

Equitile Investments ACS

Semi-annual report & unaudited financial statements

For the period ended 30 June 2020



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*These collectively comprise the Authorised Contractual Scheme Manager's Report

General Information

1. Board of Directors of the ACS Manager	Andrew McNally George Cooper Nigel Hellewell Thor Johan Furuholmen Xiyang He	Head office : 22 Tudor Street, London, EC4Y 0AY, United Kingdom
Non-Executive Directors	Gerald Ashley Jakob Iqbal	Registered Office : 2nd Floor, Regis House 45 King William Street, London EC4R 9AN
2. Depositary	HSBC Bank Plc	8 Canada Square, London E14 5HQ, United Kingdom
3. Registrar	HSBC Bank Plc	8 Canada Square, London E14 5HQ, United Kingdom
4. Independent Auditors	PricewaterhouseCoopers LLP	7 More London, Riverside, London SE1 2RT United Kingdom

Equitile Investments ACS Overview

Equitile Investments ACS (the "Scheme") is an Authorised Contractual Scheme which is constituted as an umbrella Co-Ownership Scheme as defined under section 235A(2) of FSMA and for the purposes of the EU Regulation, the UCITS Directive, the UCITS Regulation, the Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (SI 2013/1388) and the FCA Handbook (including the COLL Sourcebook) made under FSMA, and any other applicable rules made under FSMA from time to time in force. Equitile Investments Ltd (a Private Limited Company (the "Company")) is the appointed ACS Manager (the "Manager") and HSBC Bank Plc, is the appointed Depositary (the "Depositary") to whom the Scheme Property is entrusted for safekeeping.

The Scheme has segregated liability between sub-funds of the Scheme ("Funds"). The Scheme was authorised by the FCA on 16 December 2015. The Scheme is organised as an umbrella Co-Ownership Scheme and may be comprised of separate sub-funds and segregated portfolio of assets. Accordingly, the sub-funds assets are allocated exclusively to that sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including any other sub-funds that may be established under the Scheme on a later date and shall not be available for any other purpose. Except where otherwise stated or the context requires, capitalised terms have the meaning given to them in the Prospectus of the Scheme dated 19 August 2019.

Investment objective and policy

Equitile Resilience Fund

The Scheme currently has one sub-fund, Equitile Resilience Fund (the "Sub-Fund"), a UCITS Scheme under the COLL Sourcebook. The Sub-Fund was authorised by the FCA on 16 December 2015.

The Sub-Fund aims to generate capital growth by investing in today's most innovative, high growth companies. The investment process combines a quantitative and qualitative approach to build a diversified portfolio of between 35 to 40 high quality, large cap developed world companies. The investment process is designed to select the best stocks for the prevailing economic environment. It is explicitly engineered to adapt to changing economic circumstances, seeking to identify leading companies in rapidly growing industries.

The Sub-Fund is actively managed with the fund manager utilising their expertise to select investments to achieve the fund's objective. The Sub-Fund does no geographic or sector constraints and is benchmark agnostic. The Sub-Fund is typically close to fully invested in equities and does not rely on leverage or derivatives to generate returns.

Investors may assess the success of this strategy by considering, in combination, the average annual return of the Sub-Fund and the average annual maximum loss of the Sub-Fund where the annual maximum loss is defined as the largest percentage loss which an investor could have incurred by investing into and subsequently redeeming from the Sub-Fund within a given year.

In normal market conditions, the Sub-Fund will be close to fully invested in equity securities (e.g. shares). Allocations to bonds and cash may be made periodically for the purpose of capital preservation. Use may be made of cash holdings, hedging and other investment techniques for the purposes of efficient portfolio management as permitted by the COLL Sourcebook. The Sub-Fund will not utilise borrowing or leverage in order to achieve the investment objective. Short term borrowing may be used for the purposes of efficient portfolio management. The Sub-Fund may utilise derivatives for efficient portfolio construction and for hedging purposes.

ACS Manager's Report to the Unitholders

As the sole Manager, Equitile Investments Ltd, presents its report and the unaudited financial statements of the Scheme for the period from 01 January 2020 to 30 June 2020. The Scheme is a UCITS Scheme which complies with the Financial Conduct Authority's Collective Investment Schemes sourcebook. The unitholders are not liable for the debts of the Scheme. The Investment Objectives and Policies of each Sub-Fund of the Scheme are covered in the section for each Sub-Fund. The names and addresses of the Manager, the Depositary and the Auditors are detailed on page 2.

