

Equitile Investments ACS

Semi-annual report & unaudited financial statements

For the period ended 30 June 2022



## Table of Contents

General information* .....	2
Equitile Investments ACS Overview .....	3
ACS Manager's Report to the Unitholders* .....	4
Sub-Fund Review*.....	5
Unaudited Financial Statements of the Sub-Fund.....	11
Summary of significant accounting policies.....	13
Disclaimer.....	14

\*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 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 Depository (the "Depository") 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 22 September 2021.

### Investment objective and policy

#### **Equitile Resilience Fund**

The Scheme currently has one sub-fund, Equitile Resilience Fund (the "Sub-Fund"), a UK 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 not have 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, Equitable Investments Ltd, presents its report and the unaudited financial statements of the Scheme for the period from 01 January 2022 to 30 June 2022. The Scheme is a UK 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 Equitable Investments Ltd, the ACS Manager.



Andrew McNally  
CEO



Nigel Hellewell  
COO

August 2022

30th August 2022

## Sub-Fund Review

As at 30 June 2022, 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 2022 to 30 June 2022.

### Performance and Market Review

In the first half of 2022 the global economy was buffeted by three interrelated shocks: surging inflation, slowing economic activity and the war in Ukraine. Together these factors conspired to cause a cost-of-living crisis pushing many of the world's major economies into recession. In response, stock markets fell sharply during the period in anticipation of both declining earnings and higher interest rate costs as central bankers raised interest rates to bring inflation down.

Inflation began rising in mid-2021 in response to the easing of Covid lockdown restrictions. This process released a considerable amount of pent-up demand, accumulated in the lockdown period, into an economy suffering considerable manufacturing and supply chain bottlenecks. As a result, the combination of inadequate manufacturing and distribution capacity caused a sharp rise in prices around the world. This process was further exacerbated by labour shortages; some workers appear to have left the labour force permanently during lockdown and, perhaps, their replacements have yet to be fully trained. In addition, the Russian invasion of Ukraine in early 2022 followed by the attempted embargo on Russian energy exports sent fuel and food prices sharply higher.

Central banks have responded to the elevated inflationary pressures in the traditional manner and begun raising interest rates. Although understandable, and to a degree necessary, it is far from clear that the component of inflation attributable to the easing of lockdown restrictions, is best dealt with through monetary tightening. In this, arguably unique, macroeconomic climate the risks of policy mistakes are elevated causing risk premia in financial markets to rise sharply pushing equity valuations lower. As a result, the GBP share class suffered a 27% decline in NAV during the first half of the year, erasing the gains made from mid-March 2021.

During this period, we have made some changes to the fund's portfolio of investments, principally through increasing exposure to the energy, commodities and luxury goods sectors where pricing power is strongest.

### Outlook

As discussed, financial markets remain dominated by concerns of the magnitude and durability of inflationary pressures. In our view most, though not all, of these pressures are transitory in nature deriving from the release of lockdown restrictions and conflict in Ukraine. As we move into the latter half of 2022, we anticipate an easing of these forces and therefore a gradual reduction of inflation levels. As inflationary pressures begin to abate, we expect markets will move to price only a relatively modest rate hiking cycle and therefore begin recovering confidence through the second half of the year.

### Synthetic Risk and Reward Indicator (SRRI)

Lower risk

Higher risk

1	2	3	4	5	6	7
---	---	---	---	---	---	---

Typically lower returns

Typically higher returns

The Sub-Fund is classified category 6 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 2022

	GBP	GBP	GBP	GBP
Class A1 Resilience GBP Acc	30.06.22	31.12.21	31.12.20	31.12.19
Change in net assets per unit				
Opening net asset value per unit	244.11	185.83	161.43	120.32
Return before operating charges*	(65.02)	60.04	25.82	42.32
Operating charges <sup>^</sup>	(0.86)	(1.76)	(1.42)	(1.21)
Return after operating charges	(65.88)	58.28	24.40	41.11
Distribution on accumulation units	0.00	(113.64)	0.00	(0.24)
Retained distribution on accumulation units	0.00	113.64	0.00	0.24
Closing net asset value per unit	178.23	244.11	185.83	161.43
* after direct transaction costs of:	0.14	0.18	0.10	0.18
Performance				
Return after charges	(26.99%)	31.36%	15.11%	34.17%
Other information				
Closing net asset value (£'000)	118,547	160,645	113,851	143,964
Closing number of units	665,140	658,089	612,652	891,787
Operating charges <sup>^</sup>	0.85%	0.84%	0.87%	0.84%
Direct transaction costs	0.07%	0.08%	0.06%	0.12%
Prices - GBP				
Highest unit price	242.81	249.08	189.17	162.43
Lowest unit price	177.35	178.22	121.79	117.92

