



Equitable Investments Ltd
Assessment of Value Report

Equitable Resilience Fund, Equitable Resilience Feeder Fund
and
Equitable Global Equity Fund

For 01 January 2023 to 31 December 2023



Equitile Investments Ltd – Value Assessment 2024 June

This report describes how our funds have performed across the seven standard categories to determine whether the funds under review are offering value to our clients.

CEO Comment - Summary and highlights

During the period the firm has continued its core business of managing its three investment funds while exploring potential new business opportunities for additional product launches.

As with any investment firm the potential for significant financial market turbulence presents the principal operational and financial uncertainties to the firm. Although the reporting period has been relatively uneventful from this perspective certain valuation metrics suggest future risks may now be elevated. In addition, geopolitical conflicts have multiplied and intensified during the period. As yet these geopolitical tensions have not adversely impacted equity markets however that risk remains present for the foreseeable future.

During the period the firm purchased additional outsourced compliance support on an ongoing basis to ensure mitigate ongoing regulatory risk.

Equitile is owned primarily by its Directors and staff, including the investment team and those engaged with clients. Moreover, all senior staff that work at Equitile are invested in Equitile funds to a significant degree. From our foundation, therefore, we have always looked for ways to align our interests with those of our clients. This is reflected in a persistent dedication to delivering resilient investment performance, naturally, it also ensures that we are acutely focussed on our own costs and a quality of service which we expect ourselves.

In addition to our own motivation, Equitile board, which includes non-executive directors, has strong culture of enquiry and challenge on all aspect of how we work, including the quality and value proposition to our investing customers.

Summary and highlights

Equitile manages two funds available to retail investors.

These funds invest in the equity of large high-quality, high-growth companies listed on developed markets around the world. This strategy is executed in the Equitile Resilience Fund (RESIL) and may also be accessed via our Equitile Resilience feeder fund (the RESIL Feeder Fund) both of which are domiciled in the UK. The strategy is also executed via the Equitile Global Equity Fund (GLOBE) an Irish- domiciled structure managed under Prescient Financial Services (PFSI) umbrella ICAV UCITs fund.

In accordance with the requirements of this value assessment, we have reviewed the effectiveness of the investment strategy, the costs incurred by the Funds and the service level provided to clients.

To allow our investors to see where we are falling short more easily, we are using a traffic light system with red indicating we are not delivering value consistently, amber that we could improve on the value we are delivering and green that we are delivering value. We are pleased to report that, with respect to all of the aspects on which we assess value, we have highlighted two areas where we think there is room for improvement and no areas where we have concluded that we are not delivering value.

	Equitile Resilience Fund (RESIL)	Equitile GLOBAL Fund (GLOBE)
Overall Summary		
Performance		
Quality of Service		
Costs General		
Economies of Scale		
Comparable Markets		
Comparable Services		
Classes of Shares and Units		
Good Value		
Room for Improvement		
Poor Value		

As part of the assessment we confirm the following:

- Where economies of scale exist and have been identified they are passed on to the investors.
- The fee model is designed to ensure that alignment of interests between the manager and the investors is maintained at all AUM levels.
- The Equitile operating model is designed to ensure that operational costs are kept to an efficient minimum through the use of delegate or outsourced functions and technology where appropriate.

During this reporting period there were no new funds launched.

Accountability

The assessment has been reviewed by the firm's operating committee and approved by the board. The operating committee is made up of Daniel He (acting CEO), George Cooper (CIO) and Nigel Hellewell (COO).

1. Performance

How do we think about value?

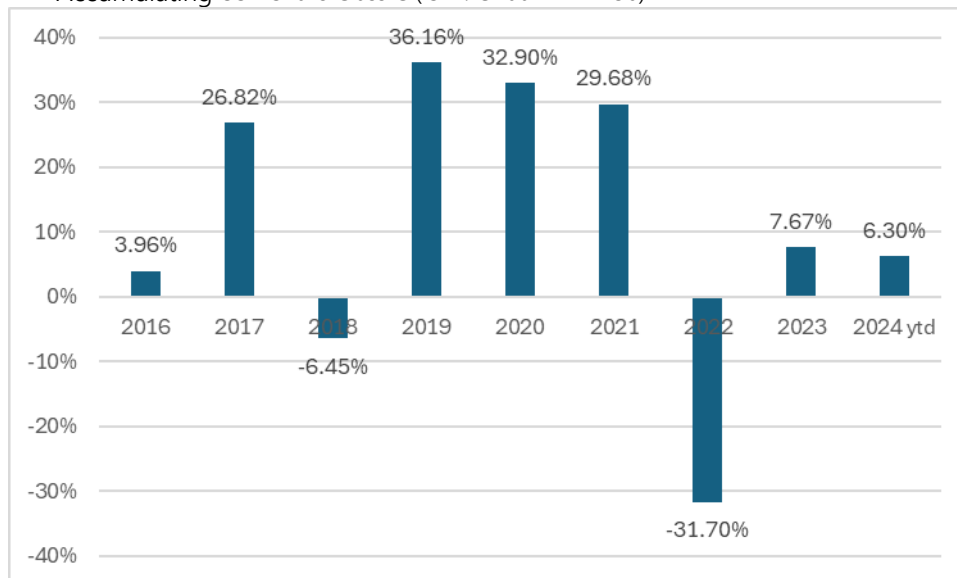
Our aim is to provide an investment strategy which delivers an attractive pattern of positive returns, after all fees, to our investors, over the long-term. Subject to market risks, we anticipate the strategy will continue to deliver high single-digit returns over the long-term.

