Equitile Investments ACS

Annual Report and Audited Financial Statements

For the period from 29 February 2016 to 31 December 2016

Table of Contents

General information 3

Equitile Investments ACS Overview 4

Statement of the Manager and Depositary's responsibilities in relation to the accounts of the Scheme 5

ACS Manager's Report to the Unitholders 6

Remuneration Disclosures 7

Statement of the Depositary 8

Independent Auditors' Report to the Unitholders of Equitile Investments ACS 10

Sub-Fund Review 13

Internal Control 32

Risk Management Frameworks 34

Summary of Significant Accounting Policies 38

Disclaimer 40

General information

1.	ACS Manager - Equitile Investments Ltd	Directors Andrew McNally George Cooper Nigel Hellewell Thor Johan Furuholmen Xiyang He	Head office : 20 St Dunstan's Hill, London, EC3R 8ND, United Kingdom Registered Office : Bridge House, 4 Borough High Street, London SE1 9QR, United Kingdom
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 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 comprising separate Sub-Funds and segregated portfolio of assets. Accordingly, the 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 30 September 2016.

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 deliver capital growth by investing in the equities of resilient companies, meaning those assessed as being well-managed, conservatively financed and benefiting from strong corporate governance. Additionally, the Sub-Fund may choose to invest in bonds and money market instruments as part of strategy diversification. 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.

Statement of the Manager and Depositary's responsibilities in relation to the accounts of the Scheme

The FCA's Collective Investment Schemes sourcebook ("the Regulations") require the Manager to prepare accounts for each annual accounting year, which give a true and fair view of the financial position of the Scheme as at the end of the year and of the net revenue/expense and the net capital gains or losses on the property of the Scheme for the year then ended. In preparing the accounts, the Manager is required to:

• select suitable accounting policies and then apply them consistently.

• make judgements and estimates that are reasonable and prudent.

• comply with the disclosure requirements of the Statement of Recommended Practice 'Financial Statements of Authorised Funds', issued by the IMA in May 2014 and the Co-Ownership Deed.

• follow United Kingdom Generally Accepted Accounting Practice and applicable accounting standards.

• prepare the accounts on a going concern basis unless it is inappropriate to presume that the Scheme will continue in operation.

• keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements.

The Manager is responsible for the management of the Scheme in accordance with the Co-ownership Deed, the Prospectus and the Regulations. The Depositary is responsible for safeguarding the property of the Scheme and must take reasonable care to ensure that the Scheme is managed by the Manager in compliance with the Regulations and the provisions of the Co-ownership Deed and Prospectus. The Manager and Depositary are responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ACS Manager's Report to the Unitholders

As the sole Manager, Equitile Investments Ltd, presents its report and the audited financial statements of the Scheme for the period 29 February 2016 to 31 December 2016. 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 Auditor are detailed on page 3.

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 Regulations, we hereby certify the report on behalf of the Directors of Equitile Investments Ltd.

Andrew Christopher McNally
Chief Executive Officer (of the ACS Manager)

William Nigel Hellewell
Chief Operating Officer (of the ACS Manager)

28 April 2017

Remuneration Disclosures

The provisions of the Undertaking in Collective Investments Schemes Directive ("UCITs V") took effect on 18 March 2016. That legislation requires the Manager to establish and maintain remuneration policies for its staff which are consistent with and promote sound and effective risk management. The Board of Directors has established a remuneration policy which sets out a framework for determining the level of fixed and variable remuneration of staff, including maintaining an appropriate balance between the two.

Arrangements for variable remuneration are calculated primarily by reference to the performance of each individual and the profitability of the relevant business unit. The policies are designed to reward long term performance and long term profitability.

All staff are employed by Equitile Investments Ltd with none employed directly by the Scheme. No performance fee was charged to the Fund for the period ending 31.12.2016.

The total remuneration of those individuals who are fully or partly involved in the activities of the Scheme for the Scheme's financial period ending 31 December 2016, is analysed below:

Fixed Remuneration £152,947

Variable Remuneration £15,000

Total £167,947

Total number of staff - 7

1 of the staff members included in the total remuneration figures above is considered to be senior management or others whose actions may have a material impact on the risk profile of the Scheme. The table below provides an alternative analysis of the remuneration data.

Aggregate remuneration of:

Senior management £124,578

Staff whose actions may have a material impact on the Scheme £0

Other staff whose actions may have a material impact on the funds £0

Total £124,578

The staff members included in the above analysis supports all the sub-funds managed by the Manager. It is not considered feasible or useful to attempt to apportion these figures to individual sub-funds.

The Board has reviewed the general principles of the Remuneration Policy and its application in the last year which has resulted in no material changes to the Policy. The details of the Company's Remuneration Policy can be found at www.equitile.com.

Statement of the Depositary

Statement of the Depositary's responsibilities in respect of the Scheme

The Depositary must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, the Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (together "the Regulations") and the Contractual Scheme Deed and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in context of its role act honestly, fairly, professionally, independently and in the interests of the Scheme and its investors. The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Scheme in accordance with the Regulations.

The Depositary must ensure that:

- the Scheme's cash flows are properly monitored and that cash of the Scheme is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Scheme are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Scheme's assets is remitted to the Scheme within the usual time limits;
- the Scheme's income is applied in accordance with the Regulations: and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Scheme is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Scheme.

