

SVS CH Special Mandates Fund

Annual Report

for the year ended 30 September 2018

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SVS CH Special Mandates Fund

Report of the Authorised Corporate Director ('ACD')

St Vincent St Fund Administration (trading name of Smith & Williamson Fund Administration Limited), as ACD, presents herewith the Annual Report for SVS CH Special Mandates Fund for the year ended 30 September 2018.

SVS CH Special Mandates Fund ('the Company') is an authorised open-ended investment company with variable capital ('ICVC') further to an authorisation order dated 8 November 2007. The Company is incorporated under registration number IC000588. It is a non-UCITS retail scheme ('NURS') complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL') and the Investment Funds sourcebook ('FUND'), as published by the Financial Conduct Authority ('FCA'). As the Company is a NURS, the ACD also acts as Alternative Investment Fund Manager (AIFM) in order to comply with the Alternative Investment Fund Manager's Directive (AIFMD).

The Company has been set up as an umbrella company. Provision exists for an unlimited number of sub-funds to be included within the umbrella and additional sub-funds may be established by the ACD with the agreement of the Depositary and the approval of the FCA. The sub-funds represent segregated portfolios of assets and, accordingly, the assets of a sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (indirectly or directly) the liabilities of claim against, any other person or body, and any other sub-fund and shall not be available for any such purpose.

The ACD is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the accounts as the assets of the Company consist predominantly of securities which are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future. Further, appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of these accounts and applicable accounting standards have been followed.

The shareholders are not liable for the debts of the Company.

The Company has no Directors other than the ACD.

The base currency of the Company is UK sterling.

The Instrument of Incorporation can be inspected at the offices of the ACD.

Copies of the Prospectus and Key Investor Information Document ('KIID') are available on request free of charge from the ACD.

Sub-funds

There are currently two sub-funds available in the Company:

- | | |
|--|--|
| SVS Church House Tenax Absolute Return Strategies Fund | <ul style="list-style-type: none"> - A income and A accumulation shares - B income and B accumulation shares - C income and C accumulation shares |
| SVS Church House Deep Value Investment Fund | <ul style="list-style-type: none"> - A accumulation shares - B accumulation shares |

Cross holdings

At the balance sheet date the following shares in SVS Church House Deep Value Investment Fund were held by SVS Church House Tenax Absolute Return Strategies Fund.

Sub-Fund	Sub-Fund	Holding
SVS Church House Deep Value Investment Fund	SVS Church House Tenax Absolute Return Strategies Fund	1,365,000

Report of the Authorised Corporate Director (continued)

Investment objective and policy

The investment objective and policy of each sub-fund is disclosed within the Investment Manager's report of the individual sub-funds.

Changes affecting the Company in the year

There were no fundamental or significant changes to the Company in the year.

Further information in relation to the Company is illustrated on page 68.

Royal Bank of Scotland Group transferred its Trustee and Depositary Services business from National Westminster Bank Plc to NatWest Trustee & Depositary Services Limited on 29 October 2018.

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes sourcebook and the Investment Funds sourcebook, we hereby certify the Annual Report on behalf of the ACD, Smith & Williamson Fund Administration Limited.

B. McLean

Director

Smith & Williamson Fund Administration Limited

15 January 2019

Statement of the Authorised Corporate Director's responsibilities

The Collective Investment Schemes sourcebook ('COLL') and The Investment Funds sourcebook ('FUND') published by the FCA, require the Authorised Corporate Director ('ACD') to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Company and of the net revenue and net capital losses / gains on the property of the Company for the year.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds published by The Investment Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with the Instrument of Incorporation, the Prospectus, COLL and FUND.

Report of the Depositary to the shareholders of SVS CH Special Mandates Fund

Depositary's responsibilities

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's revenue is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ('AIFM') are carried out (unless they conflict with the Regulations).

