



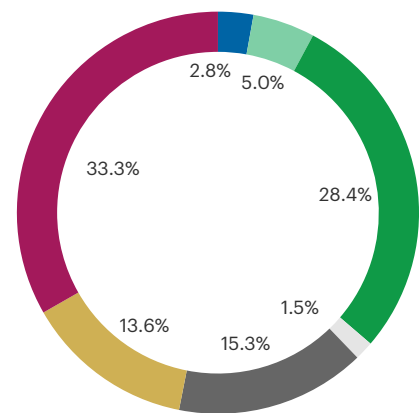
# IFSL Equilibrium Balanced

Portfolio A Acc | October 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. The Fund will invest at least 80% in other funds and investment trusts (collectively 'Investment Funds').

<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>	45	<b>Ongoing charges figure (OCF)</b>	1.03%
<b>Launched</b>	1 November 2017	<b>Fund size</b>	£407.4m		

Liquidity	Sterling Cash & Money Market	1.5%	
	Euro Cash & Money Market	0.7%	
	US Dollar Cash & Money Market	0.6%	
Short Dated Fxd Int	Royal London Short Duration High Yield	3.0%	
	TwentyFour Monument Bond Fund	2.0%	
Fixed Interest	Allianz Strategic Bond	4.5%	
	Nomura Global Dynamic Bond	4.0%	
	Jupiter Strategic Bond	4.0%	
	Royal London Extra Yield Bond	4.0%	
	TwentyFour Dynamic Bond	4.5%	
	Muzinich Asia Credit Opportunities	2.0%	
	GAM Credit Opportunities	2.0%	
	Waverton Sterling Bond	3.5%	
	Property	Time Commercial Long Income	1.5%
	Defined Returns	Societe Generale FTSE Autocall Dec 2017	2.9%
JPM FTSE Autocall September 2018		2.3%	
BNP Paribas FTSE/S&P Autocall Feb 2020		1.8%	
Atlantic House Defined Returns		2.3%	
Credit Suisse FTSE/S&P Autocall Jan 2018		1.9%	
BNP Paribas FTSE Autocall Jan 2020		1.1%	
Morgan Stanley FTSE/S&P Autocall Mar 2019		0.9%	
Goldman Sachs FTSE/S&P Autocall Mar 2020		2.0%	
Alternative Equity	Lazard Global Listed Infrastructure	2.5%	
	Carmignac Long Short European Equity	2.3%	
	Foresight UK Infrastructure Income	1.5%	
	Lazard Rathmore Alternative	2.9%	
	Foresight Global Real Infrastructure	2.6%	
	Blackrock European Absolute Alpha	1.9%	
UK Conservative Equity	Royal London UK Equity Income	1.3%	
	Miton UK Multi Cap Income	2.5%	
UK All Companies Equity	iShares FTSE 100 ETF	0.7%	
	Vanguard FTSE 100 ETF	0.8%	
UK Dynamic Equity	Lindsell Train UK Equity	2.2%	
	Miton UK Value Opportunities	2.5%	
	Polar Capital UK Value Opportunities	2.3%	
	Chelverton UK Growth	2.2%	
Global Established Equity	Baillie Gifford Japanese Co.	1.7%	
	BlackRock European Dynamic	1.5%	
	Lindsell Train Japanese Equity	1.7%	
	Miton European Opportunities	1.5%	
	Vanguard US Equity Index	2.3%	
	Baillie Gifford American	1.4%	
Morgan Stanley Global Brands	2.6%		



## Key recent changes

August 2020

No Changes

September 2020

**From** H20 Multi>Returns

**To** Foresight Global Real Infrastructure & Blackrock European Absolute Alpha

**From** Cash

**To** TwentyFour Monument Bond Fund

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

Global Speculative Equity	Invesco China	1.4%
	Schroder Asian Alpha	1.5%
Global Speculative Equity	Goldman Sachs India	0.9%
	Hermes GEM SMID	0.9%
	Baillie Gifford EM Leading Companies	1.3%

## Commentary

After a strong rally from the lows of March, stock markets have had something of a “wobble” recently. A rise in cases of the Coronavirus in Europe, including here in the UK, is causing some concern. Economies have been recovering quickly over the past few months but there is a danger this may stall as further restrictions are imposed.

Across the Atlantic, US stocks had their own bout of volatility. Here, the big technology stocks which have been driving the market have had a minor sell-off. This may be simply because their valuations had become so stretched, or it may be because of the amount of speculative trading in derivatives on these stocks is amplifying volatility.

The dip also coincided with the Federal Reserve announcing a change to their monetary policy regime which in effect means they will tolerate shorter term bouts of inflation. This may be significant for the path of future interest rates.

We feel there’s a difficult balancing act in portfolios right now. There are certainly risks that we could see a sharp pull back in stocks and so we have to be careful about being over-exposed. We are nervous of the upcoming US presidential election where there is potential for some disruption, especially if the result is tight. Here in the UK we still don’t have a trade deal with the EU, whilst the transition period ends at the end of the year.

At present the second wave of the virus is less deadly than the first. This could be because the greater testing is picking up the less serious cases we have missed in the past, or it could be because cases are largely in younger people and things may worsen if it spreads to older generations. Again, it is difficult to know which way things will go. Of course, should we see a vaccine or if any of these risks recede, this may push markets sharply upwards.

Within equities, we prefer Asia over developed markets and within the UK prefer smaller companies over the FTSE 100. We continued to hold more fixed interest than usual, although after a strong run we think returns here will tail off.

Over the past 12 months the fund has returned -0.38%. By comparison, the average fund which has between 20% and 60% in shares (the Financial Express UT Mixed Investment 20% - 60% shares sector) has returned -1.23%.

## Performance

### Rolling total returns

<b>3 Months</b> (30.06.20 to 30.09.20)	<b>6 Months</b> (31.03.20 to 30.09.20)	<b>1 Year</b> (30.09.19 to 30.09.20)	-	-
2.03%	14.92%	-0.38%	-	-

### 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 30 September 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.

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

### Equilibrium Investment Management LLP

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