



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	0.8	0.1	1.4	-0.5
Fixed Interest	0.0	0.0	0.0	0.0	0.0
Real Assets	10.5	10.2	0.4	9.9	0.6
Defined Returns	6.7	8.2	-1.5	8.5	-1.9
Alternatives	0.0	1.2	-1.2	1.3	-1.3
Equity	81.9	79.6	2.3	78.9	3.1

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	Royal London Global Equity Select	3.57	-	3.57
A	Legg Mason Clearbridge Global Infrastructure	5.50	2.15	3.35
A	Foresight Global Real Infrastructure	5.03	3.01	2.02
EQ	Baillie Gifford American	4.48	2.64	1.84
FI	Allianz China A-Shares	4.78	3.14	1.64
EQ	Baillie Gifford Emerging Markets	6.03	4.76	1.27
EQ	Goldman Sachs India	4.94	3.69	1.25
DR	Credit Agricole S&P FTSE Autocall Feb 2023	1.07	-	1.07

Significant decreased positions

Asset class	Fund	Current %	3 months ago %	3 month change %
EQ	Invesco China Equity Fund	-	4.45	-4.45
A	Lazard Global Listed Infrastructure	-	2.53	-2.53
A	Foresight UK Infrastructure Income	-	2.47	-2.47
EQ	Schroder Global Recovery	4.48	6.42	-1.93
EQ	Morgan Stanley Global Brands	4.13	5.88	-1.74
A	Carmignac Long-Short European Equities	-	1.23	-1.23



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	0.10	0.00	0.99	0.10	0.00
Fixed Interest	-	-	-	-	-	-
Real Assets	10.2	4.22	0.43	10.02	14.51	1.39
Defined Returns	7.6	2.00	0.13	8.00	13.24	0.99
Alternatives	0.8	-1.27	-0.02	1.14	11.33	0.15
Equity	80.5	-8.03	-6.53	79.85	-1.00	-0.79
Overall Portfolio			-6.07			1.92

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 Equity	16.8	-9.48	-1.61	17.43	-2.78	-0.17
Global Developed	32.8	-6.58	-1.97	31.35	3.58	1.15
Global Emerging	24.3	-8.53	-2.23	24.45	-10.26	-2.65
Private Equity	6.6	-11.36	-0.72	6.62	13.06	0.88
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 %
A	Legg Mason Clearbridge Global Infrastructure	4.6	5.32	0.31
A	Foresight Global Real Infrastructure	4.7	1.69	0.19
EQ	HG Capital Trust Ord Shs	2.9	4.75	0.18
EQ	Schroder Global Recovery	6.8	0.97	0.06
DR	Societe Generale FTSE Defined Return Dec17	1.3	3.90	0.05

Bottom five contributors over three months

Asset class	Asset	Average portfolio weight %	Holding return %	Contribution to portfolio return %
EQ	Chrysalis Investments Ltd	2.8	-28.47	-0.92
EQ	Allianz China A-Shares	5.4	-15.19	-0.85
EQ	Miton UK Value Opportunities	8.1	-9.63	-0.77
EQ	Octopus UK Micro Cap Growth	4.4	-14.14	-0.64
EQ	Miton European Opportunities	4.1	-13.99	-0.57

Top five contributors over 12 months

Asset class	Asset	Average portfolio weight %	Holding return %	Contribution to portfolio return %
EQ	HG Capital Trust Ord Shs	2.6	39.58	0.88
EQ	Goldman Sachs India	3.7	24.94	0.88
EQ	Schroder Global Recovery	6.5	10.17	0.64
EQ	Chelverton UK Equity Growth	2.2	12.60	0.63
A	Legg Mason Clearbridge Global Infrastructure	2.6	21.04	0.60

Bottom five contributors over 12 months

Asset class	Asset	Average portfolio weight %	Holding return %	Contribution to portfolio return %
EQ	Invesco China Equity Fund	5.0	-33.07	-1.89
EQ	Baillie Gifford Emerging Markets	5.0	-15.72	-0.79
EQ	Octopus UK Micro Cap Growth	2.2	-17.49	-0.78
EQ	Federated Hermes Emerging Market SMID	5.7	-8.52	-0.54
EQ	Miton UK Value Opportunities	7.7	-4.51	-0.50

Portfolio commentary

Despite a strong end to the quarter this was a very tough start to the year for investors as markets and the global economy digested a slowing economic backdrop, higher inflation and a less accommodative central bank policy combined with the tragic events that unfolded in Ukraine.

The inflationary story that has been at the forefront of investors' minds for the last 12 months is likely to get worse

before it gets better as most of the developed world shuts Russia out from the global economy causing dislocations to be felt in everything from natural gas to pasta prices. With the UK economy so dependent on services and consumer spending the economic data over the summer months has the potential to disappoint as consumers adapt to higher living costs.



While there remains a lot of bad news around at present markets are forward looking and not backward looking so there is a case to be made that a lot of this pessimism is already priced in. Markets at times over the first quarter were incredibly volatile giving us opportunities to add into the areas we believe still have excellent long term structural tailwinds and have been oversold, from global infrastructure to US technology.

Our biggest detractor over the quarter was Chrysalis, the market sentiment turned on high growth early stage companies so while the NAV of the portfolio was only marked down slightly the market sold off the investment trust in line with some of the listed peers. The Miton UK Value Opportunities and Octopus UK Microcap growth were the second and third biggest detractors as the mid and small cap bias is more exposed to the UK economy and the potential consumer spending slowdown. The Miton European Opportunities Fund lagged to fears of wider contagion from the conflict in Ukraine and a broader sell off in higher growth names. Finally, Allianz China A-Shares was our fifth biggest

detractor as concerns around the Chinese property sector fed into the broader economy and added to regulatory concerns that continue to cloud the region.

Our top two contributors were infrastructure funds as investors took safety in these assets with stable and often government backed inflation linked cash flows with a strong long term structural tailwind. While one of our private equity funds (Chrysalis) was our biggest detractors our third biggest contributor was HG Capital, as the focus on essential software infrastructure continued to perform well. Schroder global recovery gained due to the commodity related exposure and value style in the rising rate environment.

With global markets lower than they were at the end of 2021, Defined Returns and Real Assets were the only parts of the portfolio to deliver a positive return over the quarter with equities as an asset class our biggest detractor. Within equities all regions detracted with global emerging markets the biggest detractor on the previously mentioned property concerns.

Performance

Rolling total returns

	3 months	6 months	1 year	3 years	5 years
Fund	-6.07%	-5.63%	1.92%	-	-
IA Global	-4.46%	0.01%	8.94%	-	-

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 2022 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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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 w : www.equilibrium.co.uk