5.0%	
	TwentyFour Dynamic Bond	5.1%	
	Waverton Sterling Bond	5.0%	
	Aegon High Yield Bond	4.9%	
	Vanguard UK Investment Grade Bond Index	3.0%	
	Royal London Short Duration Index Linked	5.2%	
	Royal London Extra Yield Bond	3.2%	
Property	Supermarket REIT	0.4%	
	Primary Healthcare Properties	0.5%	
	Segro	0.5%	
	Civitas Social Housing	0.5%	
	Target Healthcare	0.5%	
Alternative Equity	Carmignac Long Short European Equity	3.0%	
	Foresight UK Infrastructure Income	2.2%	
	Lazard Rathmore Alternative	2.8%	
	Foresight Global Real Infrastructure	2.0%	
	Blackrock European Absolute Alpha	3.0%	
	MontLake Crabel Gemini	3.1%	
	Man GLG Absolute Value	3.1%	
UK Conservative Equity	Miton UK Multi Cap Income	1.8%	
	UK Dynamic Equity	Lindsell Train UK Equity	2.0%
	Global Established Equity	Morgan Stanley Global Brands	2.0%



## Key recent changes

March 2021

**From** Cash

**To** EdenTree Amity Short Dated Bond

**From** Cash

**To** Supermarket REIT

**From** Cash

**To** Lazard Rathmore Alternative

April 2021

**From** Cash

**To** Royal London Extra Yield Bond

May 2021

**From** Jupiter Strategic Bond

**To** Short Dated Fixed Interest & Fixed Interest

**From** Vanguard UK Investment Grade Index

**To** Primary Health Properties, Segro, Civitas Social Housing & Target Healthcare

## Commentary

The economic recovery continues at pace, especially here in the UK as well as in the US. As we get some way back towards normality, the increased activity is reflected in very strong business surveys. We are expecting the current quarter to be exceptionally strong, especially given we are starting from a low base. These “base effects” make it difficult to assess economic and market data at present. For example, inflation has been strong, especially in the US, partly because it was so weak this time last year. This has been exacerbated by short term supply issues, particularly in things like microchips where demand has risen but manufacturers have struggled to keep pace. In the stock market, we’re also seeing some very strong earnings growth when compared to the lower profits from a year ago. However, such distortions make it difficult for markets to work out what is short term growth and what the long-term trends are likely to be. Based on current levels of earnings many markets look quite expensive, but with the expected bounce in profits some areas might begin to look better value. Given this backdrop, markets have largely gone sideways in the last couple of months whilst investors try and digest all this new information.

With more economic optimism we are again seeing bond yields creep slightly higher to reflect the likelihood that interest rates will (eventually) rise and quantitative easing will have to be scaled back. We have recently reduced fixed interest exposure in portfolios and instead allocated to selected property funds. We have purchased real estate investment trusts (REITS) in areas such as distribution (benefiting from online sales), social housing and healthcare. All of these should provide a solid income and some inflation protection. As REITS can be quite volatile we have only put a small amount in each, and as they are all doing something different this can reduce overall volatility.

We always want our portfolios to be well diversified although there is a fine balance. We have carried out an exercise to identify any funds which are highly correlated with another holding. Where this is the case we are looking to consolidate our positions into the funds in which we have the most conviction. This generally has a cost benefit too as we can negotiate fee discounts on larger positions. The sale of the Jupiter Strategic Bond fund is part of this exercise.

## 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 28 May 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.

Investment Fund Services Limited (IFSL) is the Authorised Corporate Director (ACD) of the IFSL Equilibrium OEIC. IFSL is registered in England No. 06110770 and is authorised and regulated by the Financial Conduct Authority. Registered office: Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP. Copies of the Prospectus and Key Investor Information Document are available in English from [www.ifslfunds.com](http://www.ifslfunds.com) or can be requested as a paper copy by calling 0808 178 9321 or writing to IFSL at the above address. Investors should refer to these for further details on the fund’s investment objectives, policy and associated risks.

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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