



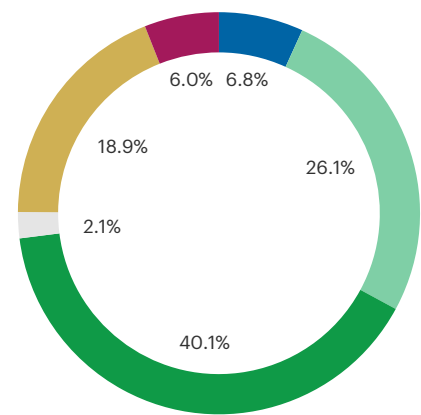
IFSL Equilibrium Defensive

Portfolio A Acc | July 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.

Manager	Equilibrium Investment Management LLP	ISIN	GBO0BMYC7159	Annual management charge (AMC)	0.25%
ACD	Investment Funds Services Limited	Sedol	BMYC715		
Fund type	Open Ended Investment Company (OEIC)	Holdings	30	Ongoing charges figure (OCF)	1.07%
Launched	2 February 2021	Fund size	£14.1m		

Liquidity	Sterling Cash & Money Market	3.2%	
	Euro Cash & Money Market	1.3%	
	US Dollar Cash & Money Market	2.3%	
Short Dated Fixed Interest	Royal London Short Duration High Yield	5.3%	
	TwentyFour Monument Bond Fund	5.0%	
	iShares \$ TIPS 0-5 Yrs ETF	4.9%	
	iShares £ Ultrashort Bond ETF	3.1%	
	L&G Sterling Short Dated Bond Index	3.9%	
	EdenTree Amity Short Dated Bond	3.8%	
Fixed Interest	Allianz Strategic Bond	5.1%	
	Nomura Global Dynamic Bond	5.0%	
	TwentyFour Dynamic Bond	5.0%	
	Waverton Sterling Bond	5.0%	
	Aegon High Yield Bond	4.9%	
	Vanguard UK Investment Grade Bond Index	2.9%	
	Royal London Short Duration Index Linked	4.9%	
	Royal London Extra Yield Bond	3.2%	
	M&G Global Floating Rate High Yield	4.0%	
Property	Supermarket Income REIT	0.4%	
	Primary Healthcare Properties	0.4%	
	Segro	0.5%	
	Civitas Social Housing	0.4%	
	Target Healthcare	0.4%	
Alternative Equity	Carmignac Long Short European Equity	2.9%	
	Foresight UK Infrastructure Income	2.1%	
	Lazard Rathmore Alternative	2.8%	
	Foresight Global Real Infrastructure	2.0%	
	Blackrock European Absolute Alpha	3.0%	
	MontLake Crabel Gemini	3.0%	
	Man GLG Absolute Value	3.0%	
UK Conservative Equity	Miton UK Multi Cap Income	1.9%	
	UK Dynamic Equity	Lindsell Train UK Equity	2.0%
	Global Established Equity	Morgan Stanley Global Brands	2.1%



Key recent changes

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

June 2021

From Janus Henderson Absolute Return Fixed Interest

To M&G Global Floating Rate High Yield

Commentary

Earlier this year we discussed how bond markets were enduring a difficult period. As economies begin to re-open and economies recover, investors have become concerned about higher inflation and that this would lead to interest rate increases. Interest rate increases are generally bad for bonds as their yields will need to go up in response, meaning their prices fall.

Inflation has indeed increased faster than many had expected and the Federal Reserve is now talking about putting up rates in response. However, they have also strongly expressed the view that this inflation will be “transitory” rather than a long-term problem. Rates therefore don’t need to go up to higher levels than they had previously indicated, they just increase sooner.

As a result, some of types of bonds which struggled earlier have somewhat recovered.

With the defensive fund we will naturally have a high proportion to fixed interest but we try to maintain a good mix of different types of bond. This includes inflation linked as well as fixed rate bonds.

We have also moved to protect ourselves against rate increasing by adding more “floating rate” exposure in the form of the M&G Floating Rate High Yield fund. This holds bonds where the coupons will increase if rates go up. Last month we also reduced fixed interest exposure in favour of property, where rents typical increase with inflation over time.

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 30 June 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 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%.

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