The object of the Scheme (which may be made up of a number of sub-funds) is to invest the Scheme Property through the Sub-funds as set out in the Prospectus and the object of each sub-fund is for the ACS Manager on behalf of the Unitholders, as co-owners of the relevant sub-fund's property, to invest that property in transferable securities, money market instruments, derivatives and forward transactions, deposits, cash, near cash, and units in collective investment schemes in accordance with the Regulations applicable to the Scheme and each Sub-Fund with the aim of spreading investment risk and giving to the Unitholders the benefits of the results of the management of that property.

ACS Manager's Statement

In accordance with the requirements of the COLL as issued and amended by the Financial Conduct Authority, the report and financial statements are approved on behalf of the Directors of Equitile Investments Ltd, the ACS Manager.



Andrew McNally
CEO



Nigel Hellewell
COO

30 August 2020

Sub-Fund Review

As at 30 June 2020, the Scheme had 1 active sub-fund:

Fund – Equitile Resilience Fund
Launch Date – 29 February 2016
Base currency - GBP

Investment Review

Please note this investment review is for the financial period from 01 January 2020 to 30 June 2020.

Performance and Market Review

The first half of 2020 has been dominated by the impact of the COVID19 virus and the associated economic lockdown which triggered a period of extreme market volatility beginning in mid-February. The fund was not immune to this volatility, suffering a substantial drawdown from mid-February until late March. Nevertheless, we are pleased to say, by the end of the first half of 2020 those losses have been largely recovered. In the context of the market and economic volatility we are satisfied with the performance of the investment strategy. In the first half of 2020, the USD share class returned 3.8%.

It is our assessment that the COVID19 economic lockdown has accelerated a significant change to the working practices of a number of key industries by requiring widespread remote working. The remote working experiment has, thus far, proven largely successful and looks likely to become a permanent feature of the economic landscape. Fortunately, prior to the pandemic, the fund was already invested in a number of technology companies able to benefit from this change. Nevertheless, during the second quarter of 2020 we have further increased the fund's exposure to technology companies likely to benefit from the remote-working trend. At the same time, we have reduced exposure to those companies most susceptible to revenue shortfalls arising from the restrictions imposed on the retail, travel, tourism and hospitality sectors. These shifts have been in line with the fund's investment process which is designed to ensure the investment portfolio is adapted, promptly, to changing economic circumstances.

By industry, Semiconductors, Software and Payment systems remain the fund's most important sectors. The fund has divested from the luxury goods sector at present.

The fund remains in a highly liquid state with the weighted average market capitalisation of the fund's investments now standing at USD 350bln. As we move into the second half of 2020, we intend retaining this focus on high liquidity.

Outlook

With social distancing restrictions still in place and economic lockdowns being reimposed in some locations the outlook for the global economy and financial markets remains highly uncertain. Although stock markets have recovered significantly from their selloff in early 2020 we must recognise the recovery of the real economy has been significantly weaker. Due to government aid programs many furloughed employees have continued to receive income and companies have been able to delay redundancies. As a result, the full effect of the economic shutdown has not yet been felt in the labour markets. However, as governments attempt to reduce the size of these support programs unemployment is likely to rise substantially.

Our initial expectation was for a short-lived economic lockdown coupled with an aggressive stimulus program. In reality the economic lockdown has persisted for much longer than anticipated and seems likely to substantially continue until the end of the calendar year. This we believe will prove too long a period for many companies to survive. As a result, we no longer believe the global economy will be able to enjoy a rapid V-shaped economic recovery. A much longer period of elevated unemployment and depressed economic activity must now be anticipated.

In this environment we anticipate a generating attractive investment returns will become more challenging. Fortunately there are many companies who are well positioned to benefit from the economic changes caused by remote working, however, there are many more who will, we believe, suffer from these changes, at least in the short to medium term. As a result, we anticipate a narrowing of the investment opportunity set over the coming year.

