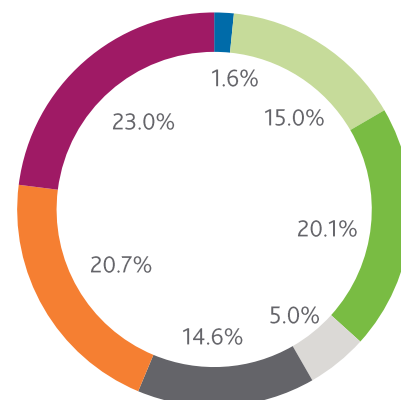


Objective	To deliver returns greater than cash or inflation (whichever is the higher) over the long term, 5 years, through a mixture of capital growth and some income. The fund will typically have less than half the portfolio in equities but this can vary.				
Manager	Equilibrium Investment Management LLP	ISIN	GB00BYXHQY16	Annual Management Charge (AMC)	0.25%
ACD	Investment Funds Services Limited	Sedol	BYXHQY1	Ongoing Charges Figure (OCF)	1.03%
Fund Type	Open Ended Investment Company (OEIC)	No. Holdings	41		
Launch Date	1 November 2017	Fund Size	£364.4m		

Fund holding breakdown

Portfolio	Security	Weight %
Liquidity	Cash	1.6
Short Dated Fixed Interest	Royal London Short Duration High Yield	4.9
	TwentyFour Absolute Credit	4.2
	L&G Sterling Short Dated Bond Index	4.2
	Semper MBS Total Return	1.7
Fixed Interest	Allianz Strategic Bond	2.4
	iShares Corporate Bond Index	4.0
	Jupiter Strategic Bond	4.0
	Royal London Extra Yield Bond	4.0
	TwentyFour Dynamic Bond	4.0
	L&G All Stocks Index Linked Gilt Index	1.6
	Property	Kames Property Income
	Time Commercial Freehold	2.8
Defined Returns	Societe Generale FTSE Autocall Dec 2017	3.5
	JP Morgan FTSE Autocall Sep 2018	3.0
	Morgan Stanley FTSE/S&P Autocall Feb 2019	1.0
	Atlantic House Defined Returns	2.0
	Credit Suisse FTSE/S&P Autocall Jan 2018	3.1
	Citigroup FTSE/S&P Autocall Jan 2019	1.2
	Morgan Stanley FTSE/S&P Autocall Mar 2019	0.8
Alternative Equity	H2O Multi>Returns	3.4
	Odey Absolute Return	2.2
	Janus Henderson UK Absolute Return	4.5
	Lazard Global Listed Infrastructure	2.0
	Carmignac Long Short European Equity	4.5
	Polar Capital UK Absolute Equity	2.0
	Foresight UK Infrastructure Income	2.0
	Royal London UK Equity Income	1.8
UK Conservative Equity	Miton UK Multi Cap Income	1.8
	Rathbone Income	1.8
	Lindsell Train UK Equity	1.4
UK Dynamic Equity	Miton UK Value Opportunities	1.7
	Marlborough Special Situations	1.6
	Polar Capital UK Value Opportunities	1.0
	Baillie Gifford Japanese	1.9
Global Established Equity	BlackRock European Dynamic	1.1
	Miton European Opportunities	1.8
	Lindsell Train Japanese Equity	1.1
	Vanguard US Equity Index	2.3
	Goldman Sachs India	1.1
Global Speculative Equity	Invesco Hong Kong & China	1.3
	Schroder Asian Alpha	1.3



Key recent changes

May 2019

From: Schroder Tokyo
To: Lindsell Train Japanese Equity

June 2019

From: Short dated fixed interest
To: iShares FTSE 100 ETF

From: iShares FTSE 100 ETF
To: Short dated fixed interest

From: Aviva UK Property and SLI UK Real Estate
To: Short dated fixed interest

July 2019

From: Fixed interest
To: Allianz Strategic Bond

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

Commentary

Markets remain volatile and geopolitical events are having a big impact.

This was particularly noticeable in the UK after Boris Johnson became the new Prime Minister. Johnson and his new cabinet have reiterated their plan for the UK to leave the EU by 31 October, with or without a deal. Some ministers even hinted that the government was now working on the assumption of a no-deal Brexit.

International investors do not like the prospect of a no-deal Brexit and that was clear from the reaction of the pound. On 1 July the pound was worth \$1.27 but by the end of the month it was down to \$1.21, a drop of over 4.5%.

This has had some positive effects on the portfolio. Firstly, the value of our overseas holdings was boosted by the currency moves. Secondly, the UK stock market rose as the pound fell, because much of the revenues of the top 100 companies comes from outside of the UK.

Markets have also been reacting to developments in trade talks between the US and China, and in particular to the actions of central banks. The Federal Reserve cut interest rates as expected on the last day of July. Whilst the European Central Bank did not cut rates, they gave strong hints they would do so in September. The Bank of England would almost certainly cut rates in the event of a no-deal Brexit.

This all means that fixed interest bonds continue to do very well but their yields are now very low, which reduces the future return prospects.

The global economy continues to lose momentum. Growth is definitely slowing which is why central banks are looking to cut interest rates. We are not expecting a global recession but an escalation of the US / China trade war would increase the possibility. A no-deal Brexit would likely tip the UK from its already weak growth into a recession.

The low bond yields have also helped boost the value of certain types of equity investment.

We are increasingly concerned that some parts of the equity market are looking very expensive as a result.

On the other hand, areas such as the UK, China and Japan look relatively cheap. However, this is because of the perceived risks from Brexit and trade wars.

We need to take risk in order to achieve return and so are holding our positions in these regions, but have reduced some of the risk outside of the equity part of the portfolios. For example, we have reduced property exposure down to around 5% of the fund and increased exposure to short dated fixed interest.

We have also made changes to our fixed interest funds by adding in the Allianz Strategic Bond fund, which we think should prove resilient in an economic downturn.

Since launch on 1 November 2017 the fund has returned 5.7%. 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 5.63% over the same period.

Performance

Rolling total returns

3 Months (30/04/19-31/07/19)	6 Months (31/01/19-31/07/19)	1 Year (31/07/18-31/07/19)	-	-
2.22%	6.50%	3.02%	-	-

Discrete annual total returns

2018 (31/12/17 – 31/12/18)	-	-	-	-
-3.60%	-	-	-	-

Notes and risk information

All data is to 31 July 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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