



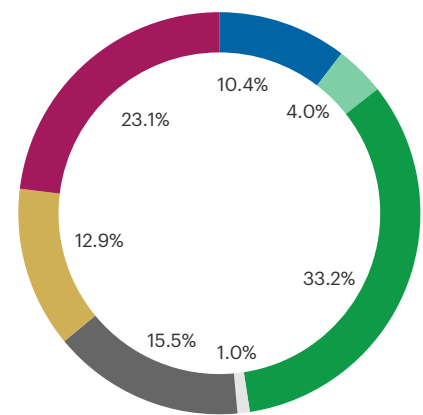
IFSL Equilibrium Cautious

Portfolio A Acc | July 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 4% per annum. Inflation is measured as the UK Consumer Prices Index for these purposes.

Manager	Equilibrium Investment Management LLP	ISIN	GB00BYXHQQY16	Annual management charge (AMC)	0.25%
ACD	Investment Funds Services Limited	Sedol	BYXHQQY1		
Fund type	Open Ended Investment Company (OEIC)	Holdings	41	Ongoing charges figure (OCF)	1.03%
Launched	1 November 2017	Fund size	£298.4m		

Liquidity	Sterling Cash & Money Market	7.3%
	Euro Cash & Money Market	1.5%
	US Dollar Cash & Money Market	1.5%
Short Dated Fxd Int	Royal London Short Duration High Yield	4.0%
Fixed Interest	Allianz Strategic Bond	5.0%
	Nomura Global Dynamic Bond	5.0%
	Jupiter Strategic Bond	5.1%
	Royal London Extra Yield Bond	4.3%
	TwentyFour Dynamic Bond	5.0%
	Muzinich Asia Credit Opportunities	2.1%
	GAM Credit Opportunities	2.1%
	Waverton Sterling Bond	4.5%
	Property	Time Commercial Long Income
Defined Returns	Societe Generale FTSE Autocall Dec 2017	3.0%
	JPM FTSE Autocall September 2018	2.6%
	BNP Paribas FTSE/S&P Autocall Feb 2020	1.4%
	Atlantic House Defined Returns	2.0%
	Credit Suisse FTSE/S&P Autocall Jan 2018	2.9%
	BNP Paribas FTSE Autocall Jan 2020	1.0%
	Morgan Stanley FTSE/S&P Autocall Mar 2019	1.0%
	Goldman Sachs FTSE/S&P Autocall Mar 2020	1.6%
	Alternative Equity	H2O Multi-returns
Lazard Global Listed Infrastructure		2.9%
Carmignac Long Short European Equity		2.8%
Foresight UK Infrastructure Income		1.8%
Lazard Rathmore Alternative		3.0%
UK Conservative Equity	Royal London UK Equity Income	1.0%
	Miton UK Multi Cap Income	1.6%
UK Dynamic Equity	Lindsell Train UK Equity	1.2%
	Miton UK Value Opportunities	1.6%
	Polar Capital UK Value Opportunities	1.7%
	Chelverton UK Growth	1.6%
	Global Established Equity	Baillie Gifford Japanese Co.
BlackRock European Dynamic		1.1%
Lindsell Train Japanese Equity		1.5%
Miton European Opportunities		1.1%
Vanguard US Equity Index		1.8%
Baillie Gifford American		1.0%
Morgan Stanley Global Brands		1.8%
Global Speculative Equity	Invesco China	1.1%
	Schroder Asian Alpha	1.1%
	Goldman Sachs India	0.7%
	Hermes GEM SMID	0.7%
	Baillie Gifford EM Leading Companies	0.9%



Key recent changes

May 2020

From Vanguard US Equity Index
To Baillie Gifford American
From UK Conservative
To Morgan Stanley Global Brands
From Defined returns
To Cash

June 2020

From Mygale Event Driven
To Muzinich Asia Credit Opportunities & GAM Credit Opportunities
From Cash
To Waverton Sterling Bond
From Rathbones Income
To Global Established and UK Dynamic

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

Commentary

After the precipitous fall in stock markets during February and March, followed by a very sharp bounce in April and May, June was relatively quiet!

The FTSE 100 was at 6,166 at close on 1 June and then ended the month at 6,169, almost exactly the same level. This doesn't quite tell the full story however, as we saw some sharp daily movements with several 2%+ positive days and two days where markets dropped by over 3%.

Investors are having a difficult time trying to factor in new bits of information, both positive economic data as economies re-open, and further concerns about the virus. For example, the recent rise in cases in America is worrying and if it continues it could threaten the recent outperformance of US stocks.

June was a quieter month for changes to the portfolio. We did increase exposure to corporate bonds at the expense of alternative equity, as well as making further changes to our equity mix by reducing UK equity.

In particular, we have reduced our exposure to UK equity income, in expectation of further dividend cuts.

In general, we remain optimistic for equity returns taking an 18 month view, but somewhat nervous of the potential for a further pull back in the short term. As a result, we are retaining a slight overweight to equities relative to our usual holding, but balancing this out with extra cash and high quality fixed interest, including government bonds.

We still see much of the best value in Asian stocks. Whilst we still think certain UK stocks look good value, concerns about Brexit talks could have an impact and has already hit the value of sterling.

We also have a positive view on corporate bonds which generally provide higher yields than they did a few months ago.

Performance

Rolling total returns

3 Months (31.03.20 to 30.06.20)	6 Months (31.12.19 to 30.06.20)	1 Year (30.06.19 to 30.06.20)	-	-
11.73%	-4.33%	-0.29%	-	-

Discrete annual total returns

2019 (31.12.18 to 31.12.19)	2018 (31.12.17 to 31.12.18)	-	-	-
12.37%	-3.60%	-	-	-

Notes and risk information

All data is to 30 June 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 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 : www.equilibrium.co.uk

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