On the macroeconomic front we remain focused on the investment implications of high and rising fiscal deficits. These deficits are, we believe, likely to prove positive for equity market returns in nominal terms. However, they may, in the long run, be associated with a rise in inflation making the achievement of attractive real returns more difficult to achieve.

Synthetic Risk and Reward Indicator (SRRI)

Lower risk
Typically lower returns

Higher risk
Typically higher returns

1	2	3	4	5	6	7
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The Sub-Fund is classified category 5 because the investment policy of the fund means it will typically be predominantly invested in the equity markets and will therefore be exposed to the relatively high volatility of the equity market. Please note that even the lowest ranking does not mean risk-free.

The Risk and Reward indicator demonstrates where the Sub-Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-Fund.

Securities Financing Transaction Regulation Disclosure

The Sub-Fund does not engage in any securities financing transactions and / or any total return swaps.

Comparative Tables

The 'Return after operating charges' disclosed in the Comparative Tables is calculated as a return after operating charges per unit divided by the opening net asset value per unit.

Portfolio transaction costs are incurred when investments are bought or sold by the Sub-Fund in order to achieve the investment objective. Direct transaction costs include broker commission and taxes. Broker commission includes the fee to a broker to execute the trades. Equitile does not buy external research.

Comparative Table Class A1				
For the period ended 30 June 2020				
	GBP	GBP	GBP	GBP
Class A1 Resilience GBP Acc	30.06.20	31.12.19	31.12.18	31.12.17
Change in net assets per unit				
Opening net asset value per unit	161.43	120.32	130.52	103.83
Return before operating charges*	3.49	42.32	(8.73)	27.82
Operating charges	(0.69)	(1.21)	(1.47)	(1.13)
Return after operating charges	2.80	41.11	(10.20)	26.69
Distribution on accumulation units	0.00	(0.24)	(0.06)	(0.20)
Retained distribution on accumulation units	0.00	0.24	0.06	0.20
Closing net asset value per unit	164.23	161.43	120.32	130.52
* after direct transaction costs of:	0.05	0.18	0.22	0.14
Performance				
Return after charges	1.73%	34.17%	(7.81%)	25.71%
Other information				
Closing net asset value (£'000)	162,045	143,964	110,153	94,838
Closing number of units	986,704	891,787	915,474	726,616
Operating charges [^]	0.88%	0.84%	1.06%	0.97%
Direct transaction costs	0.03%	0.12%	0.16%	0.12%
Prices - GBP				
Highest unit price	174.30	162.43	150.67	134.57
Lowest unit price	121.79	117.92	114.47	104.01

[^]Operating charges, otherwise known as the OCF is the ratio of the Sub-Fund's total costs to the average net assets of the Sub-fund.

Comparative Table Class X3				
For the period ended 30 June 2020				
	USD	USD	USD	USD
Class X3 Resilience USD Acc	30.06.20	31.12.19	31.12.18	31.12.17
Change in net assets per unit				
Opening net asset value per unit	159.12	116.46	124.27	97.86
Return before operating charges*	9.66	44.08	(6.23)	27.76
Operating charges	(0.65)	(1.42)	(1.58)	(1.35)
Return after operating charges	9.01	42.66	(7.81)	26.41
Distribution on accumulation units	0.00	(0.23)	0.00	(0.04)
Retained distribution on accumulation units	0.00	0.23	0.00	0.04
Closing net asset value per unit	168.13	159.12	116.46	124.27
* after direct transaction costs of:	0.05	0.18	0.21	0.14
Performance				
Return after charges	5.66%	36.63%	(6.28%)	26.99%
Other information				
Closing net asset value (\$'000)	46,319	23,636	6,564	6,311
Closing number of units	275,485	148,532	56,369	50,794
Operating charges [^]	0.86%	0.95%	1.23%	1.15%
Direct transaction costs	0.03%	0.12%	0.16%	0.12%
Prices - USD				
Highest unit price	171.17	159.87	145.18	127.87
Lowest unit price	117.71	114.18	110.71	98.03

[^]Operating charges, otherwise known as the OCF is the ratio of the Sub-Fund's total costs to the average net assets of the Sub-fund.