Report of the Depositary to the Unitholders of the Equitile Resilience Fund for the period ended 31st December 2016

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Scheme, it is out pinion, based on the information available to us and the explanations provided, that in all material respects, the AFM:

i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and application of the Scheme's income in accordance with the Regulations and the Scheme documents of the Scheme; and

ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme in accordance with the Regulations and Scheme documents of the Scheme.

HSBC Bank plc

This report is given on the basis that no breaches are subsequently advised to us by the Auditors before the distribution date. We therefore reserve the right to amend the report in the light of such circumstances.

Yours sincerely,

Stefano Lucernoni
Senior Trustee and Depositary Manager

Independent Auditors' Report to the Unitholders of Equitile Investments ACS

Report on the financial statements

Our opinion

In our opinion, Equitile Investments ACS's financial statements, (the "financial statements"):

- give a true and fair view of the financial position of the Trust as at 31 December 2016 and of the net revenue and the net capital gains on its scheme property for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

What we have audited

The financial statements, included within the *Annual Report and Audited Financial Statements*, comprise:

- the balance sheet as at 31 December 2016;
- the statement of total return for the period then ended;
- the statement of change in net assets attributable to unitholders for the period then ended;
- the notes to the financial statements, which include a summary of significant accounting policies[i] and other explanatory information; and
- the distribution table

The financial reporting framework that has been applied in their preparation is United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law) , the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for UK Authorised Funds"), the Collective Investment Schemes sourcebook and the Trust Deed.

In applying the financial reporting framework, the Authorised Fund Manager has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on matters prescribed by the Collective Investment Schemes sourcebook

In our opinion:

- we have obtained all the information and explanations we consider necessary for the purposes of the audit; and
- the information given in the Authorised Fund Manager's Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Propriety of accounting records and information and explanations received

Under the Collective Investment Schemes sourcebook we are required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Authorised Fund Manager

As explained more fully in the Authorised Fund Manager's Responsibilities Statement set out on page 5, the Authorised Fund Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose.

We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Authorised Fund Manager; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Audited Financial Statements *(the "Annual Report")* to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

28 April 2017

Notes:

a) The maintenance and integrity of the Equitile Investments Limited website is the responsibility of the Fund Manager; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Sub-Fund Review

As at 31 December 2016, the Scheme had 1 active sub-fund

Fund	Launch date	Base currency
Equitile Resilience Fund	29 February 2016	GBP

Investment Review

Please note this investment review is for the period from 29 February 2016 to 31 December 2016.

Performance and Market Review

The Sub-Fund was launched at the end of February 2016. Following the launch the assets of the Sub-Fund were invested progressively reaching a fully invested position by the end of May 2016. Consequently, this first Annual Report reflects the investment returns of only a part year. We anticipate the investment strategy deployed will deliver high single-digit percentage point returns per year, on average over the economic cycle. The investment returns generated during 2016 are consistent with our broader expectations for the Sub-Fund's strategy given the market environment.

2016 was defined by seismic political upheaval in the UK, the US and Europe. Overall, 2016 was a good year for equity investors but with significant dispersion of returns between different market sectors and geographical regions.

The very start of the year was negatively impacted by the backdraft from the Chinese financial crisis but, as contagion fears eased, markets generally recovered from the beginning of March onwards. A particularly sharp bounce occurred in March itself as the Sub-Fund was becoming invested.

As concerns over financial and political tension in Europe increased, exacerbated by the United Kingdom's vote to leave the European Union, there was clear bifurcation between European and North American markets. In general, a more positive outlook for the US economy led to continued outperformance of the US stock market where your Sub-Fund has the overwhelming portion of its investments.

Having launched with more than half of your investments in the US, this exposure was further increased throughout the period as we continued to find more opportunities there that met our investment requirements. By the end of the reporting period, US stocks represented more than 75% of the portfolio which was of further benefit as the US market continued its long-term outperformance relative to Europe.

The most defining moment of the period, the election of President Trump, had to many investors' surprise, a very positive effect on the US market. A general perception that the new administration's policies would reflate the US economy and that tax reform would benefit corporate earnings were the main drivers.

The Sub-Fund endeavors to invest in the most financially stable, high quality growth businesses and there will occasionally be times when this approach lags the broader market. Such was the case in the run up to, and in the immediate aftermath of, the US presidential election. A rapid rotation into more cyclical stocks proved to be short-lived however and a shift back to quality stocks could already be detected in December 2016 and which has continued into early 2017.

Outlook

Equities will remain our preferred investment for some time to come. As our Chief Investment Officer wrote in his Investment Letter at the start of 2017 (A Tale of Two Walls), a rise of protectionism will likely contribute to a return of inflationary pressure. As central banks around the world continue to deal with high levels of debt, both in the public and private sectors, it will be difficult for them to increase interest rates to a level normally associated with increasing inflation.

Consequently, the main challenge for investors going forward will be to protect themselves against inflationary pressure. We see equities as one of the best investment vehicles to achieve this goal.

Additionally, we remain of the view that gaining equity exposure though financially resilient companies is the most effective way to manage risk and achieve superior growth in the long term.