How do we measure up?

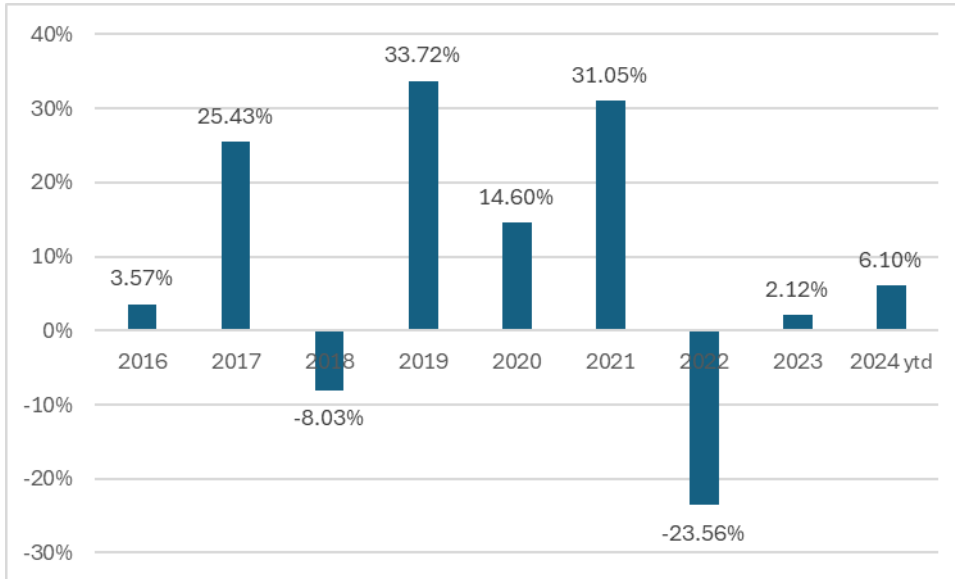
- Inception to date – Performance exceeds aims and objectives.
- 5 year - Performance good and inline to aims and objectives.
- 1 year – Measured over 1yr investment returns have fallen short of our longer-term target. Although regrettable such periods of weak returns are to be expected.

Performance by share class – Resilience Fund

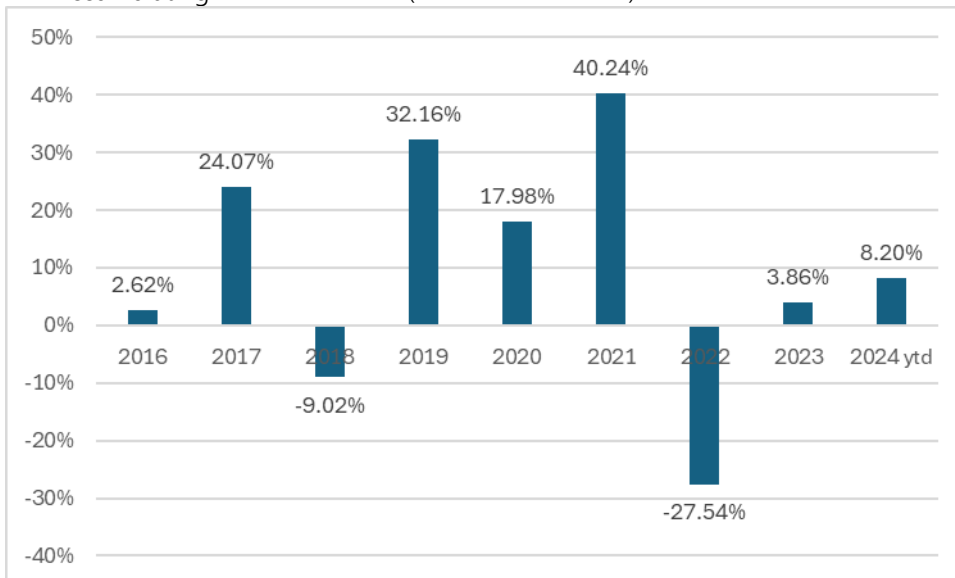
- Accumulating USD Share Class C (ISIN: GB00BDD1KX36)



