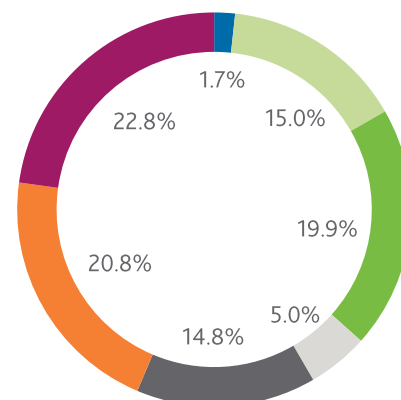


Objective	To deliver returns greater than cash or inflation (whichever is the higher) over the long term, 5 years, through a mixture of capital growth and some income. The fund will typically have less than half the portfolio in equities but this can vary.				
Manager	Equilibrium Investment Management 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	40		
Launch Date	1 November 2017	Fund Size	£359.9m		

Fund holding breakdown

Portfolio	Security	Weight %
Liquidity	Cash	1.7
Short Dated Fixed Interest	Royal London Short Duration High Yield	4.9
	TwentyFour Absolute Credit	4.1
	L&G Sterling Short Dated Bond Index	4.2
	Semper MBS Total Return	1.7
Fixed Interest	iShares Corporate Bond Index	4.5
	Jupiter Strategic Bond	4.6
	Royal London Extra Yield Bond	4.6
	TwentyFour Dynamic Bond	4.6
	L&G All Stocks Index Linked Gilt Index	1.6
Property	Kames Property Income	2.3
	Time Commercial Freehold	2.8
Defined Returns	Societe Generale FTSE Autocall Dec 2017	3.6
	JP Morgan FTSE Autocall Sep 2018	3.1
	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	2.3
	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
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 Situations	1.6
	Polar Capital UK Value Opportunities	1.0
Global Established Equity	Baillie Gifford Japanese	1.9
	BlackRock European Dynamic	1.1
	Miton European Opportunities	1.1
	Lindsell Train Japanese Equity	1.8
	Vanguard US Equity Index	2.2
Global Speculative Equity	Goldman Sachs India	1.1
	Invesco Hong Kong & China	1.3
	Schroder Asian Alpha	1.3



Key recent changes

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

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

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

Commentary

Over the month of June, stock markets generally rose moderately. For example, the FTSE 100 rose from 7,218 on 30 May to 7,425 on 28 June.

However, the start and end of month numbers hide some of the intra month volatility. For example, on 3 June the FTSE 100 fell as far as 7,079 during the day, after Donald Trump threatened to impose trade tariffs on Mexico. This added to existing investor concerns about ongoing trade issues, principally between the US and China.

We used this market weakness to top up equities, buying a FTSE 100 ETF at a market level of around 7,100. We were then able to sell this just over a week later at a gain of around 4.4%, as markets rallied after the US and Mexico reached an agreement.

Investors are currently more optimistic about the prospect of a trade deal between the US and China after Trump and Xi held a positive meeting at the G20 summit. However, trade is just one of the issues hurting the global economy, with growth slowing in most of the major economies so far this year.

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 yields (correspondingly) falling with the benchmark 10-year US Treasury yield falling from 2.51% at the beginning of May, to 2% at the end of June. Given how well fixed interest has done recently and the low yields currently available, we prefer the more defensive short dated fixed interest at present.

The economic and political outlook is highly uncertain around the globe, but particularly in the UK with the process to choose a new Conservative leader and, consequently, Prime Minister, currently underway.

This makes it very difficult to see what might happen with Brexit, but the chance of a no-deal outcome does appear to have increased. For now, that means businesses continue to hold back investment, and investors remain very wary of putting their money into the UK.

As a result of this uncertainty we have decided to reduce our UK commercial property exposure, selling both the Aviva and Standard Life funds over the month. We were also keen to increase the liquidity of our portfolio in light of the well-publicised issues surrounding the Woodford Equity Income fund.

We remain cautiously optimistic about stock markets as a whole but believe it pays to be selected. We think that parts of the UK, Japan and Asian markets remain attractive but some other parts of the world are quite expensive. We have also dialed down the risk of the non-equity parts of the portfolio to offset the current uncertainty surrounding the global economy and stock markets.

Since launch on 1 November 2017 the fund has returned 4.1%. 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 3.4% over the same period.

Performance

Rolling total returns

3 Months (28/03/19-28/06/19)	6 Months (28/12/18-28/06/19)	1 Year (28/06/18-28/06/19)	-	-
2.66%	8.00%	2.66%	-	-

Discrete annual total returns

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

Notes and risk information

All data is to 28 June 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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