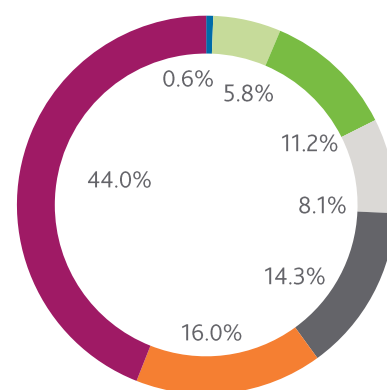


Objective	To deliver returns greater than cash or inflation (whichever is the higher) over the long term, 5 years, through a mixture of capital growth and some income. The fund will typically have more than half the portfolio in equities but this can vary.				
Manager	Equilibrium Investment Management 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	42		
Launch Date	1 November 2017	Fund Size	£64.5m		

Fund holding breakdown

Portfolio	Security	Weight %
Liquidity	Cash	0.6
	Royal London Short Duration High Yield	2.3
Short Dated Fixed Interest	TwentyFour Absolute Credit	2.2
	Semper MBS Total Return	1.3
	iShares Corporate Bond Index	2.6
Fixed Interest	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	0.9
	Kames Property Income	2.4
Property	Standard Life UK Real Estate	1.4
	Aviva UK Property	1.5
	Time Commercial Freehold	2.8
	Societe Generale FTSE Autocall Dec 2017	3.6
Defined Returns	JP Morgan FTSE Autocall Sep 2018	3.0
	Morgan Stanley FTSE/S&P Autocall Feb 2019	0.9
	Atlantic House Defined Returns	2.0
	Credit Suisse FTSE/S&P Autocall Jan 2018	2.8
	Citigroup FTSE/S&P Autocall Jan 2019	1.1
	Morgan Stanley FTSE/S&P Autocall Mar 2019	0.9
Alternative Equity	H2O Multi>Returns	3.0
	Odey Absolute Return	2.6
	Janus Henderson UK Absolute Return	2.0
	Lazard Global Listed Infrastructure	2.0
	Carmignac Long Short European Equity	2.5
	Polar Capital UK Absolute Equity	2.0
UK Conservative Equity	Foresight UK Infrastructure Income	1.9
	Royal London UK Equity Income	1.7
	Miton UK Multi Cap Income	1.8
UK Dynamic Equity	Rathbone Income	1.7
	Lindsell Train UK Equity	3.2
	Miton UK Value Opportunities	3.5
	Marlborough Special Situations	3.6
Global Established Equity	Polar Capital UK Value Opportunities	1.1
	Baillie Gifford Japanese	3.8
	BlackRock European Dynamic	2.2
	Miton European Opportunities	2.2
	Lindsell Train Japanese Equity	3.7
Global Speculative Equity	Vanguard US Equity Index	4.3
	Goldman Sachs India	2.7
	Invesco Hong Kong & China	4.2
	Schroder Asian Alpha	4.3



Key recent changes

March 2019

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

From: L&G All Stocks Index Linked Gilt Index

To: Short dated fixed interest

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

April 2019

From: iShares FTSE 100 ETF
To: UK Dynamic equity and short dated fixed interest

From: Alternative equity funds
To: Polar Capital UK Absolute Equity

From: Merian GEAR
To: Alternative equity and short dated fixed interest

May 2019

From: Schroder Tokyo
To: Lindsell Train Japanese Equity

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

Commentary

Most of the major stockmarkets fell in May. The FTSE 100 Index in the UK saw returns of -2.9% over the month whilst the major US index, the S&P 500, returned -6.4% (in US dollar terms).

Markets have weakened as investors' concerns have increased after another round of tariffs were announced in the tit-for-tat negotiations between the US and China.

The month saw both countries increase tariffs on imports with the US pushing ahead with import taxes on \$200 billion of goods from China and China reciprocated with tariffs on \$60 billion of US imports.

Continuing the theme, the US President announced towards the end of the month that he would also impose a 5% tariff on goods from Mexico, with a threat to raise this to 25% in October, unless the "illegal immigration problem is remedied".

Economic growth has slowed in the major economies so far this year and investors are concerned that this will exacerbate the situation, potentially tipping some countries into a recession.

As a result, investors believe that the central banks may look to reduce interest rates or loosen monetary policy – possibly with new rounds of quantitative easing - to accommodate more growth.

This has led to bond prices rising and yield (correspondingly) falling with the benchmark 10-year US Treasury yield falling from 2.51% to 2.17% over the month of May.

In the UK, the Prime Minister, Theresa May announced that she was to stand down on 7th June. Whilst not unexpected, this has just added to the broader uncertainty with regards to Brexit. This was most clearly seen in the currency market as the value of sterling against the US dollar fell from almost \$1.32 at the start of the month to below \$1.26.

In the portfolio, we have made one change in the holdings in the last four weeks. The recent mixed performance of the Schroder Tokyo fund along with the risks as the main fund manager retires and is replaced by a new manager have led us to sell the fund and switch into the Lindsell Train Japanese Equity fund.

The Lindsell Train is a familiar name in the fund as we have held the UK Equity fund in the portfolios for many years. The Japanese Equity fund has a similar long-term, low turnover investment philosophy and focuses on a few key areas of the markets where they see high quality businesses.

If the equity markets continue to weaken further, we shall be looking to take advantage with volatility trades in the UK equity market and possibly another defined returns product.

Since launch on 1 November 2017 the fund has returned 2.7%. 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 1.08% over the same period.

Performance

Rolling total returns

3 Months (28/02/19-31/05/19)	6 Months (30/11/18-31/05/19)	1 Year (31/05/18-31/05/19)	-	-
3.28%	4.32%	0.59%	-	-

Discrete annual total returns

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

Notes and risk information

All data is to 31 May 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.

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 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.

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

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