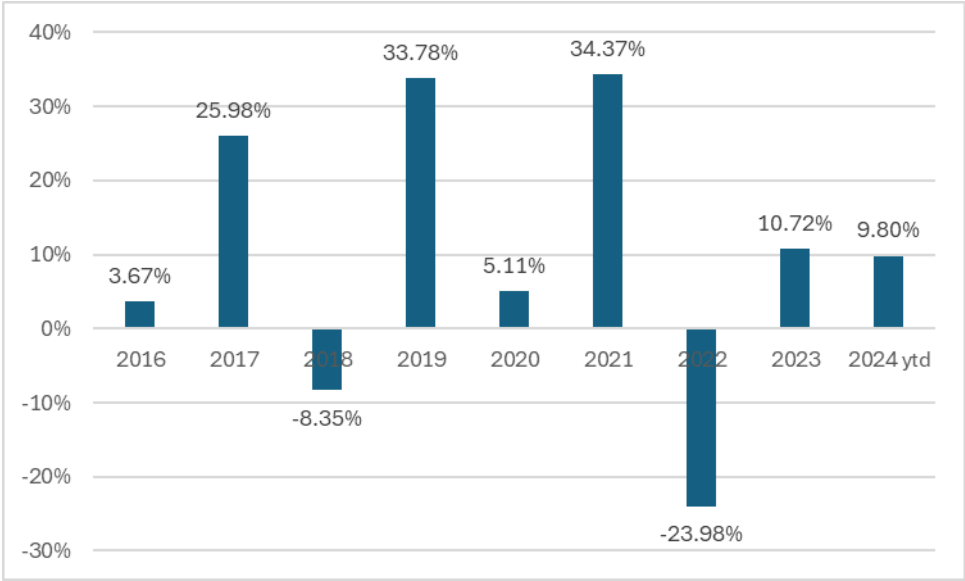
- Accumulating GBP Share Class A (ISIN: GB00BDD1KW29)



- Accumulating EUR Share Class B (ISIN: GB00BDD1KV12)

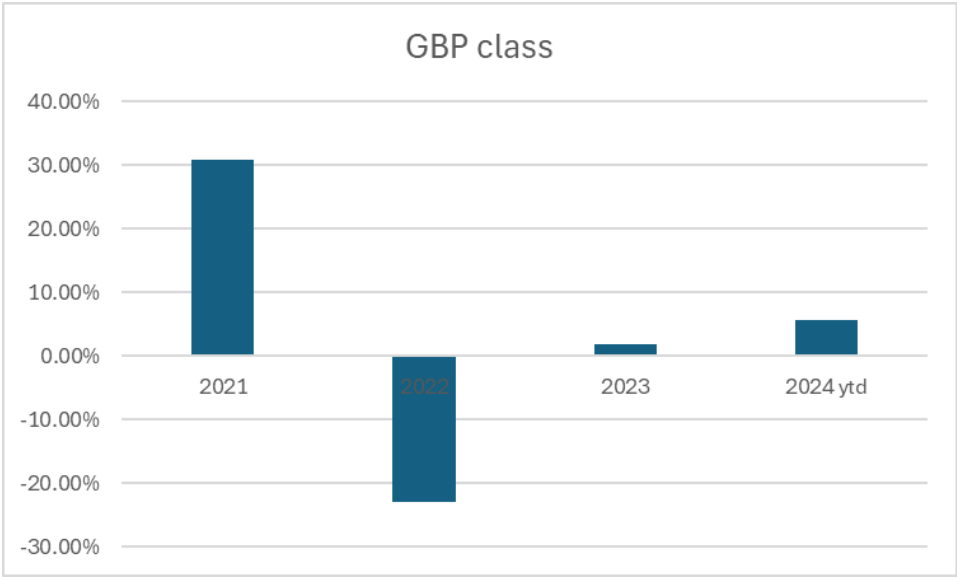


- Accumulating NOK Share Class E (ISIN: GB00BDFLVP03)