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

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

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with the Regulations and the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee & Depositary Services Limited

15 January 2019

Independent Auditor's report to the shareholders of SVS CH Special Mandates Fund ('the Company')

Opinion

We have audited the financial statements of the Company for the year ended 30 September 2018 which comprise the Statements of Total Return, the Statements of Change in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for each of the Company's sub-funds as listed on page 2 and the accounting policies set out on pages 8 to 10.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Company's sub-funds as at 30 September 2018 and of the net revenue and the net capital losses / gains on the property of the Company's sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to UK Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The Authorised Corporate Director (Smith & Williamson Fund Administration Limited) is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in Authorised Corporate Director's Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

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

Authorised Corporate Director's responsibilities

As explained more fully in their statement set out on page 4, the Authorised Corporate Director is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's report to the shareholders of SVS CH Special Mandates Fund (continued)

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') published by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Archer
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG
15 January 2019

Accounting policies of SVS CH Special Mandates Fund

for the year ended 30 September 2018

The accounting policies relate to the sub-funds within the Company.

a *Basis of accounting*

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments. They have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') and in accordance with the Statement of Recommended Practice for UK Authorised Funds ('the SORP') published by The Investment Association in May 2014.

As described in the ACD's report, the ACD continues to adopt the going concern basis in the preparation of the accounts.

b *Valuation of investments*

The purchase and sale of investments are included up to close of business on 28 September 2018, being the last business day.

Purchases and sales of investments are recognised when a legally binding and unconditional right to obtain, or an obligation to deliver an asset arises.

Investments are stated at their fair value at the balance sheet date. In determining fair value, the valuation point is global close of business on 28 September 2018 with reference to quoted bid prices from reliable external sources.

Collective investment schemes are valued at the bid price for dual priced funds and at the single price for single priced funds.

Collective investment schemes also operated by the ACD are valued at cancellation price for dual priced funds and at the single price for single priced funds.

Structured products are valued at fair value and calculated by an independent source.

Where an observable market price is unreliable or does not exist, investments are valued at the ACD's best estimate of the amount that would be received from an immediate transfer at arm's length.

c *Foreign exchange*

The base currency of the sub-fund is UK sterling which is taken to be the sub-fund's functional currency.

All transactions in foreign currencies are converted into sterling at the rates of exchange ruling at the dates of such transactions. The resulting exchange differences are disclosed in note 2 of the Notes to the financial statements of the sub-funds.

Any foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rate prevailing at the balance sheet date.

d *Revenue*

Revenue is recognised in the Statement of total return on the following basis:

Dividends from quoted equity instruments and non equity shares are recognised as revenue, net of attributable tax credits on the date when the securities are quoted ex-dividend.

Overseas dividends are recognised as revenue gross of any withholding tax and the tax consequences are recognised within the tax expense.

Dividends from unquoted equity shares are recognised when declared.

Distributions from collective investment schemes are recognised as revenue on the date the securities are quoted ex-dividend. Equalisation on distributions from collective investment schemes is deducted from the cost of the investment and does not form part of the sub-funds' distribution.

Distributions from collective investment schemes which are re-invested on behalf of the sub-funds are recognised as revenue on the date the securities are quoted ex-dividend and form part of the sub-funds' distribution.

Distributions from reporting offshore funds are recognised as revenue when the reported distribution rate is available and forms part of the sub-funds' distribution.

Accounting policies of SVS CH Special Mandates Fund (continued)

for the year ended 30 September 2018

d Revenue (continued)

Special dividends are treated as either revenue or a repayment of capital depending on the facts of each particular case.

Interest on bank deposits and short term deposits is recognised on an accruals basis.

Interest on debt securities is recognised on an effective yield basis. Accrued interest purchased and sold on interest bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the sub-fund. The amortised amounts are accounted for as revenue or as an expense and form part of the distributable revenue of the sub-fund.

e Expenses

All expenses are charged to the sub-funds against revenue, other than those relating to the purchase and sale of investments.

Bank interest paid is charged to revenue of the sub-funds.

f Allocation of revenue and expenses to multiple share classes

All revenue and expenses which are directly attributable to a particular share class are allocated to that class. All revenue and expenses which are attributable to the sub-funds are allocated to the sub-fund and are normally allocated across the share classes pro rata to the net asset value of each class on a daily basis.

g Taxation

Tax payable on profits is recognised as an expense in the period in which profits arise. The tax effects of tax losses available to carry forward are recognised as an asset when it is probable that future taxable profits will be available, against which these losses can be utilised.