Comparative Tables

The Comparative Tables are prepared in accordance with Appendix A of IMA SORP 2014, on pages 12 & 13 give the performance of each active share class in the Sub-Fund.
The 'Return after operating charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the Sub-Fund's performance disclosed in the Manager's report which is calculated based on the latest published price.
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 and research costs.

Comparative Table Class A1 For the Period ended 31 December 2016	GBP
Class A1 Resilience GBP Acc	31.12.16*
Change in net assets per unit	
Opening net asset value per unit	100.00
Return before operating charges**	4.77
Operating charges	(0.94)
Return after operating charges	3.83
Distribution on accumulation units	(0.20)
Retained distribution on accumulation units	0.20
Closing net asset value per unit	103.83
**after direct transaction costs of:	0.23
Performance	
Return after charges	3.83%
Other information	
Closing net asset value (£'000)	43,064
Closing number of units	414,757
Operating charges^	1.08%
Direct transaction costs	0.23%
Prices	
Highest unit price	108.22
Lowest unit price	98.63

*The unit class was launched on 29 February 2016
^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 31 December 2016	USD
Class X3 Resilience USD Acc	31.12.16*
Change in net assets per unit	
Opening net asset value per unit	100.00
Return before operating charges**	(1.63)
Operating charges	(0.51)
Return after operating charges	(2.14)
Distribution on accumulation units	(0.04)
Retained distribution on accumulation units	0.04
Closing net asset value per unit	97.86
**after direct transaction costs of:	0.16
Performance	
Return after charges	-2.14%
Other information	
Closing net asset value ($'000)	5,084
Closing number of units	51,954
Operating charges^	1.21%
Direct transaction costs	0.21%
Prices	
Highest unit price	101.53
Lowest unit price	95.15

*The unit class was launched on 20 July 2016.

^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.

Synthetic Risk and Reward Indicator (SRRI)

Lower risk				Higher risk		
Typically lower returns				Typically higher returns		
1	2	3	4	5	6	7

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 a 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.

Summary of Material Portfolio Changes for the Sub-Fund

The top ten purchases and sales for the period ended 31 December 2016* were as follows:

Purchases	Cost £'000	Sales	Proceeds £'000
Waste Management	1,987	Deutsche Wohnen	1,489
AT & T	1,973	Colruyt	1,348
Johnson & Johnson	1,900	Metro	1,245
Deutsche Wohnen	1,780	Kerry Group A	1,185
Logitech	1,743	Henry Jack and Associates	1,174
Ingredion	1,730	Henry Schein	1,124
Adidas	1,616	Fastenal	1,093
Newmont Mining	1,561	SGS Surveillance	1,093
Stryker	1,543	WH Smith	1,026
Tyson Foods	1,346	Hormel Foods	876
Subtotal	17,179	Subtotal	11,653
Total purchases during the period:	61,836	Total sales during the period:	20,676

*The Sub-Fund launched on 29 February 2016

Top 10 holdings* As at 31.12.2016	
Adidas	5.29%
Waste Management	4.79%
Johnson & Johnson	4.51%
Logitech	3.91%
Newmont Mining	3.87%
Stryker	3.85%
AT & T	3.72%
Marketaxess Holdings	3.68%
Saputo Group	3.68%
Toro	3.65%

*Weighted average of portfolio

Portfolio of Investments of the Sub-Fund

As at 31 December 2016

Holding	Investment	Market value £'000	Total value of Sub-Fund %
UNITED KINGDOM - 7.70%			
Basic Materials - 1.69%			
25,000	Croda International	797	1.69
Industrials - 4.90%			
134,863	Halma	1,208	2.56
31,700	Intertek Group	1,102	2.34
Technology - 1.11%			
80,200	Sage	525	1.11
Total United Kingdom		3,632	7.70
UNITED STATES - 76.19%			
Basic Materials - 3.87%			
62,800	Newmont Mining	1,824	3.87
Industrials - 23.09%			
1,500	3M Co	217	0.46
5,500	General Dynamics	769	1.63
10,000	Huntington Ingalls Industries	1,481	3.14
6,500	MSC Industrial Direct	486	1.03
8,600	Northrop Grumman	1,613	3.42
10,000	Quanta Services	281	0.60
11,000	Raytheon	1,262	2.68
18,700	Sonoco Products	796	1.69
37,900	Toro	1,722	3.65
39,300	Waste Management	2,260	4.79
Consumer Goods - 7.92%			
16,800	Ingredion	1,697	3.60
16,439	Procter & Gamble	1,118	2.37
18,500	Tyson Foods	918	1.95

Healthcare - 18.50%			
12,900	Edwards Lifesciences	978	2.07
2,370	Intuitive Surgical	1,216	2.58
22,800	Johnson & Johnson	2,127	4.51
16,500	Masimo	894	1.89
14,600	NuVasive	795	1.69
18,700	Stryker	1,815	3.85
6,950	Teleflex	902	1.91
Consumer Services - 7.49%			
5,000	Dick's Sporting Goods	213	0.45
34,800	Sysco	1,566	3.32
50,900	AT & T	1,753	3.72
Financials - 9.62%			
18,800	Cincinnati Financial	1,150	2.44
14,710	Marketaxess Holdings	1,738	3.68
30,200	Marsh & Mclennan	1,651	3.50
Technology - 5.70%			
14,800	Microchip Technology	767	1.63
24,600	Qualcomm	1,301	2.76
13,000	Synopsys	618	1.31
Total United States		35,928	76.19
CANADA - 5.00%			
Industrials - 1.32%			
54,900	CAE	622	1.32
Consumer Goods - 3.68%			
60,700	Saputo Group	1,737	3.68
Total Canada		2,359	5.00
FRANCE - 1.22%			
Oil & Gas - 0.73%			
6,000	Technip-Coflexip	345	0.73
Consumer Services - 0.49%			
2,500	Sodexo	232	0.49
Total France		577	1.22