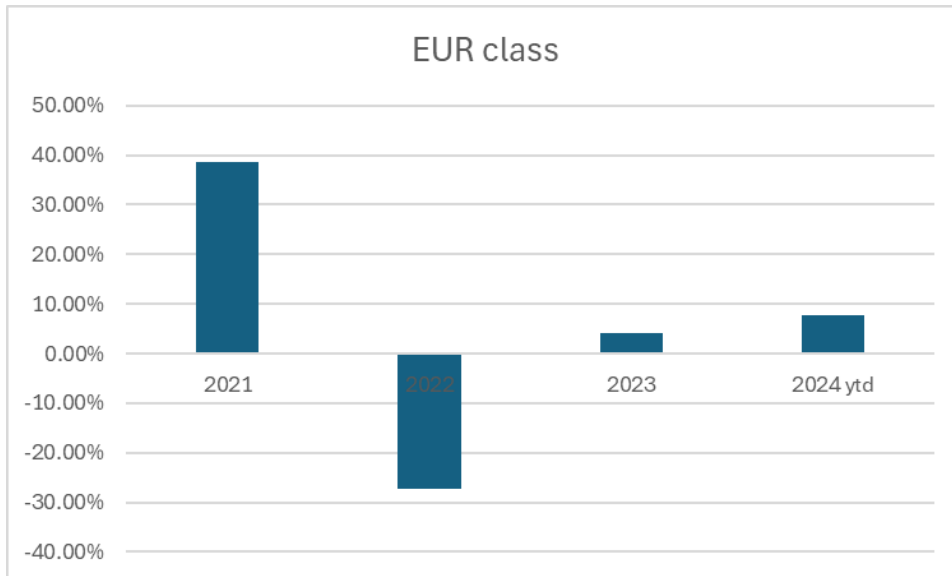


Performance by share class – GLOBAL Fund

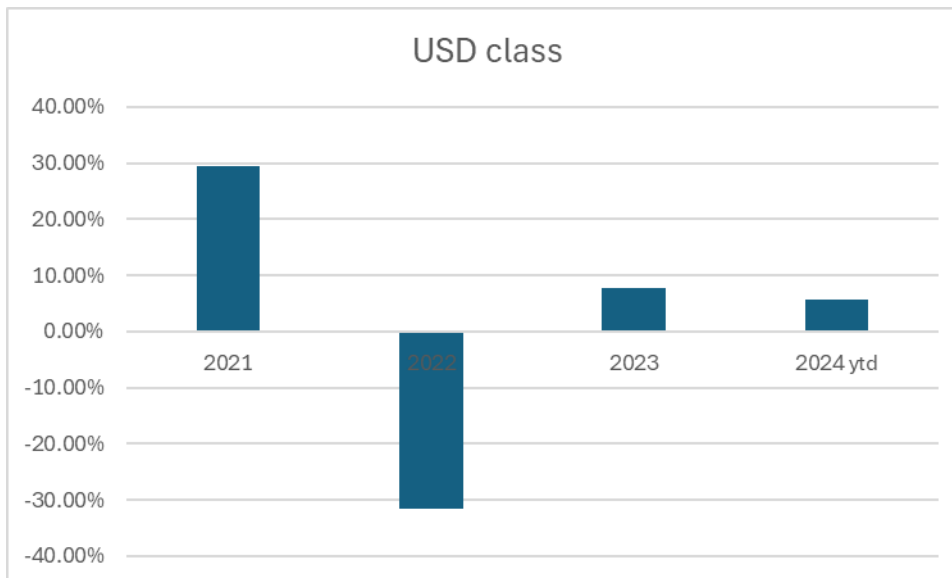
- Share class GBP



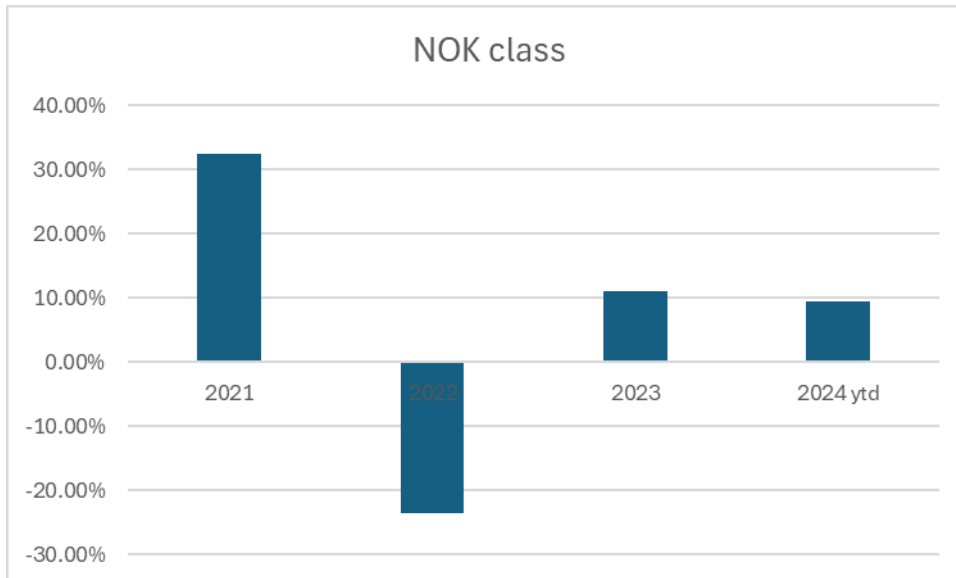
- Share class EUR



- Share class USD



- Share class NOK



During the last two years there has been significant volatility in FX rates which has impacted the relative performance of the respective share-classes. Equitile currently adopts an unhedged investment strategy for all share classes.

