



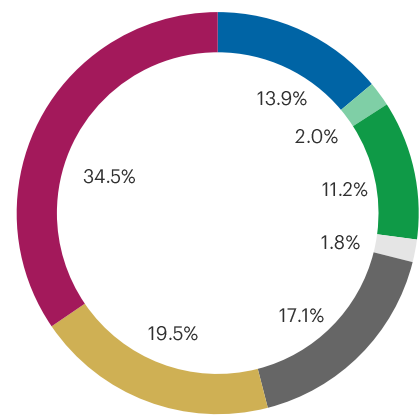
# IFSL Equilibrium Balanced

Portfolio A Acc | April 2020

The Fund aims to deliver returns greater than 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, after any charges have been taken out of the Fund. However, there is no certainty this will be achieved. Over the longer term, any 10 year period, the Fund aims to deliver an average of inflation plus 5% per annum. Inflation is measured as the UK Consumer Prices Index for these purposes.

<b>Manager</b>	Equilibrium Investment Management LLP	<b>ISIN</b>	GBO0BYXHQX09	<b>Annual management charge (AMC)</b>	0.25%
<b>ACD</b>	Investment Funds Services Limited	<b>Sedol</b>	BYXHQX0		
<b>Fund type</b>	Open Ended Investment Company (OEIC)	<b>Holdings</b>	39	<b>Ongoing charges figure (OCF)</b>	1.05%
<b>Launched</b>	1 November 2017	<b>Fund size</b>	£349m		

Liquidity	Cash & Money Market	14.0%	
Short Dated Fixed Interest	Royal London Short Duration High Yield	2.0%	
Fixed Interest	Allianz Strategic Bond	5.1%	
	Nomura Global Dynamic Bond	2.2%	
	Jupiter Strategic Bond	3.8%	
Property	Time Commercial Long Income	1.8%	
Defined Returns	Societe Generale FTSE Autocall Dec 2017	3.0%	
	JPM FTSE Autocall September 2018	2.2%	
	BNP Paribas FTSE/S&P Autocall Feb 2020	2.1%	
	Atlantic House Defined Returns	3.2%	
	Credit Suisse FTSE/S&P Autocall Jan 2018	2.0%	
	BNP Paribas FTSE Autocall Jan 2020	1.5%	
	Morgan Stanley FTSE/S&P Autocall Mar 2019	1.0%	
	Goldman Sachs FTSE/S&P Autocall Mar 2020	2.1%	
	Alternative Equity	H2O Multi-returns	2.9%
		Lazard Global Listed Infrastructure	3.5%
Carmignac Long Short European Equity		3.0%	
Polar Capital UK Absolute Equity		2.8%	
Foresight UK Infrastructure Income		1.5%	
Lazard Rathmore Alternative		2.9%	
Mygale Event Driven		2.9%	
UK Conservative Equity	Royal London UK Equity Income	2.3%	
	Miton UK Multi Cap Income	2.3%	
	Rathbones Income	2.3%	
UK All Companies Equity	iShares FTSE 100 ETF	2.3%	
	Vanguard FTSE 100 ETF	0.9%	
UK Dynamic Equity	Lindsell Train UK Equity	1.8%	
	Miton UK Value Opportunities	1.9%	
	Marlborough Special Sits	0.5%	
	Polar Capital UK Value Opportunities	1.7%	
	Chelverton UK Growth	1.7%	
Global Established Equity	Baillie Gifford Japanese Co.	2.2%	
	BlackRock European Dynamic	1.4%	
	Lindsell Train Japanese Equity	2.5%	
	Miton European Opportunities	1.4%	
	Vanguard US Equity Index	3.5%	
Global Speculative Equity	Invesco China	1.9%	
	Schroder Asian Alpha	1.7%	
	Goldman Sachs India	0.8%	
	Hermes GEM SMID	1.3%	



## Key recent changes

### February 2020

**From** Morgan Stanley FTSE/S&P Autocall February 2019

**To** Cash

**From** Cash

**To** BNP Paribas FTSE/S&P Autocall

**From** Short Dated Fixed Interest

**To** iShares FTSE 100 ETF

**From** Short Dated Fixed Interest

**To** Vanguard FTSE 100 ETF

### March 2020

**From** Short Dated Fixed Interest

**To** Cash

**From** Cash

**To** Goldman Sachs FTSE/S&P Autocall

**From** Fixed Interest

**To** Cash

**From** Vanguard FTSE 100 ETF

**To** Atlantic House Defined Returns

**From** iShares FTSE 100 ETF

**To** Cash

## Commentary

March was a horrible month for investors. At the end of February the FTSE 100 closed at 6,580, already nearly 1,000 points down from its peak a few weeks earlier. By the end of March it had dropped to 5,671 having briefly fallen even below the 5,000 level earlier in the month.

Despite the tentative recovery in the last few days of the month, the first quarter of 2020 ended up being the worst quarter for stock markets since the financial crisis as the full impact of the Covid-19 virus became apparent. Other markets around the world saw similar drops, with most now in "bear market" territory defined as 20% or more below their peak.

Markets did show some signs of stability towards the end of the month, as governments passed fiscal stimulus to support businesses and their economies. Central banks cut rates and enacted quantitative easing and other measures.

Other asset classes were also hit by the crisis. Fixed interest, having initially done well as equities fell, generally dropped as default fears rose and as investors raised liquidity wherever they could. Property funds suspended dealing as valuers decided they no longer knew what buildings were worth.

All this inevitably has meant that the fund has fallen over the past month. The worst hit asset class was actually our defined returns plans. In normal market dips they tend to fall less than the market but in the recent sell off they have fallen further. Whilst this has hurt returns, we believe this also represents opportunity and we have topped up defined returns this month at low levels.

We have also carried out multiple trades in the fund, many of which involved sales of non-equity asset classes to raise liquidity levels and to counter the volatility in our equity holdings. Many of these funds including fixed interest and infrastructure fell significantly after we sold. We are now looking at when is the right time to buy these funds back at lower levels.

Having initially reacted to the sell-off in the way we normally do, by buying on dips, we have now re-set our volatility trade strategy. We sold some of our FTSE tracker exposure at around the 5,700 level and will buy back if the market drops back to around the 5,000 mark.

We continue to monitor the situation but we believe the actions we have taken will increase the resilience of the portfolio to further falls, whilst being able to benefit if and when markets recover.

## Performance

### Rolling total returns

<b>3 Months</b> (31.12.19 to 31.03.20)	<b>6 Months</b> (30.09.19 to 31.03.20)	<b>1 Year</b> (31.03.19 to 31.03.20)	-	-
-15.77%	-13.31%	-9.38%	-	-

### Discrete annual total returns

<b>2019</b> (31.12.18 to 31.12.19)	<b>2018</b> (31.12.17 to 31.12.18)	-	-	-
13.79%	-4.12%	-	-	-

## Notes and risk information

All data is to 31 March 2020 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](http://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.

The figures shown are subject to rounding which can mean that they do not add up to 100%.

AMC: Equilibrium Investment Management's fee. OCF: the overall cost of running the fund including the AMC.

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