Summary of Material Portfolio Changes for the Sub-Fund

The top ten purchases and sales for the period ended 30 June 2020 were as follows:

Purchases	Sales	
	Cost £'000	Proceeds £'000
Newmont Mining	6,015	LVMH 6,239
Fortinet	5,771	Estee Lauder 'A' Shares 5,776
Amazon.com	5,634	Stryker 4,817
Veeva Systems 'A' Shares	5,382	Roche 4,459
Alphabet 'A' Shares	5,245	CGI 3,646
Citrix Systems	5,228	Ross Stores 3,504
Roche	4,897	Wolters Kluwer 3,445
BlackRock	4,672	Starbucks 3,346
Adidas	2,962	AT & T 3,319
Activision	2,448	Adidas 3,184
<u>Subtotal</u>	<u>48,254</u>	<u>Subtotal</u> <u>41,735</u>
<u>Total purchases during the period:</u>	<u>74,256</u>	<u>Total sales during the period:</u> <u>54,080</u>

Top 10 holdings	As at 30.06.20
Nvidia	5.71%
Apple	5.03%
Microsoft	4.88%
Adobe Systems	3.84%
ASML	3.55%
Lam Research	3.54%
Amazon.com	3.20%
Veeva Systems 'A' Shares	3.13%
Visa 'A' Shares	3.12%
Cadence Design Systems	3.10%

As at 30 June 2020

Portfolio of investments		Market value	Total value of
Holding	Investment	£'000	Sub-Fund %
UNITED STATES - 83.25% (73.80%)			
Apparel & Accessories – 0.00% (1.64%)			
Consulting – 0.72% (2.39%)			
	12,000 Automatic Data Processing	1,436	0.72
Consumer Electronics – 5.03% (4.37%)			
	34,000 Apple	10,053	5.03
Consumer Goods – 1.24% (3.38%)			
	40,000 Activision	2,479	1.24
Consumer Services – 3.20% (2.05%)			
	2,900 Amazon.com	6,393	3.20
Diversified Manufacturing – 3.72% (3.79%)			
	15,000 Roper Technologies	4,650	2.33
	6,000 Sherwin-Williams	2,768	1.39
Financial Services – 10.98% (8.28%)			
	11,000 BlackRock	4,794	2.40
	60,000 Fiserv	4,707	2.36
	26,000 Mastercard	6,188	3.10
	40,000 Visa 'A' Shares	6,221	3.12
Telecommunications – 0.00% (2.10%)			
Medical Products – 2.06% (5.36%)			
	13,492 Cooper Companies	2,985	1.49
	8,000 Stryker	1,148	0.57
Medical Technology – 6.85% (8.10%)			
	72,000 Edwards Lifesciences	3,952	1.98
	10,000 Intuitive Surgical	4,518	2.26
	18,200 Thermo Fisher Scientific	5,216	2.61
Microelectronic Manufacturing – 17.76% (16.42%)			
	120,000 Applied Materials	5,873	2.94
	34,500 KLA Tencor	5,449	2.73
	27,000 Lam Research	7,070	3.54
	37,000 Nvidia	11,399	5.71
	55,000 Texas Instruments	5,665	2.84
Mining – 2.93% (0.00%)			
	120,000 Newmont Mining	5,842	2.93
Pharmaceuticals & Biotechnology - 0.00% (1.12%)			
Software – 28.76% (14.80%)			
	22,000 Adobe Systems	7,662	3.84
	4,750 Alphabet 'A' Shares	5,368	2.69
	23,000 Broadcom	5,849	2.93
	80,000 Cadence Design Systems	6,190	3.10
	45,143 Citrix Systems	5,395	2.70
	50,000 Fortinet	5,523	2.76
	60,000 Microsoft	9,741	4.88
	35,000 Synopsys	5,445	2.73
	33,000 Veeva Systems 'A' Shares	6,258	3.13
Total United States		166,237	83.25