The right approach to ESG?

Since its foundation, Equitile has always believed that good governance is at the heart of corporate success and that high standards of governance is reflected in a company's attitude and approach to its broader environmental and social responsibilities.

During this period, Equitile Continues to review the more formal ESG frameworks and certifications that are emerging. Following extensive ongoing discussion, which included various investors, the Board concluded that these represented potential constraints to the Strategy's longer-term investment process while adding little value with respect to understanding the true impact of our investee companies, both positive and negative. Moreover, excessive reliance on many of these external frameworks created excessive internal complexity and cost.

The Global Equity Fund is classified as Article 6 (unchanged in this period). To emphasise, the investment process has not changed during this period. In addition, Equitile is not a signatory to PRI (principles for Responsible Investing) in 2020 and the ICAV fund became a SFDR (Sustainable Finance Directive) Article 6 fund in 2022.

We will continue to monitor and manage this area as necessary to ensure value to the investors.

Equitile is not a signatory to PRI (principles for Responsible Investing) in 2020 and the ICAV fund became a SFDR (Sustainable Finance Directive) Article 6 fund in 2022.

How can we improve?

The short-term (1 year) returns have fallen short of our investment return targets. This is, we believe, due to prevailing temporary market conditions and not due to any fundamental change in either the



prospective long term return expectations of the equity markets or indeed of our investment process. For this reason, we do not deem it appropriate to materially adjust our investment process as a result.

2. Quality of Service

How do we think about value?

At Equitile, we constantly seek to provide a better service to our investors.

Investors should have a clear understanding of the product or service they are purchasing and their experience when dealing with Equitile personnel and its service providers should be as straightforward as possible while meeting the highest regulatory standards.

Fund documentation and marketing material is a key element to this understanding. Regular account reporting and clear ad hoc reporting are important to ensure that investors are, and feel, well informed.

In particular, fees should be clear and transparent and where appropriate there should be alternate fee options available to choose from.

How do we measure up?

As a relatively small firm, Equitile has short and clear lines of communication and accountability which means we can quickly connect with investors to understand any changes to their views, needs and requirements.

Equitile Investments, along with its key service providers, offers the highest standards when dealing with existing and potential investors. We ensure that service levels during the client onboarding process, for example, are professional and efficient while meeting all regulatory requirements.

For investors, we communicate in a timely and appropriate manner;

- Client Service and Dealing efficiency – Equitile has a dedicated team of people who deal with the investors and the Transfer Agency, this experienced team has been focussed on improving dealing efficiency and responding to client requests swiftly and accurately.
- Investment Management Service – Equitile dedicated team on investment professionals publish monthly fund updates. Additionally, investors are able to communicate electronically via email or over the telephone with any specific questions they may have. This personal and detailed communication is core to how the firm engages with its investor base.

Additionally, Equitile offer thought leadership for clients on economics and markets through our regular Insights publications.

How can we improve?

As part of our ongoing development Equitile will continue to improve its staff development to ensure appropriate levels of personal development and service quality are maintained. Additionally, Equitile will work with the service providers to review and improve client service.

Equitile will continue work with various third parties to ensure that our documentation is up to date regarding regulations. Equitile will continue to work to improve the way in which we communicate with investors with a special focus on clarity.

3. Costs - general

How do we think about value?

As an independent Fund Manager, Equitile has structured its own cost base in an extremely efficient way, deploying the latest technology without the encumbrance of legacy cost-structures. Culturally, it is our nature to maintain that advantage relative to larger managers, in the long-term interests of our investing clients, while maintaining a good degree of operational resilience.

The Ongoing Costs to the Fund are made up of the Fund Management Fee plus the costs of the underlying investments.

How do we measure up?

Equitile Resilience Fund OCF (including the Management fee)

OEIC Feeder	Annualised OCF at 31.12.2024
• Share class GBP Gross Accumulation	0.96%
• Share class EUR Gross Accumulation	1.06%
• Share class USD Gross Accumulation	0.97%
• Share class NOK Gross Accumulation	1.09%
ACS Master	
• Share Class X3 Resilience USD	Closed

Equitile Global fund OCF (including the management fee)

• Share class GBP	0.93%
• Share class EUR	0.93%
• Share class USD	0.93%
• Share class NOK	0.93%

Our investment methodology is structured in a way that minimised the need to pay for external providers. Equitile has not historically used external research providers, for example, and resists the use of information providers, such as index providers, who do not directly enhance the outcome for investors.

