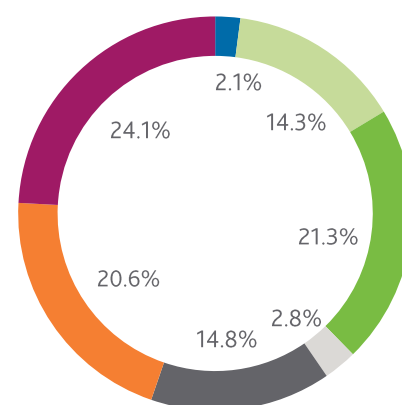


Objective	The Fund aims to deliver returns greater than cash or inflation over a minimum of 5 years, through a combination of capital growth, that is profit on investments, and income paid out of investments, such as interest and dividends. The percentage held in higher risk investments such as shares in companies will typically be below 50% of the portfolio.				
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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	£365.1m		

Fund holding breakdown

Portfolio	Security	Weight %
Liquidity	Cash	2.1
Short Dated Fixed Interest	Royal London Short Duration High Yield	4.2
	TwentyFour Absolute Credit	3.9
	L&G Sterling Short Dated Bond Index	3.8
	Semper MBS Total Return	2.4
Fixed Interest	Allianz Strategic Bond	3.5
	Nomura Global Dynamic Bond	4.0
	Jupiter Strategic Bond	4.0
	Royal London Extra Yield Bond	4.1
	TwentyFour Dynamic Bond	4.0
	L&G Allstocks Index Linked Gilt Index	1.8
Property	Time Commercial Long Income	2.8
Defined Returns	Societe Generale FTSE Autocall Dec 2017	3.4
	JPM FTSE Autocall September 2018	3.0
	Morgan Stanley FTSE/S&P Autocall Feb 2019	0.9
	Atlantic House Defined Returns	2.1
	Credit Suisse FTSE/S&P Autocall Jan 2018	3.3
	Citi Dual Index Autocall Jan 19	1.2
	Morgan Stanley FTSE/S&P Autocall Mar 2019	0.9
Alternative Equity	H2O Multi-returns	3.0
	Lazard Global Listed Infrastructure	3.6
	Carmignac Long Short European Equity	2.8
	Polar Capital UK Absolute Equity	3.0
	Foresight UK Infrastructure Income	2.3
	Lazard Rathmore Alternative	3.0
	Mygale Event Driven	2.9
UK Conservative Equity	Royal London UK Equity Income	1.8
	Miton UK Multi Cap Income	1.8
	Rathbone Income	1.8
UK Dynamic Equity	Lindsell Train UK Equity	1.3
	Miton UK Value Opportunities	1.6
	Marlborough Special Sits	1.6
	Polar Capital UK Value Opportunities	1.7
Global Established Equity	Baillie Gifford Japanese Co.	1.8
	BlackRock European Dynamic	1.1
	Lindsell Train Japanese Equity	1.8
	Miton European Opportunities	1.1
	Vanguard US Equity Index	2.2
Global Speculative Equity	Invesco Hong Kong and China	1.3
	Schroder Asian Alpha	1.3
	Goldman Sachs India	0.7
	Hermes GEM SMID	1.0



Key recent changes

October 2019

From: Cash
To: iShares FTSE 100 ETF

November 2019

From: iShares FTSE 100 ETF
To: Cash

From: Kames Property Income
To: Alternative equity

From: Henderson UK Absolute Return
To: Lazard Rathmore Alternatives & Mygale Event Driven

December 2019

From: iShares Corporate Bond Index
To: Nomura Global Dynamic Bond

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 around the world rose strongly in December.

In previous commentaries we have mentioned how political uncertainty has made things difficult for investors. In particular, the UK stock market has been hit by Brexit related concerns, whilst globally investors have been more worried about the US China trade war.

Over the past month, the general election result has brought clarity to the UK picture, whilst a "mini-deal" between the US and China has seen trade tensions reduce. As a result, the standout performers in December have been UK stocks, particularly small and mid-cap stocks, and emerging market equities.

This has been positive for the fund as these are asset classes where we hold more than usual, believing they look good value relative to other markets.

After the election and trade deal, we added to both areas believing these returns could continue as fund managers close their previous 'underweight' positions.

Whilst we remain positive about selected types of equity, the global economy remains relatively weak. There are some signs recently that the weak patch may be coming to an end but this recovery seems fragile for now.

In particular, the UK economy continues to struggle and is likely to have shrunk during the fourth quarter of 2019. We believe that the additional certainty surrounding Brexit may see an increase in business investment which would boost the economy. However, for now we remain very light on UK commercial property because of the weak outlook.

After the recent changes, our portfolio is now marginally overweight in equity when we add together both direct and indirect exposure.

Whilst we hold less traditional equity than usual, we also have indirect exposure via both defined returns and alternative equity.

One of our defined returns products just missed out on a kick out during December, but we have two products which may mature in January if markets do not drop back from current levels.

We remain underweight traditional fixed interest given how low bond yields have dropped, but instead hold the more defensive short dated fixed interest.

Since inception on 1 November 2017 the fund has returned 8.30%. 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) has returned 7.10% over the same period.

Performance

Rolling total returns

3 Months (30/09/19-31/12/19)	6 Months (30/06/19-31/12/19)	1 Year (31/12/18-31/12/19)	-	-
2.46%	4.03%	12.37%	-	-

Discrete annual total returns

2019 (31/12/18 – 31/12/19)	2018 (31/12/17 – 31/12/18)	-	-	-
12.37%	-3.60%	-	-	-

Notes and risk information

All data is to 31 December 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.

Equilibrium Investment Management LLP

Brooke Court, Lower Meadow Road, Handforth Dean, Wilmslow, Cheshire, SK9 3ND

t: +44 (0) 161 486 2250 t: 0808 168 0748 e: askus@eqllp.co.uk w: www.eqllp.co.uk

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