UK corporation tax is provided as amounts to be paid/recovered using the tax rates and laws that have been enacted at the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at 30 September 2018 to pay more or less tax, at a future date, at rates expected to apply when they crystallise based on current rates and tax laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

Provision for deferred tax assets are only made to the extent the timing differences are expected to be of future benefit.

All foreign dividend revenue is recognised as a gross amount which includes any withholding tax deducted at source. Where foreign tax is withheld in excess of the applicable treaty rate a tax debtor is recognised to the extent that the overpayment is considered recoverable.

When a disposal of a holding in a non-reporting offshore fund is made, any gain is an offshore income gain and tax will be charged to capital. There may be instances where tax relief is due to revenue for the utilisation of excess management expenses.

h Efficient portfolio management

Where appropriate, certain permitted instruments such as derivatives or forward currency contracts may be used for efficient portfolio management purposes. Where such instruments are used to protect or enhance revenue, the revenue or expenses derived therefrom are included in the Statement of total return as revenue related items and form part of the distribution. Where such instruments are used to protect or enhance capital, the gains and losses derived therefrom are included in the Statement of total return as capital related items.

i Dilution levy

The need to charge a dilution levy will depend on the volume of sales or redemptions. The ACD may charge a discretionary dilution levy on the sale and redemption of shares if, in its opinion, the existing shareholders (for sales) or remaining shareholders (for redemptions) might otherwise be adversely affected, and if charging a dilution levy is, so far as practicable, fair to all shareholders and potential shareholders. Please refer to the Prospectus for further information.

Accounting policies of SVS CH Special Mandates Fund (continued)

for the year ended 30 September 2018

j Distribution policies

i Basis of distribution

SVS Church House Tenax Absolute Return Strategies Fund

The distribution policy is to distribute all available revenue after deduction of expenses payable from revenue. Distributions attributable to income shares are paid to shareholders. Distributions attributable to accumulation shares are re-invested in the sub-fund on behalf of the shareholders.

SVS Church House Deep Value Investment Fund

The distribution policy is to distribute all available revenue after deduction of expenses payable from revenue. Distributions attributable to accumulation shares are re-invested in the sub-fund on behalf of the shareholders.

ii Unclaimed distributions

Distributions to shareholders outstanding after 6 years are taken to the capital property of the sub-funds.

iii Revenue

All revenue is included in the final distribution with reference to policy d.

iv Expenses

Expenses incurred against the revenue of the sub-funds are included in the final distribution, subject to any expense which may be transferred to capital for the purpose of calculating the distribution, with reference to policy e.

v Equalisation

Group 2 shares are shares purchased on or after the previous XD date and before the current XD date. Equalisation applies only to group 2 shares. Equalisation is the average amount of revenue included in the purchase price of group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax in the hands of the shareholders but must be deducted from the cost of shares for capital gains tax purposes. Equalisation per share is disclosed in the Distribution table.

SVS Church House Tenax Absolute Return Strategies Fund

Investment Manager's report

Investment objective and policy

The sub-fund has an absolute return objective, aiming to achieve positive returns over rolling twelve-month periods at lower levels of volatility than experienced in traditional balanced funds. Please note: capital invested in the sub-fund is at risk, there is no guarantee that a positive return will be achieved over a rolling twelve-month, or any other, period.

The sub-fund is broadly diversified across asset classes with limits on exposure to different classes, wherever possible seeking low correlation of returns between the classes and low volatility in the sub-fund's overall value. The sub-fund is prepared to hold high proportions in cash and other lower-risk assets in pursuit of the objective.

The sub-fund may invest in the following asset classes: transferable securities (including fixed interest securities, government securities, equities, and holdings in quoted funds and quoted property companies), money market instruments, units or shares in collective investment schemes (including interests in alternative investment funds and 'hedge funds'), and cash deposits. No more than 10% of the sub-fund's total assets may be invested in collective investment schemes.