Moreover, with respect to the operational aspects of managing the Funds we have been careful to outsource those functions where an external provider can offer value and reduce operational risk, such as middle office functions, but to retain control when we feel that we can reduce risk and costs by performing those functions ourselves e.g. collateral management.

How can we improve?

Equitile will continue to monitor and review the service providers with regards to their performance and fee levels. Equitile notes that with the inflation rate and cost pressures on many companies, it anticipates that the cost elements outside of the Manager Fee will continue to increase over the coming year.



Equitable continues to review the possibility of adding external providers of research – noting that the external market has changed we are exploring the possibility of there being additional value to the investment process.

4. Economies of Scale

How do we think about value?

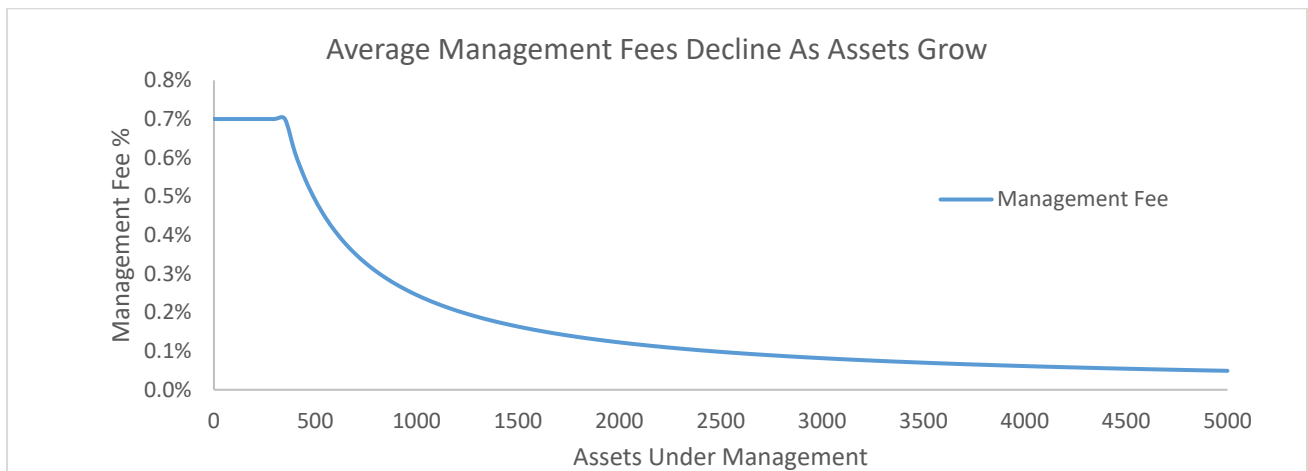
Equitile constantly strives to ensure that all costs and fees charged to the Funds are fair and proportionate.

How do we measure up?

