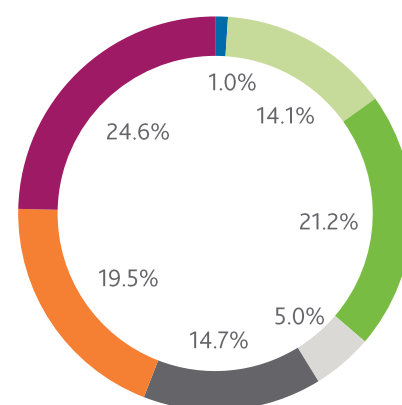


Objective	The Fund aims to deliver returns greater than cash or inflation over a minimum of 5 years, through a combination of capital growth, that is profit on investments, and income paid out of investments, such as interest and dividends. The fund will typically have less than half the portfolio in equities but this can vary.				
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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	42		
Launch Date	1 November 2017	Fund Size	£358.4m		

Fund holding breakdown

Portfolio	Security	Weight %
Liquidity	Cash	1.0
Short Dated Fixed Interest	Royal London Short Duration High Yield	4.0
	TwentyFour Absolute Credit	3.9
	L&G Sterling Short Dated Bond Index	3.9
	Semper MBS Total Return	2.3
Fixed Interest	Allianz Strategic Bond	3.5
	iShares Corporate Bond Index	3.9
	Jupiter Strategic Bond	4.0
	Royal London Extra Yield Bond	4.0
	TwentyFour Dynamic Bond	4.0
	L&G Allstocks Index Linked Gilt Index	1.7
Property	Kames Property Income	2.2
	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	1.0
	Atlantic House Defined Returns	2.0
	Credit Suisse FTSE/S&P Autocall Jan 2018	3.1
	Citi Dual Index Autocall Jan 19	1.2
	Morgan Stanley FTSE/S&P Autocall Mar 2019	0.9
Alternative Equity	H2O Multi-returns	3.4
	Henderson UK Absolute Return	4.4
	Lazard Global Listed Infrastructure	2.0
	Carmignac Long Short European Equity	4.5
	Polar Capital UK Absolute Equity	3.1
	Foresight UK Infrastructure Income	2.0
UK Conservative Equity	Royal London UK Equity Income	1.8
	Miton UK Multi Cap Income	1.8
	Rathbones Income	1.8
UK All Companies	iShares FTSE 100 ETF	2.0
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	1.0
Global Established Equity	Baillie Gifford Japanese Co.	1.8
	BlackRock European Dynamic	1.1
	Lindsell Train Japanese Equity	1.9
	Miton European Opportunities	1.1
	Vanguard US Equity Index	2.2
Global Speculative Equity	Invesco Hong Kong and China	1.1
	Schroder Asian Alpha	1.2
	Goldman Sachs India	0.7
	Hermes GEM SMID	0.6



Key recent changes

August 2019

From: Odey Absolute Return
To: Polar Capital UK Absolute Equity and Allianz Strategic Bond

From: Cash & short dated fixed interest
To: iShares FTSE 100 ETF

September 2019

From: Global Speculative
To: Hermes GEM SMID

From: iShares FTSE 100 ETF
To: Cash

October 2019

From: Cash
To: iShares FTSE 100 ETF

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

Commentary

As another Brexit deadline comes and goes, the UK economy continues to hold its head above water with consumer spending supporting demand growth.

UK employment and wage growth remain robust and the worst of the price rises as a result of the higher cost of imported goods, due to the weak value of sterling, appear to be factored into inflation expectations.

Indeed, in October the value of sterling rallied against most major currencies when the Prime Minister presented an alternative Brexit deal. Although the deal was not approved, sterling remains higher at around \$1.29 against the dollar as compared to the \$1.225 level at the end of September.

Consumer spending has also been the key driver behind the solid growth in the US economy with 1.9% annualised growth in the third calendar quarter.

Despite this growth, the Federal Reserve felt compelled to lower interest rates again in October making this the third interest cut of the year, due largely to the more downbeat outlook from the corporate sector.

Interest rates have been reduced to a range of 1.5%-1.75% in the US and whilst this has supported bond prices (given the inverse relationship between bond price and yields), they are unlikely to be reduced much further unless economic news significantly worsens. Given the limited scope for interest rates to fall much further, bond returns are therefore likely to be more modest from here.

Most of the major equity markets have been range-bound since the start of August over concerns about the US/China trade talks and the sharp slowdown in the manufacturing sectors.

More favourable noises about the progress on the trade talks cheered markets mid-October although they remain below the 12-month highs seen in July.

At the end of September we sold the "volatility trade" holding when the FTSE 100 rose above the 7,400 level for a gain of around 5% and then as markets fell below 7,100 in early October we were able to buy this again.

Whilst we are comfortable with the UK equity investments we have made in periods of market weakness, the on-going Brexit, and now general election, uncertainty needs to be taken into consideration. At present, whilst the UK equity market has a low valuation, there are material risks and we would instead prefer some of the Asian markets at current valuations. This was the driver behind the recent inclusion of the Hermes Global Emerging Market SMID (small and mid cap) fund in the portfolios.

The US and European equity markets trade at relatively high valuations which are not attractive at current levels.

Our portfolios are broadly "neutral" in terms of risk. We remain underweight traditional equities and fixed interest whilst holding more in defined returns and in alternative equity.

Since inception on 1 November 2017 the fund has returned 5.2%. 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 4.57% over the same period.

Performance

Rolling total returns

3 Months (31/07/19-31/10/19)	6 Months (30/04/19-30/10/19)	1 Year (31/10/18-31/10/19)	-	-
-0.47%	1.74%	5.97%	-	-

Discrete annual total returns

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

Notes and risk information

All data is to 31 October 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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