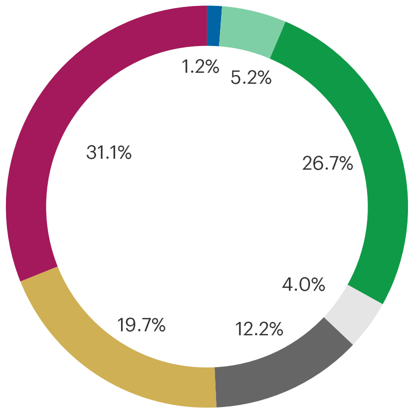
IFSL Equilibrium Balanced

Portfolio A Acc | October 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**	GB00BYXHQX09	**Annual management charge (AMC)**	0.25%
ACD	Investment Funds Services Limited	**Sedol**	BYXHQX0		
Fund type	Open Ended Investment Company (OEIC)	**Holdings**	49	**Ongoing charges figure (OCF)**	1.06%
Launched	1 November 2017	**Fund size**	£446.8m		

Liquidity	Sterling Cash & Money Market	0.6%
	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	5.0%
	Nomura Global Dynamic Bond	3.9%
	Royal London Extra Yield Bond	3.3%
	TwentyFour Dynamic Bond	5.1%
	Muzinich Asia Credit Opportunities	2.7%
	GAM Credit Opportunities	2.0%
	Waverton Sterling Bond	1.7%
	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	0.6%
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	0.9%
	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%
	MontLake Crabel Gemini	1.2%
UK Conservative Eq.	Miton UK Multi Cap Income	3.3%
UK Dynamic Equity	Miton UK Value Opportunities	4.0%
	Chelverton UK Growth	0.9%
	Liontrust Special Situations	3.1%
	Octopus UK Micro Cap Growth	0.9%
Global Established Equity	Baillie Gifford Japanese Co.	1.7%
	Miton European Opportunities	2.1%
	Vanguard US Equity Index	0.5%
	Baillie Gifford American	1.2%



Key recent changes

July 2021

No key changes

August 2021

No key changes

September 2021

From Chelverton UK Growth
To Octopus UK Mirco Cap Growth

From Vanguard US Equity Index
To L&G US Equity Responsible Exclusions

From Fixed Interest
To MontLake Crabel Gemini

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)	Morgan Stanley Global Brands	1.3%
	Schroder Global Recovery	2.7%
	Lindsell Train Global Equity	3.3%
	L&G US Equity Responsible Exclusions	0.8%
Global Speculative Equity	Invesco China	1.1%
	Goldman Sachs India	0.9%
	Hermes GEM SMID	1.0%
	Baillie Gifford EM Leading Companies	1.3%
	Allianz China A-Shares	1.1%

Commentary

We have seen a volatile few weeks in the stock market. In early September, investors became concerned that a large Chinese property developer might default on some of their bonds. Evergrande is highly indebted and is facing a "liquidity crunch" meaning they are struggling to pay even the interest on their debts. The issue is not just what happens to Evergrande but the possible knock-on effect of any default on individuals and institutions both inside and outside of China. For now, the Chinese government seems to have engineered a way to stop a disorderly default, ensuring those within China continue to receive their money. Meanwhile, the company has missed some payments on the bonds held by non-Chinese institutions.

Chinese growth is also slowing and this is being worsened by the issues in the energy market which is affecting us here in the UK. In China, we have actually seen "electricity rationing" as gas and coal prices increase. Also moving markets is the expectations that interest rates may go up sooner than expected in both the US and the UK. With the ongoing issues in supply chains and energy markets, inflation remains high and is likely to move higher before it comes down.

This has seen government bonds sell off on both sides of the Atlantic, which has in turn had a knock-on effect to other asset classes. In particular, as we have noted previously, the big tech stocks are highly sensitive to changes in bond yields, falling when yields rise. We have reduced fixed interest exposure recently and moved a portion to "floating rate" bonds where the yield increases when rates increase. We have increased exposure to "real assets" such as property and infrastructure, where the income tends to increase as inflation rises. Even these have not been immune given the impact that rising borrowing cost can have on such assets but they should give us some longer term inflation protection. One of the few assets which have done well in this environment is our global recovery equity fund. This is one of our few funds which has more "old industry" stocks, such as energy and mining, which benefit from rising commodity prices.

Performance

Rolling total returns

3 Months (30.06.21 to 30.09.21)	**6 Months** (31.03.21 to 30.09.21)	**1 Year** (30.09.20 to 30.09.21)	**3 Years** (30.09.18 to 30.09.21)	**-**
0.58%	4.85%	14.68%	18.49%	-

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 30 September 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.

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