GERMANY - 5.29%			
Consumer Goods - 5.29%			
19,600	Adidas	2,496	5.29
Total Germany		2,496	5.29
SWITZERLAND - 3.91%			
Technology - 3.91%			
92,000	Logitech	1,845	3.91
Total Switzerland		1,845	3.91
Forward Foreign Exchange Contracts - (0.63%)			
Buy £2,282,684 & Sell C$3,841,046 (expires 04/01/2017)		(26)	(0.05)
Buy £1,898,541 & Sell CHF2,401,800 (expires 04/01/2017)		(9)	(0.02)
Buy £33,533,628 & Sell US$41,842,792 (expires 04/01/2017)		(245)	(0.52)
Buy £4,367,307 & Sell €5,147,304 (expires 04/01/2017)		(18)	(0.04)
Buy CHF154,700 & Sell £121,359 (expires 04/01/2017)		2	-
Buy €1,854,101 & Sell £1,568,520 (expires 04/01/2017)		11	0.02
Buy £2,016,721 & Sell US$2,535,070 (expires 04/01/2017)		(30)	(0.06)
Buy £193,594 & Sell €227,695 (expires 04/01/2017)		-	-
Buy C$3,841,047 & Sell £2,312,424 (expires 04/01/2017)		(4)	(0.01)
Buy CHF2,247,100 & Sell £1,784,500 (expires 04/01/2017)		-	-
Buy €3,520,898 & Sell £2,993,432 (expires 04/01/2017)		6	0.01
Buy US$44,377,862 & Sell £36,257,579 (expires 04/01/2017)		(432)	(0.92)
Buy US$4,979,304 & Sell £3,990,511 (expires 04/01/2017)		29	0.06
Buy US$95,039 & Sell £76,570 (expires 04/01/2017)		-	-
Buy £4,145,837 & Sell US$5,074,343 (expires 04/01/2017)		49	0.10
Buy £1,838,287 & Sell CHF2,313,800 (expires 01/02/2017)		(2)	-
Buy £2,364,877 & Sell C$3,929,895 (expires 01/02/2017)		4	0.01
Buy £2,996,354 & Sell €3,520,898 (expires 01/02/2017)		(5)	(0.01)
Buy £36,376,032 & Sell US$44,558,966 (expires 01/02/2017)		428	0.90
Buy US$5,067,989 & Sell £4,137,289 (expires 01/02/2017)		(49)	(0.10)
Total Forward Foreign Exchange Contracts		(291)	(0.63)
Portfolio of investments		46,546	98.68
Net other assets		623	1.32
Net assets		47,169	100.00

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 31.12.16*	Notes	£'000	£'000
Income			
Net capital gains	1		1,195
Revenue	2	495	
Expenses	3	(341)	
Interest payable and similar charges		(2)	
Net revenue before taxation		152	
Taxation	4	(66)	
Net revenue after taxation			86
Total return before distributions			1,281
Distributions	5		(76)
Change in net assets attributable to unitholders from investment activities			1,205

*The Sub-Fund was launched on 29 February 2016

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 31.12.16*	£'000	£'000
Opening net assets attributable to unitholders		-
Movement due to issue and cancellation of units:		
Amounts receivable on issue of units	48,740	
Amounts payable on cancellation of units	(2,870)	
		45,870
Dilution levy adjustment		11
Change in net assets attributable to unitholders from investment activities (see above)		1,205
Retained distribution on accumulation units		83
Closing net assets attributable to unitholders		47,169

*The Sub-Fund was launched on 29 February 2016

Balance Sheet

As at 31.12.16	Notes	£'000
Assets:		
Investments		47,366
Current assets:		
Debtors	6	58
Cash and bank balances	7	693
Total assets		48,117
Liabilities:		
Investment liabilities		(820)
Creditors:		
Other creditors	8	(128)
Total liabilities		(948)
Net assets attributable to unitholders		47,169

Notes to the Financial Statements

1. Net capital gains

	Period ended 31.12.16* £'000
Non-derivative securities gains	5,677
Forward currency contracts losses	(4,734)
Currency gains	280
Transaction charges	(28)
Net capital gains	1,195

*The Sub-Fund launched on 29 February 2016

2. Revenue

	Period ended 31.12.16* £'000
UK dividends	28
Overseas dividends	457
Stock dividends	10
Total revenue	495

