



## IFSL Equilibrium Global Equity Portfolio

Each month we provide factsheets for the IFSL Equilibrium funds which give details of the holdings as at the end of the month, together with market commentary.

In addition to this, each quarter we provide more detailed analysis of the holdings, focusing on what has been performing well and what has been underperforming.

### Asset allocation changes

The table below shows our current allocation compared to three months and 12 months ago, the changes are highlighted from dark green to dark red in terms of largest increase to largest decrease.

Asset	Current %	3 months ago %	3 month change %	12 months ago %	12 month change %
Cash	0.9	0.5	0.4	1.4	-0.5
Alternative Equity	11.1	11.0	0.1	11.3	-0.2
Defined Returns	8.2	8.3	-0.1	8.5	-0.3
Equity	75.5	76.4	-0.9	78.9	-3.4

### Recent fund changes

The tables below show any significant changes we have made to the holdings in the portfolio over the quarter.

#### Significant increased positions

Asset class	Fund	Current %	3 months ago %	3 month change %
EQ	Octopus UK Micro Cap Growth	2.85	-	2.85
EQ	L&G US Equity Responsible Exclusion ETF	1.38	-	1.38
EQ	Federated Hermes Emerging Market SMID	5.95	5.35	0.60
EQ	Allianz China A-Shares	5.37	4.79	0.58
EQ	Miton UK Multi Cap Income	4.33	3.77	0.56

#### Significant decreased positions

Asset class	Fund	Current %	3 months ago %	3 month change %
EQ	Chelverton UK Equity Growth	1.55	4.45	-2.90
EQ	Invesco China Equity Fund	4.46	6.17	-1.71
EQ	Chrysalis Investments	2.98	4.03	-1.05
EQ	Vanguard US Equity Index	1.44	2.49	-1.05
EQ	Allianz China A-Shares	1.99	2.79	-0.80

# Quarterly Report Q3 2021



## Contribution to return by sector

The table below shows each of our asset classes and the equity regions we invest in. It breaks down the average exposure, the return for the asset class over the period we have been invested and the contribution to the overall portfolio return over three months and 12 months.

Asset	3 months			12 months		
	Average portfolio weight %	Portfolio return %	Contribution to portfolio return %	Average portfolio weight %	Portfolio return %	Contribution to portfolio return %
Cash	0.9	0.01	0.00	1.54	-0.00	0.00
Alternative Equity	11.2	1.59	0.18	10.43	11.33	1.17
Defined Returns	8.2	2.12	0.17	9.52	22.51	2.45
Equity	79.7	-0.20	-0.14	78.51	26.54	20.74
<b>Overall Portfolio</b>			<b>0.08</b>			<b>24.5</b>

Asset class portfolio return and contribution to return calculations use daily positions and don't take into consideration charges, aggregated contribution to returns may not equal overall portfolio return.

Regional equity portfolio	3 months			12 months		
	Average portfolio weight %	Portfolio return %	Contribution to portfolio return %	Average portfolio weight %	Portfolio return %	Contribution to portfolio return %
UK Conservative Equity	4.2	0.72	0.03	1.33	0.90	0.04
UK All	-	-	-	-	-	-
UK Dynamic	15.4	3.70	0.55	20.25	49.84	9.72
Global Established	35.5	1.86	0.66	32.36	23.33	7.54
Global Speculative	24.5	-5.73	-1.39	24.57	12.33	3.44
Vol Trade	-	-	-	-	-	-



## Top and bottom contributors to return

The tables below show the top and bottom five contributors to return over the past three and 12 months, it breaks down the average exposure, the return over the holding period and the contribution to the overall portfolio return.