AUSTRALIA - 2.42% (2.73%)		
Pharmaceuticals & Biotechnology - 2.42% (2.73%)		
30,184 CSL	4,832	2.42
Total Australia	4,832	2.42
CANADA - 0.00% (2.42%)		
Software - 0.00% (2.42%)		
FRANCE - 2.57% (5.65%)		
Luxury Goods - 0.00% (3.48%)		
Software - 2.57% (2.17%)		
37,000 Dassault Systemes	5,121	2.57
Total France	5,121	2.57
IRELAND - 2.60% (2.95%)		
Consulting - 2.60% (2.95%)		
30,000 Accenture	5,199	2.60
Total Irelands	5,199	2.60
JAPAN - 2.27% (2.34%)		
Diversified Manufacturing - 2.27% (2.34%)		
52,000 Hoya	4,020	2.01
1,500 Keyence	508	0.26
Total Japan	4,528	2.27
NETHERLANDS - 3.55% (5.67%)		
Professional Services - 0.00% (2.22%)		
Microelectronic Manufacturing - 3.55% (3.45%)		
24,000 ASML	7,096	3.55
Total Netherlands	7,096	3.55
TAIWAN - 3.00% (3.01%)		
Microelectronic Manufacturing - 3.00% (3.01%)		
130,000 Taiwan Semiconductor Manufacturing	5,996	3.00
Total Taiwan	5,996	3.00
Forward Foreign Exchange Contracts - 0.00% (-0.06%)		
Portfolio of investments	199,009	99.66
Net other assets	687	0.34
Net assets	199,696	100.00

The comparative percentage figures in brackets are at 31 December 2019.

Other than forward currency contracts, all investments are listed on recognised stock exchanges and are "approved securities" within the meaning of the FCA rules unless otherwise stated.

Financial Statements of the Sub-Fund

Statement of Total Return

This statement of total return is prepared in accordance with IMA SORP 2014. The financial statements are prepared in the base currency (Sterling) of the Sub-Fund.

		Period ended 30.06.20 £'000	Period ended 30.06.19 £'000
	£'000	£'000	£'000
Income			
Net capital gains		5,756	23,607
Revenue	927		877
Expenses	(741)		(444)
Interest payable and similar charges	(6)		(4)
Net revenue before taxation	180		429
Taxation	(141)		(96)
Net revenue after taxation		39	333
Total return before distributions		5,795	23,940
Distributions		(2)	7
Change in net assets attributable to unitholders from investment activities		5,793	23,947

Statement of Change in Net Assets Attributable to Unitholders

The statement of change in net assets attributable to unitholders reconciles the opening and closing net assets attributable to unitholders.

		Period ended 30.06.20 £'000	Period ended 30.06.19 £'000
	£'000	£'000	£'000
Opening net assets attributable to unitholders		161,851	115,281
Movement due to issue and cancellation of units:			
Amounts receivable on issue of units	50,363		21,100
Amounts payable on cancellation of units	(18,372)		(20,601)
		31,991	499
Dilution adjustment		61	11
Change in net assets attributable to unitholders from investment activities (see above)		5,793	23,947
Closing net assets attributable to unitholders		199,696	139,738

Balance Sheet

	As at 30.06.20 £'000	As at 31.12.19 £'000
Assets:		
Fixed Assets		
Investments	199,009	159,740
Current assets:		
Debtors	2,000	158
Cash and bank balances	1,715	3,204
Total assets	202,724	163,102
Liabilities:		
Investment liabilities	-	(308)
Creditors:		
Other creditors	(3,028)	(943)
Total liabilities	(3,028)	(1,251)
Net assets attributable to unitholders	199,696	161,851

Summary of Significant Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2019 and are described in those annual financial statements. The annual financial statements are available at www.equitile.com.

The Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss and in accordance with FRS 102, the Financial Reporting Standards applicable in the UK and Republic of Ireland, and with the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Association in May 2014.

Disclaimer

These materials contain preliminary information that is subject to change and is not intended to be complete or to constitute all the information necessary to adequately evaluate the consequences of making any investment.

This document is being provided solely for informational purposes. The value of an investment may fall or rise. All investments involve risk and past performance is not a guide to future returns. Equitile offers no guarantee against loss or that investment objectives will be achieved.

Equitile does not offer investment advice. Please read the Key Investor Information Document, Prospectus and any other offer documents carefully and consult with your own legal, accounting, tax and other advisors in order to independently assess the merits of an investment. Investors and any potential investors should be aware of local laws governing investments and should read all the relevant documents including any financial statements and scheme particulars as appropriate.

The State of the origin of the Fund is the United Kingdom and the Fund is authorised and regulated by the UK Financial Conduct Authority.