



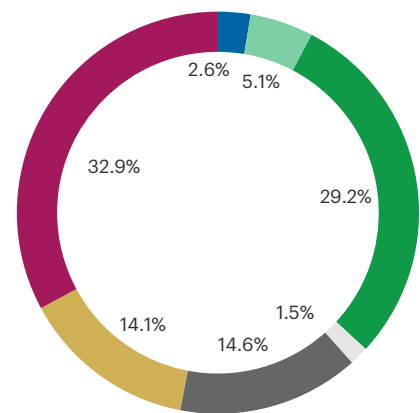
# IFSL Equilibrium Balanced

Portfolio A Acc | November 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>	43	<b>Ongoing charges figure (OCF)</b>	1.03%
<b>Launched</b>	1 November 2017	<b>Fund size</b>	£406.9m		

Liquidity	Sterling Cash & Money Market	1.3%	
	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	2.1%	
Fixed Interest	Allianz Strategic Bond	4.6%	
	Nomura Global Dynamic Bond	4.1%	
	Jupiter Strategic Bond	4.1%	
	Royal London Extra Yield Bond	4.1%	
	TwentyFour Dynamic Bond	4.6%	
	Muzinich Asia Credit Opportunities	2.0%	
	GAM Credit Opportunities	2.1%	
	Waverton Sterling Bond	3.6%	
	Property	Time Commercial Long Income	1.5%
	Defined Returns	Societe Generale FTSE Autocall Dec 2017	2.7%
JPM FTSE Autocall September 2018		2.1%	
BNP Paribas FTSE/S&P Autocall Feb 2020		1.7%	
Atlantic House Defined Returns		2.4%	
Credit Suisse FTSE/S&P Autocall Jan 2018		1.8%	
BNP Paribas FTSE Autocall Jan 2020		1.0%	
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	2.0%	
	Foresight UK Infrastructure Income	1.5%	
	Lazard Rathmore Alternative	3.6%	
	Foresight Global Real Infrastructure	2.5%	
	Blackrock European Absolute Alpha	2.0%	
UK Cons. Equity	Miton UK Multi Cap Income	2.5%	
	UK Dynamic Equity		
UK Dynamic Equity	Lindsell Train UK Equity	2.3%	
	Miton UK Value Opportunities	2.4%	
	Polar Capital UK Value Opportunities	2.4%	
	Chelverton UK Growth	2.3%	
	Liontrust Special Situations	2.6%	
	Global Established Equity	Baillie Gifford Japanese Co.	1.7%
BlackRock European Dynamic		1.4%	
Lindsell Train Japanese Equity		1.7%	
Miton European Opportunities		1.4%	
Vanguard US Equity Index		2.3%	
Baillie Gifford American		1.3%	
Morgan Stanley Global Brands		2.5%	
Global Speculative Equity	Invesco China	1.5%	
	Schroder Asian Alpha	1.5%	



## 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

September 2020

**From** Vanguard & iShares FTSE 100 ETF & Royal London UK Equity Income

**To** Liontrust Special Situations

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 (continued)	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 looked less certain more recently as they try and pick through an upcoming US presidential election and as increased Coronavirus-related restrictions impact on economies and businesses. A rapid rise in cases of the Coronavirus in Western countries, including here in the UK, has led to a return of greater restrictions. Economies have been recovering quickly over the past few months, but this path is likely to fade as tougher restrictions begin to effect businesses and consumer sentiment.

We expect further support measures from governments and policy announcements from Central Banks over the course of the next few months; the European Central Bank has hinted they are ready to add more stimulus in December. With less room to loosen policy than in the first half of the year we should not discount the possibility of negative interest rates from the Bank of England at this stage. US equities have endured a poor second half to the month, the S&P 500 Index was down nearly 3% during October having been up over 4%, despite over 85% of companies recently reporting beating second quarter earnings expectations. The upcoming election is possibly weighing on investors, however anything but a protracted handover of power should relieve uncertainty to some degree, the worst outcome would be that President Trump refuses to concede to Joe Biden.

Our greatest challenge now is to find the right balance in portfolios, to manage the risk of a further pullback in stocks whilst also maintaining exposure should we see a recovery from here. In fixed interest we are a little more concerned that some of our high yield bonds could come under pressure as default risk increases, we are less worried about rates going up over the next 2 years.

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 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. This could be the catalyst for a strong recovery in value stocks which is an area we are closely monitoring. 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 we may look to trim some of the riskier positions.

Over the past 12 months the fund has returned -1.04%. 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 -1.59%.

## Performance

### Rolling total returns

<b>3 Months</b> (31.07.20 to 30.10.20)	<b>6 Months</b> (30.04.20 to 30.10.20)	<b>1 Year</b> (31.10.19 to 30.10.20)	-	-
0.48%	5.97%	-1.04%	-	-

### 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 October 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

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.