*The Sub-Fund launched on 29 February 2016

3. Expenses

	Period ended 31.12.16* £'000
Payable to the Manager or associate	
Management Fee	237
Payable to the Trustee or associate	
Trustee fee	21
Other expenses	
Audit Fee	8
Fund Accounting Fee	40
Middle Office Fee	5
Portfolio Hedging Fee	18
Safe Custody Fee	6
Share Class Hedging Fee	2
Transfer Agency & Registrars Fee	4
Total other expenses	83
Total expenses	341

*The Sub-Fund launched on 29 February 2016

4. Taxation

	Period ended 31.12.16* £'000
a) Analysis of charge in the period	
Overseas tax	66
Total taxation	66

As the Scheme is an umbrella co-ownership ACS neither the Scheme nor its Sub-Funds are subject to UK tax on income or capital profits.
*The Sub-Fund launched on 29 February 2016.

b) Factors affecting the current tax charge for the period
The tax assessed for the period is higher than the standard rate of corporation tax in the UK for an Authorised Contractual Scheme.

The differences are explained below: -

Net revenue before taxation	152
Corporation tax	-
Effects of:	
Overseas tax	66
Current tax for the period	66

5. Distributions

	Period ended 31.12.16* £'000
Final distribution	83
Add: Revenue deducted on cancellation of units	3
Less: Revenue received on issue of units	(10)
Total distributions	76
The differences between the net revenue after taxation and the distributions for the period are as follows:	
Net revenue after taxation for the period	86
Stock dividends not distributable	(10)
Total distributions	76

*The Sub-Fund launched on 29 February 2016.

6. Debtors

	As at 31.12.16 £'000
Accrued dividends	50
Accrued recoverable tax	8
Total debtors	58

7. Cash and bank balances

	As at 31.12.16 £'000
Cash and bank balances	459
Amounts held at derivatives clearing houses and brokers	234
Total cash and bank balances	693

8. Other creditors

	As at 31.12.16 £'000
Accrued expenses	128
Total other creditors	128

9. Reconciliation of units

	Class A1 Resilience GBP Acc	Class X3 Resilience USD Acc
Opening units in issue	-	-
Unit movements in period:		
Units issued	442,827	51,954
Units cancelled	(28,070)	-
Closing units as at 31.12.16	414,757	51,954

10. Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities, or commitments at the period end.

11. Related parties

The Manager is a related party to the Sub-Fund as defined by Financial Reporting Standard 102.33 'Related Party Disclosures'.
Management Fees paid to Equitile Investments Ltd are shown in note 3 and details of units issued and cancelled by the Manager are shown in the statement of change in net assets attributable to unitholders. The balance due to the Manager at the period end in respect of Management fees was £26,805. Any balance due from the Manager in respect of issue is shown in note 6. Any balance due to the Manager in respect of cancellations is shown in note 8.

The Equitile Resilience Feeder Fund as a feeder vehicle for the Fund holds units comprising 91.30% of the total net assets of the Sub-Fund.

12. Financial instruments

The policies applied in the management of risk disclosures are set out on pages 32 to 34

Fair value of financial assets and financial liabilities

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 21. There were no instances of invoking Fair Value Pricing for the period.

Currency exposures

A significant proportion of the Sub-Fund's assets are denominated in currencies other than Sterling, with the effect that the balance Sheet and total return can be affected by currency movements. For further details, refer to 'Currency Risk' under section titled 'Risk Management Frameworks' on Page 34.

Net currency asset exposure as at 31.12.16

Currency	Total £'000 31.12.16
Canadian Dollar	(1)
Euro	74
Swiss Franc	11
US Dollar	4,343
Sterling	42,742
Total	47,169

Currency	Net other assets £'000 31.12.16	Investments £'000 31.12.16	Total £'000 31.12.16
Canadian Dollar	2	(3)	(1)
Euro	2	72	74
Swiss Franc	6	5	11
US Dollar	275	4,068	4,343
Sterling	338	42,404	42,742
Total	623	46,546	47,169

A 5% change in the FX rate will move the Net Asset Value of the fund by £221,350. It should be noted that in addition, the fund employs an Asset hedging strategy that has a performance criteria of 95-105% - this strategy is designed to materially reduce the impact of currency movements on the NAV of the fund.

Counterparty Exposure and Collateral

Counterparty		Forward Foreign Exchange Contracts	Total
31.12.16		£000	£000
HSBC	- Exposure	(291)	(291)
	- Cash collateral	234	234
Total		(57)	(57)

13. Transaction Costs

Period ended 31.12.16*							
Analysis of total purchases costs	Value	Commissions		Taxes and expenses		Total after Transaction Costs	
	£'000	£'000	%	£'000	%	£'000	%
Equity transactions	61,742	28	0.05	56	0.09	61,826	0.14
Corporate actions	10	-	-	-	-	10	-
Total	61,752	28	0.05	56	0.09	61,836	0.14

Period Ended 31.12.16*							
Analysis of total sales costs	Value	Commissions		Taxes and expenses		Total after Transaction Costs	
	£'000	£'000	%	£'000	%	£'000	%
Equity transactions	20,687	11	0.05	-	-	-	-
Total	20,687	11	0.05	-	-	-	-

There were no transaction costs on derivatives during the period

*The Sub-Fund launched on 29 February 2016

Commissions and taxes as percentage of average net asset value

Commissions	0.09%
Taxes and Expenses	0.13%

At the balance sheet date the portfolio dealing spread was 0.13%, being the difference between the respective bid and offer prices for the Fund's investments.

