



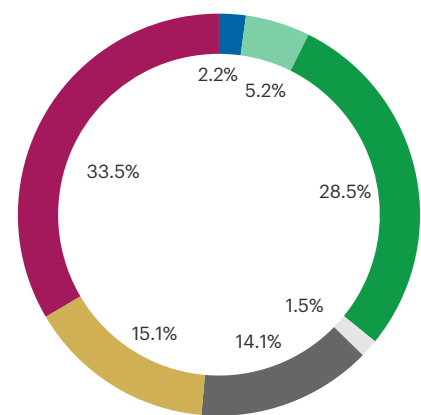
# IFSL Equilibrium Balanced

Portfolio A Acc | January 2021

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>	49	<b>Ongoing charges figure (OCF)</b>	1.03%
<b>Launched</b>	1 November 2017	<b>Fund size</b>	£428.4m		

Liquidity	Sterling Cash & Money Market	1.4%	
	Euro Cash & Money Market	0.2%	
	US Dollar Cash & Money Market	0.6%	
Short Dated Fixed Interest	Royal London Short Duration High Yield	3.0%	
	TwentyFour Monument Bond Fund	2.2%	
Fixed Interest	Allianz Strategic Bond	4.5%	
	Nomura Global Dynamic Bond	4.0%	
	Jupiter Strategic Bond	4.0%	
	Royal London Extra Yield Bond	3.3%	
	TwentyFour Dynamic Bond	4.5%	
	Muzinich Asia Credit Opportunities	2.7%	
	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	2.6%
JPM FTSE Autocall September 2018		2.4%	
BNP Paribas FTSE/S&P Autocall Feb 2020		1.4%	
Atlantic House Defined Returns		1.4%	
Credit Suisse FTSE/S&P Autocall Jan 2018		2.1%	
BNP Paribas FTSE Autocall Jan 2020		1.1%	
Morgan Stanley FTSE/S&P Autocall Mar 2019		1.0%	
Goldman Sachs FTSE/S&P Autocall Mar 2020		2.1%	
Alternative Equity	Lazard Global Listed Infrastructure	1.9%	
	Carmignac Long Short European Equity	2.1%	
	Foresight UK Infrastructure Income	1.5%	
	Lazard Rathmore Alternative	3.6%	
	Foresight Global Real Infrastructure	2.6%	
	Blackrock European Absolute Alpha	2.0%	
UK Conservative Equity	Miton UK Multi Cap Income	2.6%	
	UK Dynamic Equity		
UK Dynamic Equity	Lindsell Train UK Equity	2.5%	
	Miton UK Value Opportunities	2.5%	
	Polar Capital UK Value Opportunities	2.5%	
	Chelverton UK Growth	2.4%	
	Liontrust Special Situations	2.5%	
Global Established Equity	Baillie Gifford Japanese Co.	1.5%	
	BlackRock European Dynamic	1.2%	
	Lindsell Train Japanese Equity	1.3%	
	Miton European Opportunities	1.2%	
	Vanguard US Equity Index	1.1%	
	Baillie Gifford American	1.2%	
	Morgan Stanley Global Brands	1.4%	
	Schroder Global Recovery	2.5%	



## Key recent changes

### October 2020

**From** Vanguard & iShares FTSE 100 ETF & Royal London UK Equity Income  
**To** Liontrust Special Situations

### November 2020

**From** Global Established Equity  
**To** Schroder Global Recovery

### December 2020

**From** Alternative Equity & Defined Returns  
**To** Legg Mason IF ClearBridge Global Infrastructure Income Fund

**From** Vanguard US Equity Index & Morgan Stanley Global Brands  
**To** iShares US MSCI Small Cap ETF

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

Global Established Equity (continued)	iShares US MSCI Small Cap ETF	0.9%	
Global Speculative Equity	Invesco China	1.4%	
	Schroder Asian Alpha	1.5%	
	Goldman Sachs India	0.9%	
	Hermes GEM SMID	1.0%	
	Baillie Gifford EM Leading Companies	1.3%	

## Commentary

We are all glad to see 2020 come to an end. Given the challenges we faced and the major market sell off in the first half of last year it is perhaps surprising that the fund provided a positive return!

The fund returned 4.31% over the calendar year (31 December 2019 to 31 December 2020). The official benchmark for the fund is UK inflation (consumer prices index) which at the latest reading was 0.3% and so we have also seen a positive “real return” over this period. Whilst the fund is not in any Investment Association (IA) sector it can be useful to compare returns to other “mixed investment” funds which have similar levels of equity exposure. For example, the IA Mixed Investment 20-60% Share sector returned 3.52% over the same period. For further context, the FTSE 100 index FELL by 11.55% in 2020.

Recent performance has been helped by our positions in UK equities, including defined returns which are linked to the UK stock market. The Brexit trade deal along with the vaccine news has helped UK stocks to have a very good period since early November, despite the ongoing economic challenges. Returns have also been partly driven by our infrastructure investments which continue to do well, and by our addition of a “recovery” fund after the initial news about the vaccine.

As we move into 2021 we are feeling slightly more cautious, with many stock markets looking quite expensive based on the earnings of the underlying companies. Whilst we expect those earnings to recover this year much of this is already factored into markets. We therefore would not be surprised to see some short term market volatility.

In terms of other assets, we still see some value in fixed interest, in particular corporate bonds, but like equities they have had a good run and this is unlikely to be repeated. Property still remains a very challenged asset class but we remain on the lookout for bargains.

## Performance

### Rolling total returns

3 Months (30.09.20 to 31.12.20)	6 Months (30.06.20 to 31.12.20)	1 Year (31.12.19 to 31.12.20)	3 Years (31.12.17 to 31.12.20)	-
7.77%	9.95%	4.31%	13.80%	-

### Discrete annual total returns

2020 (31.12.19 to 31.12.20)	2019 (31.12.18 to 31.12.19)	2018 (31.12.17 to 31.12.18)	-	-
4.31%	13.79%	-4.12%	-	-

## Notes and risk information

All data is to 31 December 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.

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