Derivatives may be employed in the pursuit of the investment objectives of the sub-fund for both investment purposes and for the purposes of Efficient Portfolio Management. Using derivatives and forward transactions for investment purposes may increase the volatility of a sub-fund and increase or reduce the risk profile of a sub-fund.

The sub-fund will not invest directly in immovables or gold.

Investment performance*

Performance:	One Year	Three Years	Five Years
SVS Church House Tenax Absolute Return Strategies Fund A accumulation	+0.2%	+11.0%	+19.2%
SVS Church House Tenax Absolute Return Strategies Fund B accumulation	+0.5%	+12.0%	+20.9%
Annual Volatility** 'A' shares	1.5%	2.3%	2.4%

*Source: Bloomberg, Smith & Williamson Fund Administration Limited. Based on mid price at 12pm on 28 September 2018.

**Volatility is the annual standard deviation of monthly returns expressed as a percentage.

Investment activities

The SVS Church House Tenax Absolute Return Strategies Fund has continued to receive significant in-flows over the last two quarters since we last reported, it now has an overall value around £246m. Accordingly, the volume of transactions has been quite high as we invest the new funds. The comments below refer to the latter six months of the sub-fund's year as we reported on the first six months in April.

Cash and 'near-cash' assets still dominate, notably triple-A rated floating rate notes, the largest slice of the pie. The latter assets benefit directly from increasing short-term rates as their interest payments are re-set each quarter in relation to the London Inter-bank Offered Rate (LIBOR) or Sterling Overnight Index Average (SONIA). Initially, activity in this near-cash area (we view it as treasury), was principally replacing maturing notes and purchases of short-dated Treasury Bills awaiting renewed primary market activity in September. We are continuing to reduce exposure to notes linked to LIBOR with maturities beyond 2021, something that we consider is not being taken seriously enough around the market. There have been several more successful issues of floating rate notes linked to SONIA, now extending beyond the supra-national issuers. We took offerings from Lloyds Bank 1.1282% 13/09/2021 and Santander UK 1.1277% 20/09/2021, both of which now appear in the top ten holdings, in each case reducing other LIBOR linked issues from these two banks. One of the few small holdings that we had left in index-linked stock, an issue from National Grid Electricity Transmission Index Linked 2.983% 08/07/2018, matured, leaving us with just 0.5% exposure in this area, which we still consider to be too expensive to warrant further investment.

Investment Manager's report (continued)

Investment activities (continued)

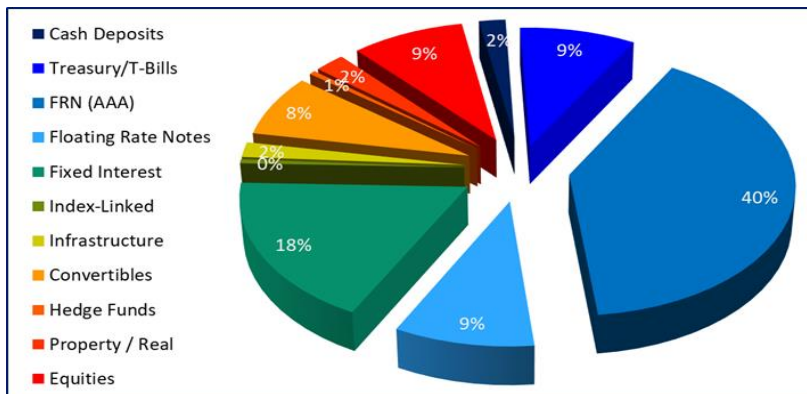
Top 10 Holdings as at 30 September 2018	
European Investment Bank 1.0473% 29/06/2023	4.08%
International Bank for Reconstruction & Development 0.9371% 04/10/2023	4.06%
Santander UK 1.1277% 20/09/2021	3.66%
National Westminster Bank 1.06175% 15/05/2020	3.26%
European Investment Bank 0.625% 17/01/2020	3.24%
UK Treasury Bill 0% 10/12/2018	2.92%
Lloyds Bank 1.1282% 13/09/2021	2.85%
Goldman Sachs 5Y GBP Capped Floored Floater Note	2.06%
European Investment Bank 1.05413% 17/02/2020	2.03%
European Investment Bank 1.00306% 16/04/2019	2.03%