<sup>^</sup>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 2022	USD	USD	USD	USD
Class X3 Resilience USD Acc	30.06.22	31.12.21	31.12.20	31.12.19
Change in net assets per unit				
Opening net asset value per unit	273.81	211.11	159.12	116.46
Return before operating charges*	(93.20)	64.84	53.55	44.08
Operating charges <sup>^</sup>	(1.00)	(2.14)	(1.56)	(1.42)
Return after operating charges	(94.20)	62.70	51.99	42.66
Distribution on accumulation units	0.00	(75.57)	0.00	(0.23)
Retained distribution on accumulation units	0.00	75.57	0.00	0.23
Closing net asset value per unit	179.61	273.81	211.11	159.12
* after direct transaction costs of:	0.14	0.19	0.11	0.18
Performance				
Return after charges	(34.40%)	29.70%	32.67%	36.63%
Other information				
Closing net asset value (\$'000)	2,372	3,668	16,679	23,636
Closing number of units	13,209	13,394	79,007	148,532
Operating charges <sup>^</sup>	0.98%	0.94%	0.85%	0.95%
Direct transaction costs	0.07%	0.08%	0.06%	0.12%
Prices - USD				
Highest unit price	272.51	276.67	212.11	159.87
Lowest unit price	179.80	204.72	117.71	114.18

<sup>^</sup>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 2022 were as follows:

Purchases		Sales	
	Cost £'000		Proceeds £'000
Anglo American	6,847	BlackRock	3,905
Diageo	4,360	Intuitive Surgical	3,701
Advanced Micro Devices	3,639	Lam Research	2,881
Equinor	3,503	Croda International	2,854
Conoco Phillips	3,021	Adobe Systems	2,616
Exxon Mobil	2,725	Sika	2,440
Palo Alto Networks	2,030	Amazon.com	2,436
Adobe Systems	1,574	Target	2,270
BHP Group	1,328	Sherwin-Williams	2,250
LVMH	1,279	MSCI	1,877
<b>Subtotal</b>	<b>30,306</b>	<b>Subtotal</b>	<b>27,230</b>
<b>Total purchases during the period:</b>	<b>40,714</b>	<b>Total sales during the period:</b>	<b>36,764</b>

Top 10 holdings	As at 30.06.22
Apple	4.85%
Cadence Design Systems	4.58%
Nvidia	4.37%
Anglo American	4.26%
LVMH	4.25%
Synopsys	4.21%
Broadcom	4.17%
ASML	4.02%
Microsoft	4.01%
Alphabet 'A' Shares	3.59%

## Portfolio of Investments of the Sub-Fund

As at 30 June 2022

### Portfolio of investments

Holding	Investment	Market value £'000	Total value of Sub-Fund %
<b>UNITED KINGDOM - 7.62% (2.47%)</b>			
Chemicals – 0.00 % (2.47%)			
Consumer Goods - 3.36% (0.00%)			
114,900	Diageo	4,046	3.36
Mining - 4.26% (0.00%)			
175,500	Anglo American	5,134	4.26
Total United Kingdom		9,180	7.62
<b>UNITED STATES - 63.42% (69.53%)</b>			
Consumer Electronics – 4.85% (4.07%)			
52,600	Apple	5,841	4.85
Consumer Services – 1.04% (3.63%)			
4,000	FactSet Research Systems	1,249	1.04
Diversified Manufacturing – 2.45% (3.96%)			
14,340	Danaher	2,947	2.45
Financial Services – 1.47% (5.17%)			
2,375	MSCI	785	0.65
13,650	Raymond James Financial	981	0.82
Industrial Transportation –0.00% (0.80%)			
Medical Technology – 4.60% (7.80%)			
20,000	Edwards Lifesciences	1,554	1.29
9,110	Thermo Fisher Scientific	3,985	3.31
Microelectronic Manufacturing – 17.26% (19.96%)			
61,560	Advanced Micro Devices	3,869	3.21
42,800	Applied Materials	3,147	2.61
14,490	KLA Tencor	3,737	3.10
4,450	Lam Research	1,521	1.26
42,650	Nvidia	5,267	4.37
26,300	Texas Instruments	3,270	2.71
Oil & Gas - 4.05% (0.00%)			
33,500	Conoco Phillips	2,494	2.07
33,600	Exxon Mobil	2,387	1.98
Software – 27.70% (24.14%)			
5,000	Adobe Systems	1,475	1.23
2,440	Alphabet 'A' Shares	4,324	3.59
5,700	Arista Networks	434	0.36
12,680	Broadcom	5,021	4.17
45,000	Cadence Design Systems	5,518	4.58
79,375	Fortinet	3,663	3.04
4,350	Intuit	1,353	1.12
23,050	Microsoft	4,828	4.01
4,225	Palo Alto Networks	1,679	1.39
20,430	Synopsys	5,068	4.21
Total United States		76,397	63.42

