



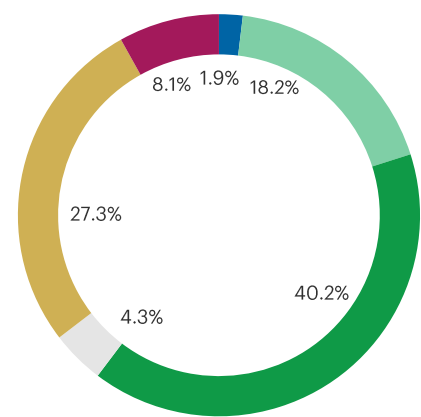
# IFSL Equilibrium Defensive

Portfolio A Acc | December 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>Ongoing charges figure (OCF)</b>	1.07%
<b>Fund type</b>	Open Ended Investment Company (OEIC)	<b>Holdings</b>	33		
<b>Launched</b>	2 February 2021	<b>Fund size</b>	£19.3m		

Liquidity	Sterling Cash & Money Market	1.9%
Short Dated Fixed Interest	Royal London Short Duration High Yield	5.2%
	TwentyFour Monument Bond Fund	5.1%
	iShares \$ TIPS 0-5 Yrs ETF	3.5%
	L&G Sterling Short Dated Bond Index	4.1%
	EdenTree Amity Short Dated Bond	0.4%
	Fixed Interest	Allianz Strategic Bond
	Nomura Global Dynamic Bond	5.2%
	TwentyFour Dynamic Bond	5.0%
	Waverton Sterling Bond	4.2%
	Aegon High Yield Bond	4.9%
	Vanguard UK Investment Grade Bond Index	2.9%
	Royal London Short Duration Index Linked	5.1%
	Royal London Extra Yield Bond	4.0%
	M&G Global Floating Rate High Yield	4.1%
Property	Supermarket Income REIT	0.8%
	Primary Healthcare Properties	0.6%
	Segro	0.7%
	Civitas Social Housing	0.7%
	Target Healthcare	0.6%
	Time Social Long Income	0.9%
Alternative Equity	Carmignac Long Short European Equity	2.9%
	Foresight UK Infrastructure Income	3.7%
	Lazard Rathmore Alternative	2.9%
	Foresight Global Real Infrastructure	2.0%
	Blackrock European Absolute Alpha	3.1%
	MontLake Crabel Gemini	3.1%
	Man GLG Absolute Value	3.4%
	Foresight Sustainable Forestry Co.	1.1%
	BNP Dynamic Volatility Carry	5.0%
UK Conservative Equity	Miton UK Multi Cap Income	2.1%
Global Established Equity	Morgan Stanley Global Brands	2.1%
	Lindsell Train Global Equity	1.9%
	L&G US Equity Responsible Exclusions ETF	2.0%



## Key recent changes

September 2021

None

October 2021

None

November 2021

**From** Fixed Interest

**To** Foresight Sustainable Forestry Co. & BNP Dynamic Volatility Carry

**From** Cash

**To** L&G US Equity Responsible Exclusions

## Commentary

For the most part, November was a relatively calm month on the markets. That all changed in the final few days of the month when concerns rose about the Omicron variant of Covid-19. Markets fell as governments re-introduced travel restrictions, hitting the shares of airlines and oil & gas companies particularly hard. At present we only have limited information about the new variant and so we can only speculate. Much will depend on what the data shows regarding how infectious and how resistant to vaccines it turns out to be.

Before this news, markets had been worrying about inflation and believed that central banks were about to begin tightening policy. We had been expecting the Bank of England to put up rates in December, but unless we get some more certainty around Omicron before their next meeting, we now think they will hold off for now.

The Federal Reserve has begun tapering quantitative easing and had been speculating about increasing the pace at which it slows - then stops - this stimulus, in the face of rising prices. However, the sharp fall in the oil price reduces some of the short-term inflationary pressures.

In the past month we made two changes to portfolios which we think will help guard against two alternative scenarios. Firstly, we have added a fund which we think will act as some protection against a further sharp drop in equities – the BNP Dynamic Volatility Carry fund. In essence, this fund is designed to do well if markets become more volatile, which tends to happen when markets fall sharply. This is in portfolios as a form of insurance, allowing us to take a more cautious position without reducing equity exposure.

Secondly, we have added the Foresight Sustainable Forestry investment trust into portfolios. We participated in this Initial Public Offering into a fund which will buy both existing forestry, and plant new forests. Like property and infrastructure, this is a “real asset” which we think can provide a solid income with inflation protection, as well as having a positive environmental effect. The fund can enhance its income by selling carbon credits to firms who wish to offset their own emissions.

## 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 November 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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