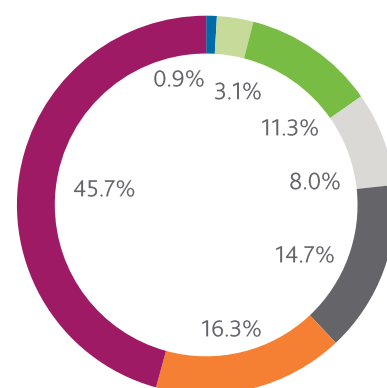


Objective	To deliver returns greater than cash or inflation (whichever is the higher) over the long term, 5 years, through a mixture of capital growth and some income. The fund will typically have more than half the portfolio in equities but this can vary.				
Manager	Equilibrium Investment Management LLP	ISIN	GB00BYXHQW91	Annual Management Charge (AMC)	0.25%
ACD	Investment Funds Services Limited	Sedol	BYXHQW9	Ongoing Charges Figure (OCF)	1.20%
Fund Type	Open Ended Investment Company (OEIC)	No. Holdings	40		
Launch Date	1 November 2017	Fund Size	£59.4m		

Fund holding breakdown

Portfolio	Security	Weight %
Liquidity	Cash	0.9
Short Dated Fixed Interest	Royal London Short Duration High Yield	1.9
	Semper MBS Total Return	1.2
Fixed Interest	iShares Corporate Bond Index	2.6
	Jupiter Strategic Bond	2.6
	Royal London Extra Yield Bond	2.6
	TwentyFour Dynamic Bond	2.5
	L&G All Stocks Index Linked Gilt Index	1.0
	Property	Kames Property Income
Standard Life UK Real Estate		1.4
Aviva UK Property		1.7
Time Commercial Freehold		2.8
Defined Returns	Societe Generale FTSE Autocall Dec 2017	3.8
	JP Morgan FTSE Autocall Sep 2018	3.2
	Morgan Stanley FTSE/S&P Autocall Feb 2018	1.0
	Atlantic House Defined Returns	1.8
	Credit Suisse FTSE/S&P Autocall Jan 2018	2.6
	Citigroup FTSE/S&P Autocall Jan 2019	1.2
Alternative Equity	Morgan Stanley FTSE/S&P Autocall Mar2018	1.0
	H2O Multi>Returns	3.0
	Odey Absolute Return	2.9
	Janus Henderson UK Absolute Return	2.3
	Merian Mutual GEAR	2.2
	Lazard Global Listed Infrastructure	2.0
UK All Companies Equity	Carmignac Long Short European Equity	3.1
	Foresight UK Infrastructure Income	0.8
	iShares FTSE 100 ETF	3.0
	Royal London UK Equity Income	1.7
	Miton UK Multi Cap Income	1.8
UK Conservative Equity	Rathbone Income	1.7
	Lindsell Train UK Equity	3.3
	Miton UK Value Opportunities	3.6
UK Dynamic Equity	Marlborough Special Situations	3.5
	Baillie Gifford Japanese	3.9
	BlackRock European Dynamic	2.2
Global Established Equity	Miton European Opportunities	2.2
	Schroder Tokyo	3.8
	Vanguard US Equity Index	4.4
	Goldman Sachs India	2.6
Global Speculative Equity	Invesco Hong Kong & China	4.3
	Schroder Asian Alpha	4.3



Key recent changes

January 2019

From: Atlantic House Defined Returns
To: Citigroup FTSE/S&P Autocall Jan 2019

From: Vanguard FTSE 100 ETF
To: Royal London Short Duration High Yield and cash

February 2019

From: Morgan Stanley FTSE/S&P Autocall Feb 2018
To: Morgan Stanley FTSE/S&P Autocall Feb 2019 & Semper MBS Total Return

March 2019

From: Short dated fixed interest
To: Morgan Stanley FTSE/S&P Autocall Mar 2019

From: Lazard Global Listed Infrastructure
To: Foresight UK Infrastructure Income

Please note that the fund percentages shown are subject to rounding which can mean that they do not add up to 100%.

Commentary

Stock markets have continued their recovery from the lows of late December and early January.

The FTSE 100 reached a low of 6,694 on 3 January. By 21 March it had recovered to over 7,350, before dropping back a bit to close the month at 7,279.

Investors have been concerned about several issues. In particular, they have worried about slowing economic growth in both the US and China, the world's two biggest economies. The US yield curve has recently inverted meaning that short term interest rates are higher than the market's expectations for long term rates. In the past this has often been a signal for a slowdown or recession.

A slowdown in the US was inevitable after the strong growth of the past few years, and because the short-term stimulus from president Trump's tax cuts has now largely begun to fade. However, we don't expect a global recession partly because the Federal Reserve has put any future rate increases on hold, but also because data coming from China is now more positive.

China began to add stimulus to their economy late last year after it began to slow. This now seems to be working with business surveys back into positive territory. There are still concerns about the so-called "trade war" between China and the US but for now there is something of a ceasefire.

In the UK, worries about Brexit continue to weigh on the economy with investment intentions remaining largely on hold. However, any deal which eventually brings some certainty could see certain UK asset classes recover.

We have always tried to use volatility to our advantage and managed to do so to good effect during the first part of this year.

When markets hit their lows on 3 January we were able to strike a new defined returns product when the FTSE was at 6,694 and the S&P 500 was at 2,447. If both markets are simply at or above those levels on 3 January next year then the product will provide a 16.05% return.

We also had another defined returns product kick out in February providing a 12.85% return over 12 months despite markets being virtually flat over the period.

We have partially reinvested this into two new products with Morgan Stanley, one in February and one in March, both of which can potentially provide similar returns should markets be the same or higher by the next anniversary.

Over the past month we have reduced our holding in index linked gilts which have done very well recently, adding to short dated fixed interest instead. We are also making some changes to our alternative equity portfolio, adding in a second infrastructure fund.

Over the past 12 months the fund returned 3.75%. To put this into context, the average fund which holds between 20% and 60% in equities (the FE UT Mixed Investment 20%-60% Shares sector) rose by 2.76% over the same period.

Performance

Rolling total returns

3 Months (29/12/18 – 29/03/19)	6 Months (29/09/18 – 29/03/19)	1 Year (29/03/18 – 29/03/19)	-	-
6.78%	-1.37%	3.75%	-	-

Discrete annual total returns

2018 (31/12/17 – 31/12/18)	-	-	-	-
-5.60%	-	-	-	-

Notes and risk information

All data is from 29 March 2019 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.

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AMC: the fee that Equilibrium Investment Management LLP receives. OCF: the overall cost of running the fund including the AMC.

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