



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 | 0.5 | 1.4 | -0.9 | 1.1 | -0.7 |
| Defined Returns | 8.3 | 8.5 | -0.2 | 10.7 | -2.4 |
| Alternative Equity | 11.0 | 11.3 | -0.2 | 10.0 | 1.0 |
| Equity | 76.4 | 78.9 | -2.4 | 78.1 | -1.7 |

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 % |
|-------------|------------------------------|-----------|----------------|------------------|
| EQ | Lindsell Train Global Equity | 5.80 | - | 5.80 |
| EQ | Miton UK Multi Cap Income | 3.77 | - | 3.77 |
| EQ | Miton European Opportunities | 4.34 | 2.20 | 2.14 |
| EQ | Miton UK Value Opportunities | 7.64 | 5.61 | 2.03 |
| EQ | HG Capital Trust | 2.35 | 1.19 | 1.15 |
| EQ | Baillie Gifford Japan | 4.00 | 2.90 | 1.10 |
| EQ | The Schiehallion Fund | 0.97 | - | 0.97 |

Significant decreased positions

| Asset class | Fund | Current % | 3 months ago % | 3 month change % |
|-------------|--------------------------------------|-----------|----------------|------------------|
| EQ | Polar Capital UK Value Opportunities | - | 5.17 | -5.17 |
| EQ | Lindsell Train UK Equity | - | 4.83 | -4.83 |
| EQ | Lindsell Train Japanese Equity | - | 2.72 | -2.72 |
| EQ | BlackRock European Dynamic | - | 2.22 | -2.22 |



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 | 1.5 | 0.01 | 0.00 | 1.79 | -0.01 | -0.00 |
| Alternative Equity | 11.2 | 3.89 | 0.45 | 9.52 | 11.23 | 1.12 |
| Defined Returns | 7.9 | 3.63 | 0.29 | 10.57 | 17.95 | 2.08 |
| Equity | 79.3 | 8.35 | 6.74 | 78.12 | 34.68 | 26.60 |
| Overall Portfolio | | | 7.92 | | | 29.50 |

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 | 1.1 | 0.17 | 0.01 | 0.26 | 0.17 | 0.01 |
| UK All | - | - | - | - | - | - |
| UK Dynamic | 22.3 | 11.65 | 2.64 | 21.73 | 50.62 | 10.29 |
| Global Established | 31.4 | 7.97 | 2.59 | 31.51 | 29.73 | 9.45 |
| Global Speculative | 24.6 | 5.75 | 1.50 | 24.62 | 27.07 | 6.85 |
| 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 | Chrysalis Investments | 3.5 | 28.72 | 0.99 |
| EQ | Baillie Gifford American | 3.2 | 20.13 | 0.68 |
| EQ | Miton UK Value Opportunities | 6.5 | 9.09 | 0.53 |
| EQ | Lindsell Train UK Equity | 4.6 | 8.93 | 0.44 |
| EQ | Chelverton UK Equity Growth | 4.4 | 9.43 | 0.42 |

Bottom five contributors over three months

| Asset class | Asset | Average portfolio weight % | Holding return % | Contribution to portfolio return % |
|-------------|---|----------------------------|------------------|------------------------------------|
| EQ | Lindsell Train Japanese Equity | 2.7 | -1.66 | -0.04 |
| EQ | Baillie Gifford Japan | 3.0 | -1.14 | -0.02 |
| DR | Credit Suisse FTSE/S&P Defined Return Jan18 | 0.3 | -0.27 | 0.00 |
| C | U K Pound | 1.5 | 0.01 | 0.00 |
| EQ | Miton UK Multi Cap Income | 1.1 | 0.17 | 0.01 |

Top five contributors over 12 months

| Asset class | Asset | Average portfolio weight % | Holding return % | Contribution to portfolio return % |
|-------------|------------------------------|----------------------------|------------------|------------------------------------|
| EQ | Miton UK Value Opportunities | 5.5 | 64.25 | 2.93 |
| EQ | Chelverton UK Equity Growth | 4.8 | 63.47 | 2.66 |
| EQ | Baillie Gifford American | 3.8 | 61.71 | 2.40 |
| EQ | Chrysalis Investments | 2.6 | 72.19 | 2.40 |
| EQ | Schroder Asian Alpha Plus | 3.7 | 35.23 | 2.07 |

Bottom five contributors over 12 months

| Asset class | Asset | Average portfolio weight % | Holding return % | Contribution to portfolio return % |
|-------------|---|----------------------------|------------------|------------------------------------|
| EQ | Allianz China A-Shares | 1.7 | -6.58 | -0.26 |
| EQ | Lindsell Train Japanese Equity | 3.3 | -10.14 | -0.45 |
| DR | Credit Suisse FTSE/S&P Defined Return Jan18 | 0.1 | -0.27 | 0.00 |
| C | U K Pound | 1.8 | -0.01 | 0.00 |
| EQ | Miton UK Multi Cap Income | 0.3 | 0.17 | 0.01 |

Portfolio commentary

Equity markets continued to advance and bond yields were little changed over the quarter masking a fair degree of turbulence as investors considered the prospects for higher inflation and the need for very loose policy to tighten.

Equity markets have seen a resurgence from the quality and growth areas that had underperformed relative to value and cyclical during the first quarter.

We introduced two new funds over the quarter as we consolidated areas of the portfolio and topped up Property from Fixed Interest. The Lindsell Train Global Equity purchase was funded through the combined sale of Lindsell Train UK Equity and Japanese Equity funds, we see this as more a 'best ideas' approach from the well-regarded fund manager. We also reintroduced the Miton UK Multi Cap Income fund to the portfolio.

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Private Equity is an area we have been looking at for some time and last quarter we had the opportunity to increase our exposure, adding to the Chrysalis and HG Capital, with new investment in the Schiehallion trust run by Baillie Gifford. The three trusts have little overlap and should benefit from long term high growth prospects that come with buying smaller unlisted companies.

Equity has been the headline performer over what has been a pleasing quarter for investment returns across the portfolio. The UK Dynamic and Global Established portfolios have dominated the contributions to overall returns.

At a fund level, Chrysalis has had a fantastic quarter benefitting from stellar performance from its highly concentrated portfolio of companies. The Chelverton UK

Growth and Miton UK Value funds are once again in the top five contributors as UK small cap and value strategies benefited from better prospects for growth and improving sentiment to UK equities in general. Baillie Gifford American returned over 20% more than recovering losses suffered in the first quarter.

Performance

Rolling total returns

| 3 Months (31.03.21 to 30.06.21) | 6 Months (31.12.20 to 30.06.21) | 1 Year (31.12.19 to 31.12.20) | - | - |
|------------------------------------|------------------------------------|----------------------------------|---|---|
| 7.921% | 10.78% | 29.50% | - | - |

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 June 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.

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