14. Portfolio fair value hierarchy

The fair values of the Sub-Fund's assets and liabilities are represented by the values shown in the balance sheet. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair values.

The fair value of investments has been determined using the following hierarchy:

Category 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Category 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Category 3: Inputs are unobservable (i.e for which market data is unavailable) for the asset or liability

An analysis of the portfolio's investment assets and liabilities in accordance with the fair value hierarchy is noted below:

	1	2	3	Total
Investments	£'000	£'000	£'000	£'000
Equities	46,837	-	-	46,837
Derivatives	-	529	-	529
Total	46,837	529	-	47,366
Investment Liabilities	£'000	£'000	£'000	£'000
Derivatives	-	(820)	-	(820)
Total	-	(820)	-	(820)

15. Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the period end.

Distribution table

	Distribution payable 2016	Distribution payable 2016
Dividend distributions on accumulation units	p	US$
Class A1 Resilience GBP Acc	19.613052	
Class X3 Resilience USD Acc		4.336750

The Sub-Fund is tax transparent for income purposes meaning that UK tax-paying unitholders are subject to tax on their share of income, net of allowable expenses, as it arises to the Fund and not on distributions of income after deduction of expenses.

On a daily basis, unitholders will be advised of their share of aggregated accrued income, expenses and withholding tax paid on overseas dividends, if applicable. When a unit is purchased during the distribution period, part of the purchase price of the unit reflects the relevant unit of income and expenses accrued by the Fund, and this will be disclosed on the contract note. This purchased income and expense, a capital sum, should be deducted from the aggregate accrued income or expense as applicable.

The subscription price disclosed on the contract note reflects the acquisition cost, which should be adjusted by the capital sum referred to above.

It is the responsibility of the unitholder to maintain a record of the relevant amount(s) of income equalisation and to make the appropriate adjustment when completing their tax calculations.

Internal Control

The Manager is responsible for establishing and maintaining adequate internal control and risk management systems of the Manager in relation to the financial reporting process. The Manager has procedures in place to ensure all relevant accounting records of the Scheme are properly maintained and are readily available, including production of annual and semi-annual Financial Statements. The Manager has appointed HSBC Bank Plc (the "Administrator") as the Scheme's administrator consistent with the regulatory framework applicable to the Scheme. The Administrator has functional responsibility for the preparation of the Scheme's annual and semi-annual Financial Statements and the maintenance of its accounting records. On appointing the Administrator, the Board of Directors (the "Board") of the Manager noted that it is regulated by the UK Financial Conduct Authority (FCA) and, in the Board's opinion, has significant experience as an Administrator. The Board also noted the independence of the Administrator from the Manager. Subject to the supervision of the Board, the appointment of the Administrator is intended to manage rather than eliminate the risk of failure to achieve the Scheme's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The annual and semi-annual Financial Statements of the Scheme are required to be approved by the Board and filed with the FCA within the relevant respective time periods. The statutory Financial Statements are required to be audited by independent auditors who report annually to the Board on their findings. The Board evaluates and discusses significant accounting and reporting issues as the need arises. The Board reviews the Financial Statements prior to their approval. The annual Financial Statements are subject to independent audit by PricewaterhouseCoopers (the "Auditor") and the Board receives and considers a report from the Auditor as to the audit process.

This report includes observations as to the extent to which (i) the annual Financial Statements provide a true and fair view (ii) adjustments were made to the accounting records maintained by the Administrator in order to provide Financial Statements giving a true and fair view and (iii) potential significant control weaknesses identified by the Auditor during the audit process. The report has been presented at the board meeting where the Financial Statements are presented to the Board for approval.

Composition of the board of Directors

Unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors may not be less than two. Currently, the Board is composed of five Directors. The business of the Company is managed by the Directors. A Director may at any time summon a meeting of the Directors. Questions arising at any meeting of the Directors are determined by a majority of votes. The quorum necessary for the transaction of business at a meeting of the Directors is three. The Directors who held office at the date of these Financial Statements are:

George Cooper
Andrew McNally
Nigel Hellewell
Thor Johan Furuholmen
Xiyang (Daniel) He

Directors’ interests and transactions

There are no contracts or arrangements of any significance in relation to the business of the Company in which the Directors had any interest any time during the financial period. No Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Company and no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company.

Transactions with connected persons

Any transaction carried out with a UCITS by a management company or depositary to the UCITS, the delegates or sub-delegates of the management company or depositary, and any associated or group of such a management company, depositary, delegate or sub-delegate (“connected persons”) must be carried out as if negotiated at arm’s length. Transactions must be in the best interests of the Unitholders. The Directors are satisfied that there are arrangements are firmly in place.

Significant events during the financial period

Two Directors were appointed to the Board on 07/03/2016, Thor Johan Furuholmen and Xiyang He.

Statement of Compliance

The Financial Statements have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014 (2014 SORP).

Risk Management Frameworks

The Manager has a documented risk management framework which details the processes and procedures used to identify, measure, manage and monitor appropriately all risks to which the funds are or may be exposed. The risks covered by the framework include market risk, liquidity risk, currency risk, credit/counterparty risk, operational risk and any other risks that might be material to the funds. The first four risks are primarily focused on the investment itself while operational risk refers to the risk of loss arising from inadequate or failed processes, people or systems including attempted fraud. The risk framework details:

• the techniques, tools and arrangements including systems and processes used;
• the content and frequency of reports; and
• the allocation of responsibilities between key staff and departments.