Early in the final quarter, we sold two of the short-dated fixed interest holdings (Centrica 5.25% 10/04/2075 and Travis Perkins 4.5% 07/09/2023), concerned about deteriorating credit while adding to existing issues from Aviva 4.375% 12/09/2049 and SSE 3.875% perpetual. Rising rates and a more active primary market in September gave us the opportunity to pick up some attractive conventional fixed interest holdings, particularly new hybrid issues from Prudential 5.625% 20/10/2051, Rothesay Life 6.875% perpetual and Vodafone Group 4.875% 03/10/2078. The proportion held in infrastructure assets fell, we sold half of the John Laing Infrastructure Fund in July, expecting the offer to proceed, and the remainder in August. We are reviewing other possible investments in the area. The Convertibles slice has grown again, adding to two existing holding in telecommunications and, more recently, two purchases of a recent issue from ELM BV for Swiss Re 3.25% 13/06/2024 stock convertible until 2024. As ever, the risk/reward profile of convertibles is ideal for this strategy, we could wish for a bigger market with more choice. We participated in a new issue of Tritax EuroBox, large-scale logistics warehouses, which we consider to be one of the few 'growth' opportunities in property. The proportion held in equities has grown but still represents less than 10% of the portfolio; we have topped-up international equity on several occasions, which also assists with our foreign exchange exposure.

Investment strategy and outlook

UK base interest rates have edged-up to three quarters of one per cent, while ten-year rates have increased to 1.6% from 1.35% at the half-year. Still too low, but beginning to offer some better returns for the sub-fund. We continue to maintain our core of high-quality floating rate notes, where the interest paid is increasing with short-term rates. The sub-fund's disposition at the end of the period (shown below) remains at the cautious end of our cautious spectrum with half of the portfolio in near-cash assets.

SVS Church House Tenax Absolute Return Strategies Fund - Asset Allocation 30 September 2018



Source: Church House Investments Limited

Investment Manager's report (continued)

Investment strategy and outlook (continued)

A relatively benign third quarter of the year has quickly turned into an unpleasant start to the fourth quarter for a number of asset classes. The various economic and political worries, that have been a factor for some while now, combined to tip sentiment over the edge and stock markets in London, New York and Frankfurt have all fallen by around 7% since the beginning of the month. The proximate cause was a further increase in American interest rates at a time when the Chinese economic expansion appears to be slowing again and the new Italian Government produced an incautious budget. Domestically, of course, we also have the interminable Brexit negotiations to contend with.

Church House Investments Limited
30 October 2018

Summary of portfolio changes

for the year ended 30 September 2018

The following represents the major purchases and sales in the year to reflect a clearer picture of the investment activities.

