



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.

Key

A = Alternatives

EQ = Equities

CPI = Consumer Price Index (inflation)

C = Cash

FI = Fixed Interest

DR = Defined Returns

RA = Assets

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	0.0	1.1	-1.1	0.6	-0.6
Fixed Interest	0.0	0.0	0.0	0.0	0.0
Real Assets	4.6	4.4	0.1	10.4	-5.9
Defined Returns	4.3	5.5	-1.3	6.6	-2.4
Alternatives	1.1	0.0	1.1	0.0	1.1
Equity	90.1	88.9	1.1	82.3	7.7

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 %
A	THEAM Dynamic Volatility Carry	1.11	-	1.11
EQ	iShares NASDAQ 100 ETF	4.45	3.62	0.83
EQ	Federated Hermes Emerging Market SMID	6.00	5.42	0.58
EQ	Morgan Stanley Global Brands	5.87	5.44	0.43
EQ	Goldman Sachs India	5.18	4.77	0.41
EQ	Royal London Global Equity Select	6.07	5.70	0.37

Significant decreased positions

Asset class	Fund	Current %	3 months ago %	3 month change %
DR	Morgan Stanley FTSE/S&P Defined Return Mar18	-	1.32	-1.32
EQ	iShares S&P SmallCap 600	3.25	3.90	-0.65
EQ	HG Capital Trust Ord Shs	2.63	3.21	-0.58
EQ	Baillie Gifford American	4.89	5.43	-0.54
EQ	Allianz China A-Shares	4.22	4.48	-0.26



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 weight %	Asset class return %	Contribution to return %	Average weight %	Asset class return %	Contribution to return %
Cash	0.5	1.0	0.0	0.6	2.4	0.0
Fixed Interest	-	-	-	-	-	-
Real Assets	4.5	-1.0	-0.0	7.0	-10.9	-0.8
Defined Returns	5.5	5.1	0.3	6.5	8.4	0.6
Alternatives	0.2	-1.4	-0.0	0.2	-0.9	-0.0
Equity	89.4	2.5	2.1	85.7	-12.5	-10.4
Overall Portfolio			2.2			-11.1

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 weight %	Equity region return %	Contribution to return %	Average weight %	Equity region return %	Contribution to return %
UK Equity	18.7	1.8	0.3	17.3	-11.0	-1.7
Global Developed	43.1	6.9	2.8	39.1	-7.3	-2.5
Global Emerging	21.8	-1.3	-0.3	23.1	-10.6	-2.5
Private Equity	5.8	-12.8	-0.7	6.2	-48.0	-3.6
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 weight %	Current weight %	Holding return %	Contribution to return %
EQ	Baillie Gifford American	5.1	4.6	14.8	0.7
EQ	iShares NASDAQ 100 ETF	3.8	4.3	15.8	0.6
EQ	Schroder Global Recovery	6.1	6.2	8.3	0.5
EQ	Royal London Global Equity Select	6.0	7.0	6.9	0.4
EQ	L&G US Equity Responsible Exclusion ETF	7.4	7.5	5.6	0.4

Bottom five contributors over three months

Asset class	Asset	Average weight %	Current weight %	Holding return %	Contribution to return %
EQ	Goldman Sachs India	4.9	4.8	-8.8	-0.5
EQ	Chrysalis Investments Ltd	1.6	1.8	-26.1	-0.4
EQ	iShares S&P SmallCap 600	3.6	0.0	-6.7	-0.3
EQ	The Schiehallion Fund	0.8	0.9	-22.7	-0.2
EQ	HG Capital Trust Ord Shs	3.4	3.4	-3.3	-0.1

Top five contributors over 12 months

Asset class	Asset	Average weight %	Current weight %	Holding return %	Contribution to return %
EQ	Schroder Global Recovery	5.7	6.2	8.1	0.5
EQ	iShares Core FTSE 100 ETF	0.9	0.0	7.8	0.4
EQ	Artemis UK Select	1.2	4.1	8.6	0.3
EQ	iShares NASDAQ 100 ETF	2.8	4.3	5.1	0.3
EQ	Liontrust Special Situations	2.8	4.4	4.6	0.3

Bottom five contributors over 12 months

Asset class	Asset	Average weight %	Current weight %	Holding return %	Contribution to return %
EQ	Chrysalis Investments Ltd	1.9	1.8	-68.0	-2.0
EQ	Miton UK Value Opportunities	3.5	0.0	-20.6	-1.2
EQ	Baillie Gifford American	4.5	4.6	-31.0	-1.2
EQ	The Schiehallion Fund	0.9	0.9	-66.6	-0.9
EQ	Octopus UK Micro Cap Growth	2.9	2.0	-22.2	-0.9



Portfolio commentary

Following a challenging year in 2022, the Global Equity Fund managed a return of 2.26% in a quarter that was very much a story of two halves. From the start of January to the second week in February, markets were strong with bond yields falling and equity markets higher as investors priced in slower inflation and digested better than expected economic data.

However, subsequent inflation data has been somewhat “stickier” than expected, this muddied the waters for what the market had priced in for the path of interest rates.

Whilst this was always seen as a possible outcome, the markets were not expecting the banking turmoil that was seen in March. The issues at Silicon Valley Bank and Credit Suisse appear unique and not systemic, however, this provided further negative news flow that weakened already poor investor sentiment.

With technology stocks and the sectors that had been the hardest hit in 2022 enjoying a rebound our biggest contributor to performance was the Baillie Gifford American Fund at 0.7%. This technology rebound also drove performance in our second largest contributor the NASDAQ 100 ETF adding 0.6%. Following on from this was the Schroder Global Recovery Fund benefitting

from the overweight to the UK and Japan as the more value-oriented markets also enjoyed a strong quarter adding 0.5% to performance.

Our biggest detractor to performance was Goldman Sachs India Fund, following a resilient 2022 the Indian market suffered in Q1 dragged down by poor sentiment globally and uncertainty around the path of inflation and growth costing the fund 0.5%. Chrysalis was our second biggest detractor costing the fund 0.4% also as the higher interest rate environment continues to see the value of loss-making private companies written down.

We believe that going forward there are pockets of opportunities with parts of the market such as smaller companies and emerging markets in particular offering valuations supportive of attractive returns over the medium term.

Performance

Rolling total returns

	10 years %	5 years %	3 years %	1 year %	6 months %
Fund	101.42	21.20	29.28	-11.12	1.87
CPI	139.11	51.88	48.34	-2.65	6.32

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 31 March 2023 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.

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