



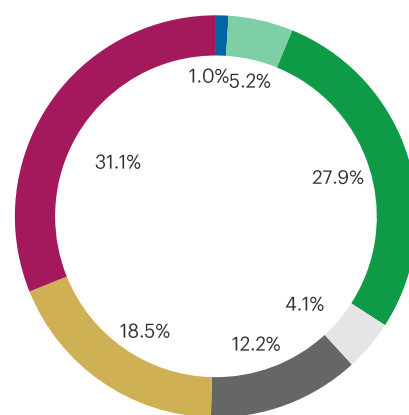
IFSL Equilibrium Balanced

Portfolio A Acc | September 2021

The Fund aims to deliver returns greater than inflation over a minimum of 5 years, 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 10 year period, the Fund aims to deliver an average of inflation plus 5% per annum. Inflation is measured as the UK Consumer Prices Index for these purposes. The Fund will invest at least 80% in other funds and investment trusts (collectively 'Investment Funds').

Manager	Equilibrium Investment Management LLP	ISIN	GBO0BYXHQX09	Annual management charge (AMC)	0.25%
ACD	Investment Funds Services Limited	Sedol	BYXHQX0	Ongoing charges figure (OCF)	1.06%
Fund type	Open Ended Investment Company (OEIC)	Holdings	47		
Launched	1 November 2017	Fund size	£450.8m		

Liquidity	Sterling Cash & Money Market	0.4%	
	Euro Cash & Money Market	0.2%	
	US Dollar Cash & Money Market	0.4%	
Short Dated Fixed Interest	Royal London Short Duration High Yield	3.0%	
	TwentyFour Monument Bond Fund	2.2%	
Fixed Interest	Allianz Strategic Bond	5.2%	
	Nomura Global Dynamic Bond	3.9%	
	Royal London Extra Yield Bond	3.3%	
	TwentyFour Dynamic Bond	5.5%	
	Muzinich Asia Credit Opportunities	2.7%	
	GAM Credit Opportunities	2.0%	
	Waverton Sterling Bond	2.4%	
	M&G Global Floating Rate High Yield	3.0%	
	Property	Time Commercial Long Income	1.0%
		Supermarket Income REIT	0.7%
Primary Healthcare Properties		0.6%	
Segro		0.6%	
Civitas Social Housing		0.5%	
Target Healthcare		0.5%	
Defined Returns	Societe Generale FTSE Autocall Dec 2017	2.7%	
	JPM FTSE Autocall September 2018	2.5%	
	BNP Paribas FTSE/S&P Autocall Feb 2020	1.6%	
	Atlantic House Defined Returns	0.8%	
	Credit Suisse FTSE/S&P Autocall Jan 2018	2.3%	
	BNP Paribas FTSE Autocall Jan 2020	1.2%	
	Morgan Stanley FTSE/S&P Autocall Mar 2019	1.1%	
	Alternative Equity	Lazard Global Listed Infrastructure	2.0%
Carmignac Long Short European Equity		2.5%	
Foresight UK Infrastructure Income		1.5%	
Lazard Rathmore Alternative		4.5%	
Foresight Global Real Infrastructure		2.5%	
Blackrock European Absolute Alpha		2.5%	
Legg Mason ClearBridge Global Infrastructure		1.6%	
Man GLG Absolute Value		1.4%	
UK Conservative Eq.		Miton UK Multi Cap Income	3.3%
		UK Dynamic Equity	Miton UK Value Opportunities
	Chelverton UK Growth		2.4%
	Liontrust Special Situations		2.6%
Global Established Equity	Baillie Gifford Japanese Co.	1.7%	
	Miton European Opportunities	2.1%	
	Vanguard US Equity Index	0.9%	
	Baillie Gifford American	1.2%	
	Morgan Stanley Global Brands	1.3%	



Key recent changes

June 2021

From Cash & Waverton Sterling Bond
To M&G Global Floating Rate High Yield
From Blackrock European Dynamic
To Miton European Opportunities
From Lindsell Train UK Equity & Lindsell Train Japanese Equity
To Lindsell Train Global Equity & Baillie Gifford Japanese Co.

July 2021

No key changes

August 2021

No key changes

Please note that the fund percentages shown are subject to rounding which can mean that they do not add up to 100%.

Global Established Equity (continued)	Schroder Global Recovery	2.7%
	Lindsell Train Global Equity	3.2%
Global Speculative Equity	Invesco China	1.5%
	Goldman Sachs India	0.9%
	Hermes GEM SMID	0.9%
	Baillie Gifford EM Leading Companies	1.3%
	Allianz China A-Shares	0.9%

Commentary

In the main, stock markets have ground slowly higher in the last month or so, punctuated by the occasional bout of volatility. Most investors remain overweight equity compared to other asset classes like bonds. In many ways, many equities look expensive relative to history, but they still look cheap compared to bonds. Sometimes this is referred to as the TINA trade – because There Is No Alternative to equities if you want growth!

Warren Buffett said we should “...be fearful when others are greedy and greedy when others are fearful”. However, despite high allocations to equities investor surveys still show a distinct lack of greed. Whilst we think a short-term correction is possible, we rarely get a more serious drop in markets unless investors are exhibiting more exuberance. We therefore think the “buy the dip” mentality may continue and help to constrain any market setbacks. However, we have seen more serious moves in emerging markets. Much of this is driven by the Chinese crackdown on technology firms that they believe have too much influence on their society. This does leave such firms looking much cheaper than their Western counterparts, but the uncertainty will impact their stocks for some time.

Investors are still worried about high levels of inflation. Most of this is being driven by temporary factors, but supply chain issues are lingering and if anything are getting worse. The news is full of stories of empty shelves and lorry driver shortages, whilst the price of shipping containers has sky-rocketed. Normally, central banks respond to inflation with higher interest rates. However, this would have limited effect on inflation driven mainly by supply issues rather than excess demand. Therefore, central banks continue to signal no rate rises until perhaps the end of 2022. Bond markets have rallied as a result.

We continue to allocate some of the portfolio to “real assets” like infrastructure and property which tend to grow their revenues ahead of inflation. Within our fixed interest portfolio we are favouring corporate bonds with low sensitivity to interest rates, rather than government bonds which tend to be more exposed to changes in rate expectations. Within equities, we still believe the UK market has some good value, particularly in the smaller end of the market.

Performance

Rolling total returns

3 Months (31.05.21 to 31.08.21)	6 Months (26.02.21 to 31.08.21)	1 Year (31.08.20 to 31.08.21)	3 Years (31.08.18 to 31.08.21)	-
2.70%	6.10%	14.80%	19.18%	-

Discrete annual total returns

2020 (31.12.19 to 31.12.20)	2019 (31.12.18 to 31.12.19)	2018 (31.12.17 to 31.12.18)	-	-
4.31%	13.79%	-4.12%	-	-

Notes and risk information

All data is to 31 August 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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Equilibrium Investment Management LLP

Ascot House, Epsom Avenue, Handforth, Wilmslow, Cheshire, SK9 3DF

0161 486 2250 : askus@equilibrium.co.uk : www.equilibrium.co.uk

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