	Cost £
Purchases:	
UK Treasury Gilt 1.75% 22/07/2019	10,101,200
European Investment Bank 1.0473% 29/06/2023	10,000,000
International Bank for Reconstruction & Development 0.9371% 04/10/2023	10,000,000
UK Treasury Bill 0% 10/09/2018	9,994,786
Santander UK 1.1277% 20/09/2021	9,000,000
European Investment Bank 0.625% 17/01/2020	7,970,400
UK Treasury Bill 0% 10/12/2018	7,188,007
Lloyds Bank 1.1282% 13/09/2021	7,000,000
National Westminster Bank 1.06175% 15/05/2020	6,012,440
European Investment Bank 1.125% 07/09/2021	5,038,550
Toronto-Dominion Bank 1.07225% 07/06/2021	5,000,000
International Bank for Reconstruction & Development 0.85588% 22/05/2023	5,000,000
Goldman Sachs 5Y GBP Capped Floored Floater Note	5,000,000
SpareBank 1 Boligkreditt 1.0755% 14/11/2022	4,513,750
European Investment Bank 1.00306% 16/04/2019	3,262,535
European Investment Bank 1.05413% 17/02/2020	3,018,900
Royal Bank of Canada 0.82994% 08/12/2022	3,000,000
Barclays Bank 0.74131% 09/01/2023	3,000,000
Stadshypotek 0.73944% 11/01/2023	3,000,000
UK Treasury Bill 0% 03/12/2018	2,795,711
	Proceeds £
Sales:	
UK Treasury Gilt 1.25% 22/07/2018	16,000,000
UK Treasury Bill 0% 10/09/2018	10,000,000
UK Treasury Gilt 1.75% 22/07/2019	6,046,980
European Investment Bank 1.5% 01/02/2019	5,053,700
European Investment Bank 1.125% 07/09/2021	5,004,900
International Bank for Reconstruction & Development 0.85588% 22/05/2023	5,002,500
Santander UK 1.0345% 16/11/2022	4,677,677
Toronto-Dominion Bank 1.282130% 01/02/2019	3,008,730
European Investment Bank 1.375% 15/01/2018	3,000,000
Santander UK 1.07988% 05/05/2020	2,106,510
European Investment Bank 0.83006% 25/05/2018	2,000,000
Nationwide Building Society 0.99088% 12/04/2023	1,999,280
Lloyds Bank 1.04844% 27/03/2023	1,999,060
Leeds Building Society 0.79813% 09/02/2019	1,750,000
John Laing Infrastructure Fund	1,645,139
Lloyds Bank 1.12306% 14/01/2019	1,604,202
Lloyds Bank 0.58173% 19/01/2018	1,510,000
Goldman Sachs International 1 Year 4.25% Reverse Convertible Notes on the 10 Year GBP Swap Rate 19/02/18	1,500,000
Bank of America 7.75% 30/04/2018	1,500,000
JP Morgan 1-Year GBP Interest Rate Linked Note	1,500,000

Portfolio statement

as at 30 September 2018

	Nominal value or holding	Market value £	% of total net assets
Investment			
Debt Securities* 76.95% (69.71%)			
Aaa to Aa2 47.15% (42.91%)			
Australia & New Zealand Banking Group 1.30875 11/02/2019**	£270,000	270,459	0.11
Bank of Montreal 0.96888% 20/07/2020**	£2,500,000	2,501,275	1.02
Bank of Nova Scotia 1.20306% 14/01/2019**	£2,000,000	2,002,220	0.81
Bank of Nova Scotia 1.18113% 11/06/2021**	£2,000,000	1,999,460	0.81
Barclays Bank 0.93875% 09/01/2023**	£3,000,000	2,998,680	1.22
Barclays Bank 1.03588% 22/05/2020**	£3,000,000	3,002,940	1.22
Canadian Imperial Bank of Commerce 1.32113% 11/03/2019**	£500,000	501,045	0.20
Canadian Imperial Bank of Commerce 1.14988% 10/01/2022**	£1,000,000	1,005,770	0.41
Coventry Building Society 1.09731% 17/03/2020**	£1,990,000	1,993,443	0.81
Deutsche Pfandbriefbank 1.28681% 13/01/2020**	£1,000,000	1,003,160	0.41
European Investment Bank 1.0473% 29/06/2023**	£10,000,000	10,026,700	4.08
European Investment Bank 0.625% 17/01/2020	£8,000,000	7,966,320	3.24
European Investment Bank 1.00306% 16/04/2019**	£5,000,000	5,007,900	2.03
European Investment Bank 1.05413% 17/02/2020**	£5,000,000	5,007,200	2.03
Landesbank Baden-Wuerttemberg 1.0745% 18/05/2021**	£1,500,000	1,500,390	0.61
Lloyds Bank 1.1282% 13/09/2021**	£7,000,000	7,006,300	2.85
Lloyds Bank 1.05306% 16/01/2020**	£2,000,000	2,003,280	0.81
National Bank of Canada 1.16844% 27/09/2021**	£2,000,000	2,007,620	0.82
National Westminster Bank 1.06175% 15/05/2020**	£8,000,000	8,011,520	3.26
Nationwide Building Society 1.27163% 25/04/2019**	£1,200,000	1,202,808	0.49
Nordea Eiendoms kreditt 1.17306% 14/01/2019**	£2,500,000	2,502,650	1.02
Province of Ontario Canada 0.8955% 10/11/2020**	£2,000,000	2,000,000	0.81
Royal Bank of Canada 1.03225% 08/12/2022**	£3,000,000	2,995,080	1.22
Royal Bank of Canada 1.19944% 04/06/2019**	£2,120,000	2,123,519	0.86
Santander UK 1.1277% 20/09/2021**	£9,000,000	9,002,700	3.66
Santander UK 0.95681% 13/04/2021**	£3,000,000	2,999,160	1.22
Skandinaviska Enskilda Banken 1.2045% 19/11/2018**	£400,000	400,268	0.16
SpareBank 1 Boligkreditt 1.0755% 14/11/2022**	£4,500,000	4,501,800	1.83
Stadshypotek 0.94263% 11/01/2023**	£3,000,000	2,992,410	1.22
Swedbank Hypotek 1.17388% 29/10/2018**	£440,000	440,136	0.18
Toronto-Dominion Bank 1.07225% 07/06/2021**	£5,000,000	5,002,650	2.03
UK Treasury Gilt 1.75% 22/07/2019	£4,000,000	4,030,400	1.64
UK Treasury Bill 0% 03/12/2018	£2,800,000	2,796,276	1.14
UK Treasury Bill 0% 10/12/2018	£7,200,000	7,189,344	2.92
		115,994,883	47.15
Aa3 to A1 4.16% (5.86%)			
ABN AMRO Bank 1.15356% 29/05/2020**	£2,000,000	2,000,660	0.81
ABN AMRO Bank 1.30181% 30/11/2018**	£2,000,000	2,001,580	0.81
BMW International Investment 1.04619% 17/07/2019**	£1,500,000	1,499,730	0.61
Close Brothers Finance 2.75% 19/10/2026	£1,140,000	1,123,390	0.46
Nationwide Building Society 1.1535% 06/06/2019**	£1,000,000	1,001,010	0.41
Total Capital International 1.09938% 01/07/2019**	£791,000	791,815	0.32
Total Capital 3.875% 14/12/2018	£939,000	944,380	0.38
TOTAL 0.5% 02/12/2022 Convertible	\$1,000,000	875,388	0.36
		10,237,953	4.16

