



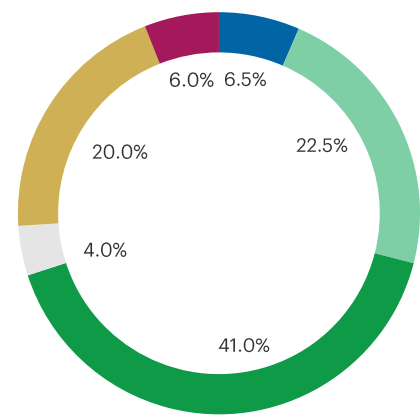
# IFSL Equilibrium Defensive

Portfolio A Acc | September 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>Launched</b>	2 February 2021	<b>Fund size</b>	£16m		

Liquidity	Sterling Cash & Money Market	4.7%	
	US Dollar Cash & Money Market	2.0%	
Short Dated Fixed Interest	Royal London Short Duration High Yield	5.4%	
	TwentyFour Monument Bond Fund	5.1%	
	iShares \$ TIPS 0-5 Yrs ETF	3.4%	
	L&G Sterling Short Dated Bond Index	4.2%	
	EdenTree Amity Short Dated Bond	4.4%	
Fixed Interest	Allianz Strategic Bond	5.0%	
	Nomura Global Dynamic Bond	5.1%	
	TwentyFour Dynamic Bond	4.9%	
	Waverton Sterling Bond	4.9%	
	Aegon High Yield Bond	5.1%	
	Vanguard UK Investment Grade Bond Index	2.8%	
	Royal London Short Duration Index Linked	4.9%	
	Royal London Extra Yield Bond	4.0%	
	M&G Global Floating Rate High Yield	4.2%	
	Property	Supermarket Income REIT	0.8%
		Primary Healthcare Properties	0.4%
		Segro	0.5%
Civitas Social Housing		0.7%	
Target Healthcare		0.4%	
Time Social Long Income		1.1%	
Alternative Equity	Carmignac Long Short European Equity	2.9%	
	Foresight UK Infrastructure Income	2.5%	
	Lazard Rathmore Alternative	3.1%	
	Foresight Global Real Infrastructure	2.0%	
	Blackrock European Absolute Alpha	3.1%	
	MontLake Crabel Gemini	2.9%	
	Man GLG Absolute Value	3.5%	
UK Conservative Equity	Miton UK Multi Cap Income	2.0%	
	Global Established Equity	Morgan Stanley Global Brands	2.1%
		Lindsell Train Global Equity	1.9%



## Key recent changes

June 2021

**From** Janus Henderson Absolute Return Fixed Interest  
**To** M&G Global Floating Rate High Yield

July 2021

**From** Lindsell Train UK Equity  
**To** Lindsell Train Global Equity  
**From** Short Dated Fixed Interest & Fixed Interest  
**To** Time Social Long Income

August 2021

No key changes

## Commentary

The objective of the defensive fund is to provide returns ahead of cash whilst keeping risk levels to a minimum.

Whilst cash rates are low, so too are bond yields. In addition, bonds can be sensitive to changes in interest rate expectations, tending to lose capital value when rate expectations increase.

Investors remain 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. They will also be slow to "taper" quantitative easing, and bond markets have rallied as a result.

Whilst trying to keep risk levels low, we try to diversify some of this interest rate risk in various ways.

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.

We also hold a small amount of equities with a bias towards higher quality companies who tend to have stable levels of earnings.

## 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 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.

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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