The main risk management process is used by the Manager is fully integrated with the position keeping system for the funds and is used to measure and monitor market risk, credit / counterparty risk and liquidity risk. A separate process is maintained to track instances of operational risk and monitor amendments to controls made seeking to ensure that operational risk errors do not re-occur. The Manager has a formal structure of oversight committees who review the risk profile, including market, credit, operational and liquidity risks, of each fund and the fund's compliance with updates published on a regular basis. As part of its governance processes, the Manager reviews the performance of the risk management framework and its associated arrangements, processes, systems and techniques on an annual basis, and the compliance of the funds with the risk management framework. The risk management framework is updated by the Manager following any significant change in the business or in risk exposures and at least annually. It is also reviewed by the Depositary.

Market Risk

Market risk is the risk of loss arising from fluctuations in the market value of investments held by the funds attributable to changes in market variables, such as equity prices, foreign exchange rates, interest rates or the credit worthiness of an issuer. The risk management framework monitors the levels of market risk to which the funds are exposed in relation to the fund investment objective and policy.

Leverage

The Sub-Fund does not use leverage as part of its investment strategy.

The Sub-Fund uses the commitment method to calculate global exposure in preference to the VaR method and therefore, although VaR is calculated for internal purposes, it does not form part of the formal limits structure for the Sub-Fund and no details are provided here.

Liquidity Risk

Liquidity risk exists when the sale of assets or exit of trading positions is impaired by such factors as decreased trading volume, increased price volatility, industry and government regulations, and overall position size and complexity. It may be impossible or costly for the Sub-Fund to liquidate positions rapidly particularly if there are other market participants seeking to dispose of similar assets at the same time or the relevant market is otherwise moving against a position or in the event of trading halts or daily price movement limits on the market or otherwise. Derivative transactions that are particularly large and bonds traded in the secondary market may be less liquid and it may be difficult to achieve fair value on transactions. Closing positions held in the secondary markets prematurely, for instance, to meet client redemption requests, can result in increased transaction costs which will be reflected in the investment returns.

Liquidity risk is the possibility that the fund will not be able to sell its assets without incurring losses within the timeframe required to meet investor redemptions. The asset liquidity profile of the fund is monitored on a regular basis and compared to both historical investor redemption patterns and potential redemption scenarios, with the aim of ensuring that the fund will be able to meet any actual redemptions in a timely manner. The liquidity risk management process includes an assessment of the market turnover, percentage of an issue held by the fund, credit rating of the issuer and/or the buy-sell spread of the market in the securities held where the information is available and is applicable.

Liquidity profile stress tests under both normal and exceptional conditions are conducted on a regular basis. If market liquidity is perceived to be decreasing, the Manager might seek to take any of the following actions to improve the liquidity profile of a fund: maintain higher cash balances; maintain a greater proportion of assets in securities which are traditionally more liquid; diversify the range of issue.

Credit Risk

Credit risk comprises both credit issuer risk and counterparty risk. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation. The Fund will be exposed to a credit risk for the parties with whom it trades. Investing in sovereign debt, any other debt guaranteed by a sovereign government, or corporate debt entails risks related to the issuer's ability and willingness to repay the principal and pay interest. A default by the issuer of the bond may impact the value of the Master Fund. Short-term cash equivalent investments, such as commercial paper, bankers' acceptances, certificates of deposit, and repurchase transactions, are not guaranteed by any government and are subject to some risk of default.

Credit risk may also arise through a default by one or several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Master Scheme interacts on a daily basis.

In line with the fund documentation the sub-funds may use FX forwards in order to hedge or manage the FX risk of both the Assets and the share classes.

Currency Risk

Hedged unit class

The Sub-Fund is made up of multiple classes of Units, some of which will be Hedged Unit Classes and some not hedged. Unitholders that do not invest in hedged units are not expected to be affected by the associated currency hedging strategies for that hedged unit class.

Hedging transactions are designed to reduce, as much as possible, the currency risk for Unitholders, however there is no guarantee that attempts to hedge currency risk will be successful and no hedging strategy can eliminate currency risk entirely. Should a hedging strategy be incomplete or unsuccessful, the value of the Sub-Fund's assets and income can remain vulnerable to fluctuations in currency exchange rate movements.

Unitholders should be aware that there may be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the Sub-Fund. The gains/losses on and the costs of such hedging transactions accrue solely to the relevant hedged unit class.

Unitholders investing in any hedged unit class may be exposed to fluctuations in the net asset value per unit in relation to the relevant hedged unit class reflecting the gains/losses on and the costs of the hedging transactions and the relevant financial instruments. In the case of a net investment flow to or from a Hedged Unit Class, the hedging strategies may not be accurately adjusted and reflected in the net asset value of the said class until the following or a subsequent Business Day following the valuation day on which the instruction was accepted.