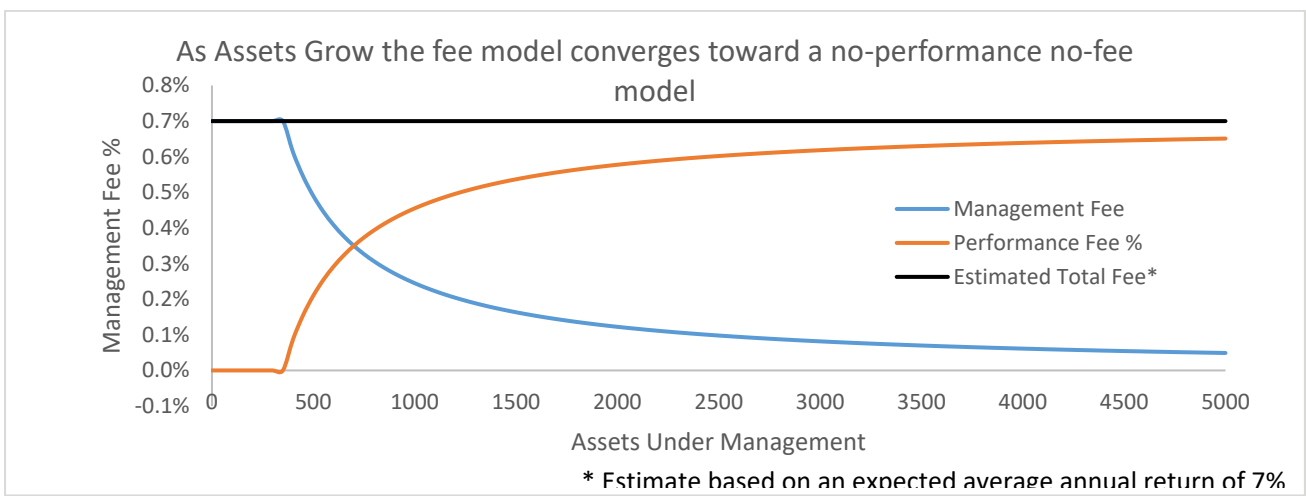
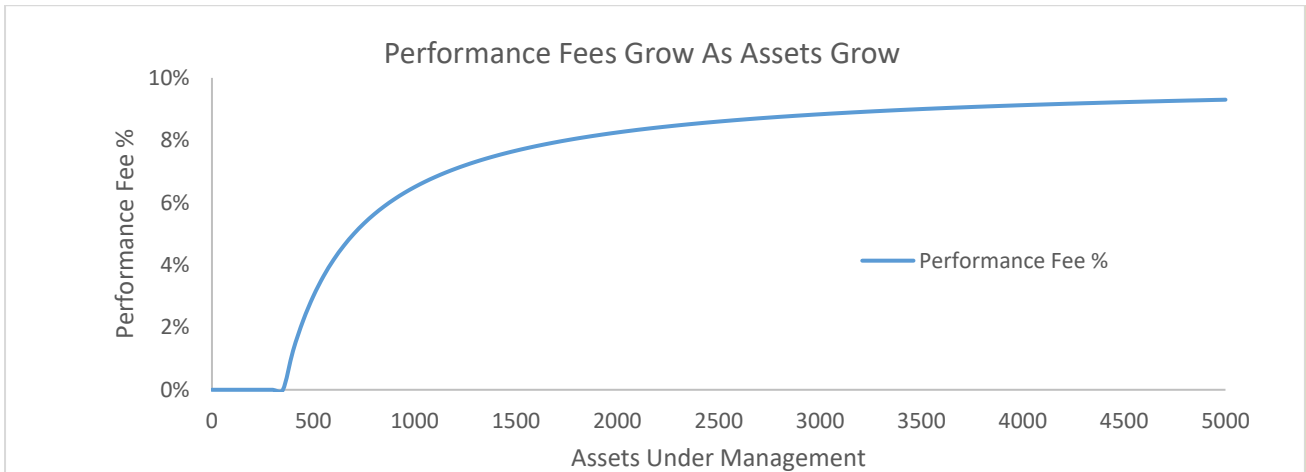
Equitile has constantly sought to align the costs borne by clients, with performance and the costs of managing the Funds and maintaining a high level of client service. Our fair fee model plays an important role in this respect.

Equitile Fee model is specifically designed to provide a fair fee model for clients and ensure alignment between the firm and our investors. Each share class of the Resilience Fund will charge management and performance fees calculated as follows. A 70bp management fee will be charged on the first £350m of assets under management, with no performance fee. A 10% performance fee will be charged on all assets above £350m, with no additional management fees. All clients will pay the same management fees and performance fees calculated as a blend of these two rates.

- Progressively declining management fees – once the AUM rise above £350m the management fee begin declining for all investors.



- Progressively rising performance fees – Performance fees only charged once assets rise above £350m, becoming increasingly important as AUM grows.



The GLOBAL fund has a fee model that works in the same way; however, the level between Manager fee and Performance fee is adjusted to £100M.

The Funds are relatively small in terms of assets under management; however, Equitile in partnership with its delegate suppliers is constantly seeking to ensure costs are fair and proportionate. The contracts and Service Level Agreements (SLA) with the Fund’s administrator and custodian, HSBC, Delegated Fund Manager all include economy of scale criteria – allowing benefits, where derived, to be passed on to investors.

Some of the costs reported in our OCF are fixed or fall in percentage terms as the Funds grow. These benefits are retained by investors who see an uplift in performance which is reported after these costs.

Where appropriate trading costs of the funds have been combined as a single trade and post execution split.

How can we improve?

Equitile completed a review of fund administration generally and fund structure for the RESIL fund more specifically. This review concluded that the ACS master fund was not longer required due to lack of client demand and that the OEIC feeder fund could operate more efficiently as a stand alone fund.



During the year, Equitile has worked with the RESIL fund depository and the FCA to make arrangements to effect his change. The minor cost savings from this will be passed on to the investors through lower fund charges from the effective date – planned for Q4 2024

The overall quality of service to the funds has and remains of a high standard.

Equitile will monitor opportunities to exploit economies of scale internally and externally. Where they are generated, these will be passed onto the investor wherever possible.

5. Comparable market rates

What do we mean by Value?

