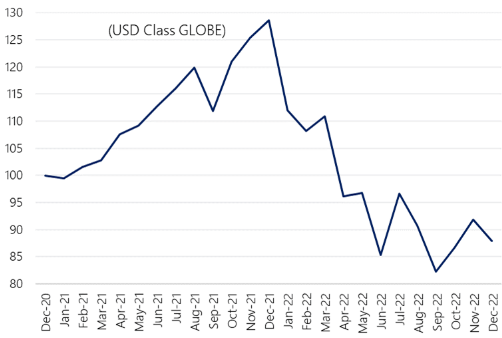
# Equitile Global Equity Fund

Monthly Report – December 2022

## Comments from your Chief Investment Officer

2022 ended as it begun, with a sharp sell-off in equity markets; the NASDAQ posted close to 9% losses in both January and December. This month's NASDAQ move was exacerbated by the 37% decline in Tesla's share price, undermined by falling auto demand, weakness in second hand car prices and, arguably, a distracted CEO.




The abrupt weakness in the auto sector is now sending the same macroeconomic message visible in weakening housing and real estate markets; credit markets have already tightened sufficiently to substantially undermine demand. Similar weakness is also becoming manifest in some other, less credit focussed, areas of consumer spending. If the standard playbook remains valid, the next shoes to drop will likely be weakening labour markets and declining inflation rates, both of which we believe have already begun falling, albeit from elevated levels.

The role of monetary and fiscal policy is to help attenuate the economy's natural tendency to form endogenous boom-bust credit cycles. Used with finesse these policy tools should help the economy grow more consistently with fewer wrenching disruptions. Used ham-fistedly monetary and fiscal policy can produce the opposite of their intended purpose, driving the economy into exaggerated and damaging cycles.

We view the lockdown years, 2020 and 2021, as the first stage of an especially ham-fisted series of policy mistakes, when monetary and fiscal stimulus was used entirely without discipline or cost benefit analysis. Those policies in turn precipitated the abrupt tightening witnessed in 2022. We expect 2023 will see the third phase of this drama play out as policy makers are forced, by their previous actions, to again wrestle with the levers of policy in an attempt to arrest the slowdown, which already appears to be well established in the real estate and auto sectors.

## Net Asset Value Metrics — USD Class

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Last NAV | YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2022 | -12.88% | -3.42% | 2.44% | -13.22% | 0.56% | -11.74% | 13.13% | -6.07% | -9.35% | 5.37% | 6.03% | -4.29% | 87.96 | -31.63% |
| 2021 | -0.55% | 2.13% | 1.23% | 4.71% | 1.38% | 3.35% | 2.87% | 3.27% | -6.65% | 8.21% | 3.60% | 2.59% | 128.65 | 28.67% |
| 2020 | | | | | | | | | | | | -0.01% | 99.99 | -0.01% |

## Country Allocation


## Top 10 Holdings

| | |
|---|---|
| Hermes | 6.46% |
| LVMH | 6.46% |
| Conoco Phillips | 4.75% |
| Exxon Mobil | 4.76% |
| Broadcom | 4.40% |
| Anglo American | 4.17% |
| Equinor | 4.08% |
| Cadence Design | 3.79% |
| Novo Nordisk | 3.77% |
| Synopsys | 3.73% |

## Industry Exposure

| | |
|---|---|
| Energy | 20.99% |
| Luxury Goods | 12.92% |
| Simulation Software | 7.51% |
| Pharmaceuticals | 7.20% |
| Mining | 6.84% |
| Medical Technology | 5.81% |
| Financial Services | 4.71% |
| Telecommunications | 4.40% |
| Energy Services | 3.90% |
| Food and Beverage | 3.26% |
| Diversified Manufacturing | 2.57% |
| Microelectronic Manufacturing | 2.54% |
| Automotive | 2.54% |
| Industrial | 1.89% |
| Consulting | 1.84% |
| Cloud Computing | 1.41% |
| Retail | 1.30% |
| Measurement Technology | 1.22% |
| Microelectronic Equipment | 1.12% |
| Specialty Chemicals | 1.11% |
| Consumer Electronics | 0.44% |
| Aerospace & Defence | 0.40% |
| Cash | 4.10% |

## Portfolio Characteristics*

| | | | |
|---|---|---|---|
| Average market. Cap (USD bn) | 160.0 | Equity Ratio | 44.21 |
| Number of Holdings | 37 | Net Debt/ Op. Cash Flow | 0.60 |
| Sales Growth (5yr) | 14% | EPS Growth (5yr) | 32% |

*Weighted average of portfolio

## Key fund facts

The Fund aims to deliver capital growth by investing in the equities of resilient, conservatively financed, well managed companies with a proven track record of innovation and growth.

| Fund Details | | ISIN: IE00BL96WJ85 | | | |
|---|---|---|---|---|---|
| Fund Type | UCITS ICAV | Launch Date | 30th December 2020 | Share Class Availability | NOK, EUR, GBP, USD |
| Management Charge* | 0.70% | Depositary | Northern Trust Fiduciary Services | Fund Domicile | Ireland, CBI Regulated |
| Subscription Charge | 0.00% | Auditor | KPMG (Dublin) | AUM (USD) | 104 million |
| Redemption Charge | 0.00% | Dealing | Daily (10:00am, Irish time) | Strategy AUM (USD) | 253 million |
| OCF** | 0.93% | Pricing | Daily (16:00pm Eastern Time) | | |

*A management fee of 0.7% is charged only on AUM below $100 million, or equivalent, for each share class. A performance fee of 10% of returns, in excess of the high water mark, is charged only on AUM above $100 million, or equivalent, for each share class, as per the CBI regulations.

** Ongoing Charges to the Fund, as specified in the Key Investor Information Document (KIID) for the specific share class.

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