<b>AUSTRALIA - 1.47% (0.00%)</b>				
Mining - 1.29% (0.00%)				
66,550	BHP Billiton	1,558	1.29	
Oil & Gas - 0.18% (0.00%)				
12,024	Woodside Energy Group	217	0.18	
Total Australia		1,775	1.47	
<b>CANADA - 0.64% (0.00%)</b>				
Consulting - 0.64% (0.00%)				
8,550	WSP Global	771	0.64	
Total Canada		771	0.64	
<b>FRANCE - 9.79% (7.88%)</b>				
Luxury Goods - 7.29% (5.47%)				
4,075	Hermes International	3,667	3.04	
10,420	LVMH	5,119	4.25	
Software – 2.50% (2.41%)				
102,400	Dassault Systemes	3,016	2.50	
Total France		11,802	9.79	
<b>IRELAND -3.38% (3.28%)</b>				
Consulting - 3.38% (3.28%)				
17,945	Accenture	4,074	3.38	
Total Ireland		4,074	3.38	
<b>JAPAN - 3.62% (4.81%)</b>				
Diversified Manufacturing – 2.92% (4.81%)				
30,300	Hoya	2,122	1.76	
5,000	Keyence	1,399	1.16	
Microelectronic Manufacturing - 0.70% (0.00%)				
8,600	Lasertec	840	0.70	
Total Japan		4,361	3.62	
<b>NETHERLANDS - 4.02% (5.44%)</b>				
Microelectronic Manufacturing – 4.02% (5.44%)				
12,649	ASML	4,848	4.02	
Total Netherlands		4,848	4.02	
<b>NORWAY - 2.90% (0.00%)</b>				
Oil & Gas - 2.90% (0.00%)				
122,500	Equinor	3,498	2.90	
Total Norway		3,498	2.90	
<b>SWITZERLAND -0.00% (2.09%)</b>				
Chemicals – 0.00% (2.09%)				
<b>TAIWAN - 2.77% (3.28%)</b>				
Microelectronic Manufacturing – 2.77% (3.28%)				
50,440	Taiwan Semiconductor Manufacturing	3,342	2.77	
Total Taiwan		3,342	2.77	
Portfolio of investments		120,048	99.63	
Net other assets		450	0.37	
Net assets		120,498	100.00	

The comparative percentage figures in brackets are at 31 December 2021.

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 30.06.22	Period ended 30.06.21
	£'000	£'000	£'000
Income			
Net capital (losses)/gains		(44,992)	14,830
Revenue	828		816
Expenses	(585)		(543)
Interest payable and similar charges	-		(1)
Net revenue before taxation	243		272
Taxation	(77)		(71)
Net revenue after taxation		166	201
Total (deficit)/return before distributions		(44,826)	15,031
Distributions		(5)	12
Change in net assets attributable to unitholders from investment activities		(44,831)	15,043

### 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 30.06.22	Period ended 30.06.21
	£'000	£'000	£'000
Opening net assets attributable to unitholders		163,359	126,063
Movement due to issue and cancellation of units:			
Amounts receivable on issue of units	7,449		7,909
Amounts payable on cancellation of units	(5,482)		(13,217)
		1,967	(5,308)
Dilution adjustment		3	18
Change in net assets attributable to unitholders from investment activities (see above)		(44,831)	15,043
Closing net assets attributable to unitholders		120,498	135,816

## Balance Sheet

	As at 30.06.22 £'000	As at 31.12.21 £'000
Assets:		
Fixed Assets		
Investments	120,048	161,364
Current assets:		
Debtors	129	129
Cash and bank balances	520	2,044
<b>Total assets</b>	<b>120,697</b>	<b>163,537</b>
Liabilities:		
Creditors:		
Other creditors	(199)	(178)
<b>Total liabilities</b>	<b>(199)</b>	<b>(178)</b>
<b>Net assets attributable to unitholders</b>	<b>120,498</b>	<b>163,359</b>

## Summary of Significant Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2021 and are described in those annual financial statements. The annual financial statements are available at [www.equitile.com](http://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.