Lower costs on their own do not represent value in our opinion – we believe the Funds' performance is also a critical element as are 'additional fees' such as subscription and redemption fees. These do not always get included in the headline OCF.

Size of a fund is a relevant element to comparable market rates. The economies of scale generated by large firms are not going to be the same.

How do we measure up?

In contrast to many competing providers, Equitile does not make additional charges at the time of subscription or redemption, and no charges associated with minimum investment periods.

While investors are able to switch between the RESIL and the GLOBE fund, due to the tax difference this is not a practical option for investors as the primary determination is the tax regime. Any OCF difference is not material. Equitile does not impose any penalties on redemptions should the investor wish to move.

Equitile has attempted to review other small to medium sized Equivalent fund; however, it has not been possible to find publicly available information on funds of the same size. Other Global Equity funds are significantly larger in scale and may have different objectives. Of the limited number of funds that were larger though closer in size Equitile found the OCF to be 0.96% RESIL fund and 0.93% GLOBE fund. Equitile reviewed OCF for the following funds; Global Equity, Accumulation, Actively managed, Fund size £250m-£14bn with 0-50 holdings. The average was 0.93%. Equitile note that the AUM economy of scale on costs is significant between £150m -500m.

Investors can move free of charge between share classes. The share classes are not hedged and during this

Investors should also be aware of indirect costs they may be paying to a platform provider or advisor – especially if there is an opportunity to invest directly in the Funds without the use of an investment platform. Care should therefore be taken to understand all the elements of the costs to the investor as they may not all be 'fund costs' but advisor or other professional costs.

Separate subscription / redemption fees and lock in redemption charges are not applied by Equitile

As outlined in this document Equitile Fee model is highly competitive. To date we have not seen a similar fee model on any comparable fund.

For the Fund Equitile have developed a fair fee model that is market leading. There are no other funds with this specific model. Our manager fee of 0.7% fixed for the first £350m of AUM is one of the lowest for an active manager. The performance fee element which is only charged on AUM above £350m is 10% of performance above High Water Mark (HWM) which does not reset – for an active manager we believe this is a competitive fee model. Equitile further note that the ACS restructure for the RESIL fund will further reduce the OCF.

Unlike many larger Investment firms that have significant numbers of similar products, services and Funds Equitile has only 2 funds applicable. These funds share the same costs structures and have different jurisdictions, to that end they are not directly replaceable as options.



How can we improve?

Equitile will continually monitor the market rates for fees and performance. Should there be opportunities for new or innovative management fee structures which can be used to align investor and manager objectives then Equitile will consider these in future value assessments.

Delegated service providers to the RESIL and GLOBE funds are reviewed. The quality of service to the fund has and remains of a high standard.

6. Comparable services

What do we mean by Value?

Comparison of potentially similar products or services with the broader Equitile Range. The RESIL and GLOBE fund are effectively the same strategy in two separate funds; however, they have for historical reasons got separate administrators, fund structures and therefore certain cost differentials.

How do we measure up?

Equitile RESIL and GLOBE funds are open to the same investors with the RESIL fund and the ICAV fund are domiciled in UK and Ireland respectively. Post the end of the UK transition period for leaving the UE, the relative tax laws on investment vehicles mean that investors are unlikely to compare the funds directly as the tax disincentive would be material.

To that end the funds are not actively marketed in the same jurisdictions.

How can we improve?

Equitile will observe any agreements between the UK, the EU or any other member states – where opportunity to offer better and comparable services exists we will do so.

As Equitile launch additional fund structures then these will be added to the comparable analysis.

7. Classes of Shares and Units

What do we mean by Value?

Are you in the most appropriate share class or type for your circumstances and are you able to change if you feel there is a more appropriate class?

How do we measure up?

The asset management industry has a history and legacy of different share classes and fee structures which are offered to different investors. While there may be some good logic to some of this mechanism, it is overly complicated in our view and is not often transparent. As such we avoid the issuance of share-classes with materially different fee structures.

Equitile has no preferential share class. There is only one share class per CCY and all have the same fee model.

All Employees and founding members of the fund are in the same classes of shares as all other retail investors and pay the same fees.

Equitile has a relatively small number of share classes and all of them have the same fee structure.

Equitile does not charge investors who wish to move their investments from one share class to another.

How can we improve?

We will continue to review options to potentially offer different and more competitive fee structures such that investors have greater flexibility to select a structure more suited to their personal needs. Equitile will continue to maintain a simple, transparent fund structure to ensure that fees are clearly communicated.

8. Overall conclusion

Equitile believe that we have provided good value to our investors for the year ending 31 December 2023.

We will continue monitoring our performance and processes regularly, while recognising that there is always room for improvement as we continue on in our efforts to deliver investment success to our investors.

June 2024