Sub-Fund performance could vary from one class of Unit to another within the same Sub-Fund. More specifically, given that the Sub Fund's investment strategy is based on currencies ("Currency of Return") different from that Sub-Fund's base currency and that the Sub-Fund offers hedged units and nonhedged units, investors who wish to invest in nonhedged units must be aware that total returns for the non-hedged unit class will be maximised in the Currency of Return and restated into the Sub-Fund's base currency at the prevailing rate. As a result, actual returns expressed in the Sub-Fund's base currency will vary over time in accordance with the fluctuations of the exchange rate between the Currency of Return and the Sub-Fund's base currency.

Asset Hedging

The investments of the Sub-Fund may be acquired in currencies which are different from its base currency and therefore the performance may be impacted by movements in exchange rate between the base currency and investment currency. The assets of the Sub-Fund not denominated in its base currency are hedged using Short Dated FX Forwards (OTC Derivatives) to manage currency risks. The risk arising from investing in non-base currency assets is substantially mitigated through the use of FX Forwards.

Hedging techniques employed by the Sub-Fund could involve a variety of derivative transactions. As a result, hedging techniques involve different risks than those of underlying investments, including liquidity risk and the potential for loss in excess of the amount invested.

In particular, the variable degree of correlation between price movements of hedging instruments and price movements in the position (including asset positions) being hedged creates the possibility that losses on the hedge may be greater than gains in the value of the Sub-Fund's positions.

In addition, although the contemplated use of these techniques should minimise the risk of loss due to a decline in the value of the hedged position, at the same time they may limit any potential gains resulting from an increase in the value of such positions.

The ability of the Sub-Fund to hedge successfully will depend on the Manager's, or its delegate's, ability to predict pertinent market movements, and as a consequence, there can be no assurance that hedging transactions will be successful in protecting against adverse market and/or currency movements.

Counterparty Risk

Counterparty risk arises primarily with the financial brokers through whom the fund buys and sells securities. The sub-funds may only transact with brokers from an approved broker list maintained by the Manager. All brokers on the Manager approved list are subject to regular credit and general business checks. The sub-funds may also be exposed to counterparty risks arising from the use of forward currency instruments, usually transacted to decrease exposure to foreign currency. These risks are monitored daily and are subject to limits.

Summary of Significant Accounting Policies

Basis of Preparation
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. The Fund has adopted FRS 102 and the 2014 SORP.

Base Currency
The base currency of the Sub-Fund is Sterling. The Scheme has early adopted the amendments to FRS 102 in relation to the Fair Value Hierarchy disclosure (see Note 14 on page 27).

Revenue Recognition
Revenue from collective investment Schemes, quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend. Overseas revenue received after the deduction of withholding tax is shown gross of taxation, with the taxation consequences shown within the taxation charge.
Accumulation of revenue relating to accumulation units or shares held in collective investment Schemes is recognised as revenue and included in the amount available for distribution. Equalisation received from distributions or accumulations on units or shares in collective investment Schemes is treated as capital and deducted from the cost of the investments.
Bank interest and other revenue are recognised on an accruals basis.

Stock Dividends
The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Sub-Fund but does not form part of the distribution. Any enhancement above the cash dividend is treated as capital.

Special Dividends
Special dividends are recognised as either revenue or capital depending upon the nature and circumstances of the dividend.

Expenses
For accounting purposes, all expenses (other than SDRT and those relating to the purchase and sale of investments) are charged against revenue for the period on an accruals basis.

Distributions
Amounts distributable are calculated after excluding expenses borne by capital as agreed by the Manager and Depositary. Scrip dividends will not be distributed.

Valuations
All investments are valued at their fair value at 3 pm on 30 December 2016, being the last business day of the financial period. The fair value of units is bid-price. The fair value of all single priced collective investment Schemes is their single price.

Foreign Currencies
Assets and liabilities in currencies other than sterling are translated into sterling at the exchange rates prevailing at 3 pm on the last working day of the accounting period. Transactions in foreign currencies are translated at the exchange rate prevailing at the transaction date. Where forward positions in currencies are held, these are translated at the appropriate forward rate.

Taxation
As the Scheme is an umbrella co-ownership ACS scheme, neither the Scheme nor it's Sub-Fund are subject to the UK tax on income or capital gains.
Withholding tax on overseas dividends is accounted for when the security is quoted ex dividend.

Dilution Levy
In certain circumstances the Manager may charge a dilution levy, in accordance with the Financial Conduct Authority Regulations, on all subscriptions and redemptions of units, which is paid into the sub-funds and included in the Statement of Change in Net Assets Attributable to Unitholders. The levy is intended to cover certain dealing charges not included in the mid-market value of the sub-fund used in calculating the share price, which could have a diluting effect on the performance of the sub-fund.

Efficient Portfolio Management
Where appropriate, certain permitted transactions such as derivatives or forward foreign currency transactions are used for efficient portfolio management. Where such transactions are used to protect revenue, and the circumstances support this, the revenue and expenses derived there from are included in 'Revenue' or 'Expenses' in the Statement of Total Return. Where such transactions are used to protect capital, and the circumstances support this, the gains and losses derived therefrom are included in 'Net capital gains' in the Statement of Total Return. Any positions on such transactions open at the year-end are reflected in the sub-fund's Portfolio of Investments at their fair value.

Disclaimer

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 reports and accounts and scheme particulars as appropriate.