Global Developed Market Equities

May 2024

Equitile Resilience fund GBP Shareclass ISIN: GB00BDD1KW29

Top Ten Investments

Rolls-Royce Holdings Plc	5%
American Express Co	5%
Exxon Mobil Corp	5%
Visa Inc-Class A Shares	5%
Totalenergies Se	4%
Lvmh Moet Hennessy Louis Vui	4%
3I Group Plc	4%
Bae Systems Plc	3%
Autozone Inc	3%
Barrick Gold Corp	3%

Largest Sector Allocations

Energy	20%
Mining	17%
Aerospace & Defense	16%
Financial Services	9%
Luxury Goods	5%

Largest Currency Allocations

USD	42%
GBP	25%
EUR	19%
JPY	7%
NOK	3%

Portfolio Characteristics *

Number of Holdings	33
Average Market Cap USD bn	148
P/E ratio	17
EPS Growth (5yr)	8%
Sales Growth (5yr)	7%
Equity Ratio	35%

*Calculated as weighted average where applicable

Investment Commentary

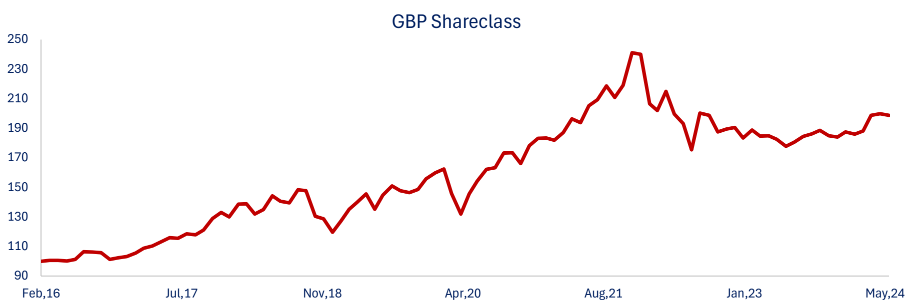
Keynes famously quipped, we are all slaves to some defunct economist. In financial markets we are arguably slaves to a long defunct financial bubble. Through the 1980's Japan experienced probably the largest ever asset market bubble causing both equity and real estate prices to soar. Famously, the land value of the Imperial Palace was estimated to be worth more than all of California. The deflationary effects of bursting the Japanese bubble caused Japanese bond yields to fall sharply triggering an extraordinary three-decade monetary experiment. By the turn of century, the Bank of Japan had cut interest rates to zero, where, with only a brief interruption, they remained until March of this year. The Japanese government, able to borrow at zero cost, took its debt from around 60% of GDP to the current 260% of GDP.

Liquidity, as the name suggests, tends to flow and much of the flood of Japanese government stimulus flowed into the global capital markets pushing global interest rates lower. Arguably, this flood of liquidity then triggered a disinflationary supply side boom, pushing interest rates lower still. In short, Japanese zero rate policies were contagious causing other countries to adopt similar low-rate policies. In turn these policies caused extensive financialization of economies leading to asset price inflation outstripping both wage and price inflation. House prices are expensive today, at least in part, because the Imperial Palace was expensive in the 1980s!

Lockdown, or more accurately, the inflationary effect of releasing lockdown, appears to have broken those post-bubble disinflationary forces. Inflation is now higher and long-term global interest rates are also trending higher; Japanese 10-year rates are again back above 1%. This shift toward higher inflation and higher interest rates, we expect, will cause more cautious investment spending, in turn weakening the competitive pressures holding inflation in check. In short, we expect a mirror or reversal of the 1990-2020 period, a multi-decade period of markedly higher inflation and higher interest rates than we have become accustomed to.

We expect many financial service companies will benefit from this environment through a combination of higher transaction values, wider lending spreads and higher investment income. For this reason, during the month we have added two insurance companies and one bank into your portfolio. More broadly, we continue positioning your portfolio in companies we feel are able to benefit from the higher inflation and interest rate environment.

Price History



Fund Details

Launch date: 29th February 2016
Shareclasses: USD,GBP,EUR,NOK
Management Fee 0.7%
OCF: 1.0%
Subscription charge: 0%
Redemption charge: 0%
Domicile: UK
Fund type: UK UCITS OEIC
Depository: HSBC
Auditor: Azets Audit Services Limited
Fund AUM (USD m) 82
Strategy AUM (USD m) 145
Dealing time: 11 am UK
Pricing time : 3 pm UK

Performance History

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Last NAV	YTD
2024	-0.7%	1.2%	5.6%	0.6%	-0.5%								198.7	6.1%
2023	2.9%	-2.3%	0.2%	-1.3%	-2.6%	1.6%	2.1%	1.0%	1.2%	-2.0%	-0.4%	1.8%	187.3	2.1%
2022	-13.9%	-2.2%	6.4%	-7.1%	-3.3%	-9.2%	14.3%	-0.8%	-5.6%	0.9%	0.6%	-3.7%	183.4	-23.6%
2021	0.1%	-0.8%	2.9%	4.9%	-1.3%	5.8%	2.0%	4.4%	-3.5%	3.9%	10.0%	-0.4%	240.0	31.0%
2020	1.6%	-10.2%	-9.5%	10.3%	5.9%	5.0%	0.8%	6.0%	0.1%	-4.2%	7.4%	2.8%	183.1	14.6%
2019	6.6%	6.1%	3.5%	4.1%	-7.1%	7.1%	4.3%	-2.1%	-0.8%	1.4%	4.8%	2.7%	159.8	33.7%
2018	6.8%	0.1%	-4.9%	2.3%	6.8%	-2.6%	-0.8%	6.3%	-0.4%	-11.7%	-1.4%	-7.1%	119.5	-8.0%
2017	2.1%	3.0%	1.4%	2.4%	2.8%	-0.4%	2.7%	-0.7%	2.9%	6.4%	3.3%	-2.4%	129.9	25.8%
2016			0.6%	0.0%	-0.4%	1.0%	5.1%	-0.2%	-0.4%	-4.3%	0.9%	1.1%	103.3	3.3%

1yr: 11.8% 3yr: 2.6% Total Return: 98.7% Anualised Since Inception: 8.7%