



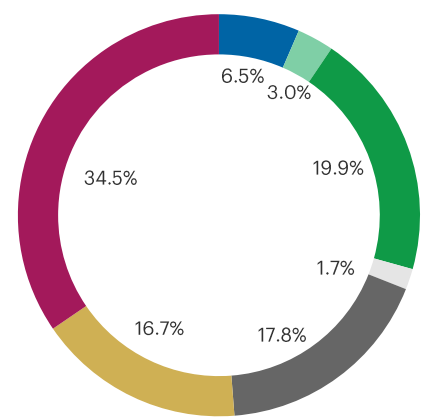
# IFSL Equilibrium Balanced

Portfolio A Acc | May 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>	GBO0BYXHGX09	<b>Annual management charge (AMC)</b>	0.25%
<b>ACD</b>	Investment Funds Services Limited	<b>Sedol</b>	BYXHGX0		
<b>Fund type</b>	Open Ended Investment Company (OEIC)	<b>Holdings</b>	43	<b>Ongoing charges figure (OCF)</b>	1.05%
<b>Launched</b>	1 November 2017	<b>Fund size</b>	£378.1m		

Liquidity	Sterling Cash & Money Market	4.6%
	Euro Cash & Money Market	1.0%
	US Dollar Cash & Money Market	1.0%
Short Dated Fxd Int	Royal London Short Duration High Yield	2.9%
Fixed Interest	Allianz Strategic Bond	4.3%
	Nomura Global Dynamic Bond	4.1%
	Jupiter Strategic Bond	3.6%
	Royal London Extra Yield Bond	3.6%
	TwentyFour Dynamic Bond	4.2%
Property	Time Commercial Long Income	1.7%
Defined Returns	Societe Generale FTSE Autocall Dec 2017	3.0%
	JPM FTSE Autocall September 2018	2.4%
	BNP Paribas FTSE/S&P Autocall Feb 2020	2.1%
	Atlantic House Defined Returns	3.4%
	Credit Suisse FTSE/S&P Autocall Jan 2018	2.1%
	BNP Paribas FTSE Autocall Jan 2020	1.6%
	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	3.1%
	Lazard Global Listed Infrastructure	3.6%
	Carmignac Long Short European Equity	2.8%
	Foresight UK Infrastructure Income	1.5%
	Lazard Rathmore Alternative	2.9%
	Mygale Event Driven	2.8%
UK Conservative Equity	Royal London UK Equity Income	2.5%
	Miton UK Multi Cap Income	2.5%
	Rathbones Income	2.3%
UK All Companies Equity	iShares FTSE 100 ETF	1.1%
	Vanguard FTSE 100 ETF	0.9%
UK Dynamic Equity	Lindsell Train UK Equity	1.8%
	Miton UK Value Opportunities	2.3%
	Polar Capital UK Value Opportunities	2.0%
	Chelverton UK Growth	2.3%
Global Established Equity	Baillie Gifford Japanese Co.	2.3%
	BlackRock European Dynamic	1.4%
	Lindsell Train Japanese Equity	2.1%
	Miton European Opportunities	1.5%
	Vanguard US Equity Index	3.3%
Global Speculative Equity	Invesco China	1.7%
	Schroder Asian Alpha	1.7%
	Goldman Sachs India	0.9%
	Hermes GEM SMID	1.1%
	Baillie Gifford EM Leading Companies	0.5%



## Key recent changes

### 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

### April 2020

**From** Cash  
**To** Fixed Interest

**From** Polar Capital UK Absolute Equity  
**To** Cash & Fixed Interest

**From** Global Speculative  
**To** Baillie Gifford Emerging Markets Leading Companies

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

# Commentary

April saw signs of stability return to markets after a very poor first quarter of this year.

Most asset classes went up over the month, with equity and defined returns leading the way. However, despite the strong rally they remain significantly below their peak levels from earlier this year.

Continued government and central bank support was key to this partial recovery, giving markets confidence to look past the awful economic data which is beginning to be published. The issues with liquidity we saw in March have improved dramatically after central banks pumped trillions of dollars into the financial system.

As well as supporting stock markets, this helped bond markets and fixed interest also saw good returns in April. This asset class has now made a positive contribution to portfolio returns so far in 2020. In part, this was because we sold a number of the funds which had the highest levels of credit risk, towards the end of February and in early March.

Many of these funds fell significantly since we sold them. We have since bought several of them back at much lower levels, after the yields on offer increased to what we think are very attractive rates.

As well as topping up fixed interest in the month, we made several other small changes to portfolios. We made some adjustments to our equity mix, increasing global emerging market exposure and taking some gains on our Chinese fund which has been our best performing equity fund this year.

We have reduced exposure to alternative equity over the month after the Polar Capital UK Absolute Equity fund manager was forced to step down due to ill health. We have switched some of this into fixed interest.

We believe that equity and defined returns should provide some strong returns over the next 18 months or so, but in the short term would not be surprised to see markets pull back a little. If so, we may well use this as a buying opportunity.

## Performance

### Rolling total returns

<b>3 Months</b> (31.01.20 to 30.04.20)	<b>6 Months</b> (31.10.19 to 30.04.20)	<b>1 Year</b> (30.04.19 to 30.04.20)	-	-
-10.03%	-6.70%	-4.90%	-	-

### 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 30 April 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.

### Equilibrium Investment Management LLP

Ascot House, Epsom Avenue, Handforth, Wilmslow, Cheshire, SK9 3DF

0161 486 2250 : [askus@equilibrium.co.uk](mailto:askus@equilibrium.co.uk) : [www.equilibrium.co.uk](http://www.equilibrium.co.uk)

Equilibrium Investment Management LLP (a limited liability partnership) is authorised and regulated by the Financial Conduct Authority. Equilibrium Investment Management is entered on the Financial Services Register under reference 776977. Copyright Equilibrium Investment Management LLP. Not to be reproduced without permission.