



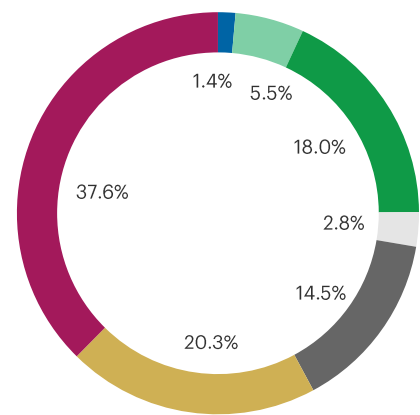
IFSL Equilibrium Balanced

Portfolio A Acc | March 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.

Manager	Equilibrium Investment Management LLP	ISIN	GBO0BYXHGX09	Annual management charge (AMC)	0.25%
ACD	Investment Funds Services Limited	Sedol	BYXHGX0		
Fund type	Open Ended Investment Company (OEIC)	Holdings	44	Ongoing charges figure (OCF)	1.05%
Launched	1 November 2017	Fund size	£395m		

Liquidity	Cash	1.4%	
Short Dated Fixed Interest	Royal London Short Duration High Yield	1.8%	
	TwentyFour Absolute Credit	1.3%	
	L&G Sterling Short Dated Bond Index	1.5%	
	Semper MBS Total Return	1.0%	
	Fixed Interest	Allianz Strategic Bond	3.1%
Fixed Interest	Nomura Global Dynamic Bond	3.4%	
	Jupiter Strategic Bond	3.4%	
	Royal London Extra Yield Bond	3.3%	
	TwentyFour Dynamic Bond	3.3%	
	L&G Allstocks Index Linked Gilt Index	1.5%	
	Property	Time Commercial Long Income	2.8%
	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		1.5%	
Atlantic House Defined Returns		2.8%	
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%	
Alternative Equity		H2O Multi-returns	3.0%
Alternative Equity	Lazard Global Listed Infrastructure	3.4%	
	Carmignac Long Short European Equity	2.7%	
	Polar Capital UK Absolute Equity	3.0%	
	Foresight UK Infrastructure Income	2.2%	
	Lazard Rathmore Alternative	3.0%	
	Mygale Event Driven	3.0%	
	UK Conservative Equity	Royal London UK Equity Income	2.4%
UK Conservative Equity	Miton UK Multi Cap Income	2.4%	
	Rathbones Income	2.4%	
	UK All Companies Equity	iShares FTSE 100 ETF	2.9%
UK All Companies Equity	Vanguard FTSE 100 ETF	3.0%	
	UK Dynamic Equity	Lindsell Train UK Equity	1.7%
UK Dynamic Equity	Miton UK Value Opportunities	2.1%	
	Marlborough Special Sits	1.5%	
	Polar Capital UK Value Opportunities	2.0%	
	Chelverton UK Growth	0.7%	
	Global Established Equity	Baillie Gifford Japanese Co.	2.4%
		BlackRock European Dynamic	1.5%
Lindsell Train Japanese Equity		2.4%	
Miton European Opportunities		1.4%	
Vanguard US Equity Index		2.9%	
Global Speculative Equity	Invesco China	1.8%	
	Schroder Asian Alpha	1.7%	
	Goldman Sachs India	1.0%	
	Hermes GEM SMID	1.5%	



Key recent changes

December 2019

From iShares Corporate Bond Index
To Nomura Global Dynamic Bond

January 2020

From Citi Dual Index Autocall
To Cash

From Cash

To BNP Paribas FTSE Autocall

February 2020

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

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

Commentary

Recent headlines have been dominated by the Coronavirus and this has had a significant impact on markets.

In the early part of February, markets were generally rebounding as it appeared that the Chinese authorities had contained the spread of the virus. There were also several positive signs that the global economy could be picking up, after we had some clarity on Brexit and the US-China trade war.

However, in the final week of the month it became apparent that the virus had spread much more widely than thought, with a significant number of cases in Italy, Japan, South Korea and Iran.

After the FTSE 100 closed above 7,400 on Friday 21 February, the market fell rapidly over the next week. At one point on Friday 28 February the FTSE 100 was as low as 6,460 – almost 1,000 points down in a week. The FTSE ended the month at 6,580, around 11% lower than a week early.

Other stock markets fell just as sharply, with the S&P 500 seeing its fastest correction in history. A correction is defined as a fall of 10% or more. Interestingly, Chinese markets held up quite well in this period having had a big scare in mid-January.

As markets fell, we enacted our usual “volatility plan”. We carried out volatility trades at 7,150 and 6,750, buying FTSE 100 trackers switching a small proportion of our lower risk assets. We also struck a new defined returns product with BNP Paribas when the FTSE was at 7,017 and the S&P 500 at 3,128. If both those indices are the same or higher in a year’s time, the product will pay out a 14.95% return.

The next stage of our plan is to “pause and re-assess”. Clearly, the virus will have some sort of economic impact, and we need to analyse how that is likely to affect company earnings, and therefore stock valuations. Once we’ve completed this analysis we will not hesitate to change strategy if we think it is right to do so.

Not everything in the portfolio has fallen in value, with some of our fixed interest funds doing very well. We are expecting central banks to cut interest rates and/or carry out further quantitative easing, which is generally good for bonds. Our property and some of our lower risk alternative equity funds have also held steady.

This shows why a diversified portfolio of assets is extremely important. It allows us to buy into weakness rather than just suffering the volatility.

Performance

Rolling total returns

3 Months (30.11.19 to 28.02.20)	6 Months (31.08.19 to 28.02.20)	1 Year (28.02.19 to 28.02.20)	-	-
-1.77%	0.00%	5.20%	-	-

Discrete annual total returns

2019 (31.12.18 to 31.12.19)	2018 (31.12.17 to 31.12.18)	-	-	-
13.79%	-4.12%	-	-	-

Notes and risk information

All data is to 28 February 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.

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

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