### Top five contributors over three months

Asset class	Asset	Average portfolio weight %	Holding return %	Contribution to portfolio return %
EQ	Goldman Sachs India	3.7	15.68	0.54
EQ	HG Capital Trust	2.8	10.28	0.27
EQ	Chelverton UK Equity Growth	4.1	6.34	0.25
EQ	Miton UK Value Opportunities	8.1	2.49	0.20
EQ	Baillie Gifford Japan	4.0	3.35	0.14

### Bottom five contributors over three months

Asset class	Asset	Average portfolio weight %	Holding return %	Contribution to portfolio return %
EQ	Invesco China Equity Fund	5.6	-16.50	-0.96
EQ	Baillie Gifford Emerging Markets	4.9	-7.23	-0.36
EQ	Federated Hermes Emerging Market SMID	5.5	-5.27	-0.30
EQ	Lindsell Train Global Equity	5.7	-3.84	-0.22
EQ	Allianz China A-Shares	4.8	-6.94	-0.31

### Top five contributors over 12 months

Asset class	Asset	Average portfolio weight %	Holding return %	Contribution to portfolio return %
EQ	Miton UK Value Opportunities	6.0	58.87	2.71
EQ	Chrysalis Investments	3.4	80.28	2.46
EQ	Chelverton UK Equity Growth	4.3	59.09	2.31
EQ	Schroder Global Recovery	5.6	32.98	2.06
EQ	Goldman Sachs India	3.7	54.66	1.80

### Bottom five contributors over 12 months

Asset class	Asset	Average portfolio weight %	Holding return %	Contribution to portfolio return %
EQ	Invesco China Equity Fund	6.0	-13.49	-0.82
EQ	Allianz China A-Shares	2.9	-13.06	-0.59
EQ	Lindsell Train Japanese Equity	2.1	-9.71	-0.36
EQ	Lindsell Train Global Equity	1.5	-2.50	-0.16
EQ	Octopus UK Micro Cap Growth	0.0	-0.49	0.00

## Portfolio commentary

Returns over the quarter have been harder to come by than earlier in the year as a number of negative market narratives persist leading to uncertainty. This has left some equity markets range bound with no real direction up or down although certain sectors and regions have shown outperformance.

The inflation story throughout the year has never quite concluded and higher energy prices and stressed supply chains have pushed year on year inflation higher. The common view of a short transitory spike in inflation is being tested as is the resolve of Central banks as expectations of rate hikes came forward and bond yields rose.

# Quarterly Report Q3 2021



Then, a series of reforms in China have continued to spook investors in targeted sectors including private education and online gaming whilst contagion concerns weighed on bonds as details of the Evergrande scandal emerged.

We introduced two new funds over the quarter as we adjusted our UK and US Equity exposure. The L&G US Equity Responsible Exclusions ETF is a direct replacement for the Vanguard US Equity Index tracker. The Octopus UK Micro Cap fund provide exposure to smaller companies that offer potentially huge growth over the longer term. It replaces the Chelverton UK Growth fund which has grown to a size we are less comfortable with.

Overall, Defined Returns and Alternative Equity have been the drivers of return this quarter whilst Equity has struggled and detracted from performance. Looking through the headline

Equity figures it is clear whilst UK equities and a handful of Global funds have been on form our Global Speculative portfolio has not.

Despite the strong performance of Goldman Sachs India, second highest contributor over the quarter, the Global Speculative portfolio has detracted mainly due to the weakness in Invesco China over the quarter whilst Allianz China A-shares and our two broad Emerging Markets funds were also in the bottom five contributors.

## 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)	-	-
0.08%	8.00%	24.50%	-	-

### 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)	-	-
3.60%	12.37%	-3.60%	-	-

## Further reading

For holdings and market commentary as at the end of the month, please see our [latest monthly factsheets](#). Attribution analysis is for indication only.

## Risk information

All data is from 30 September 2021 and provided by Equilibrium Investment Management LLP unless otherwise stated. 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.

## Equilibrium Investment Management LLP

Ascot House, Epsom Avenue, Handforth, Wilmslow, Cheshire SK9 3DF  
t : +44 (0) 161 486 2250 t : 0808 168 0748 e : [askus@equilibrium.co.uk](mailto:askus@equilibrium.co.uk) w : [www.equilibrium.co.uk](http://www.equilibrium.co.uk)