Portfolio statement (continued)

as at 30 September 2018

Investment	Nominal value or holding	Market value £	% of total net assets
Debt securities* (continued)			
A2 to A3 2.25% (1.99%)			
AstraZeneca 2.94706% 10/06/2022**	\$1,000,000	768,625	0.31
Aviva 4.375% 12/09/2049**	£800,000	750,200	0.30
Aviva 5.125% 04/06/2050**	£250,000	246,102	0.10
Aviva 6.125% 22/09/2022**	£1,000,000	1,083,691	0.44
Bank of America 5.5% 04/12/2019	£2,000,000	2,095,102	0.86
Hongkong & Shanghai Banking 2.5625% perpetual**	\$1,000,000	586,634	0.24
		5,530,354	2.25
Baa1 to Baa2 4.18% (3.91%)			
Bank of Scotland 6.375% 16/08/2019	£1,750,000	1,821,417	0.74
Citigroup 1.5% 24/07/2026**	€ 1,000,000	887,762	0.36
Glencore Finance Europe 6.5% 27/02/2019	£1,250,000	1,274,600	0.52
National Grid North America 0.9% 02/11/2020	£2,000,000	1,972,000	0.80
RI Finance Bonds No 3 6.125% 13/11/2028	£650,000	691,094	0.28
SSE 3.875% perpetual**	£1,700,000	1,716,838	0.70
Vodafone Group 0% 26/11/2020	£2,000,000	1,920,380	0.78
		10,284,091	4.18
Baa3 and below 19.21% (15.04%)			
Anglo American Capital 1.625% 18/09/2025	€ 1,000,000	860,898	0.35
AP Moller - Maersk 4.43713% 16/03/2021**	\$1,000,000	781,603	0.32
Barclays Bank 2% 13/05/2020**	£150,000	151,717	0.06
British Land 2.375% 14/09/2029	£900,000	848,295	0.34
CYBG 4% 25/09/2026**	£1,000,000	992,300	0.40
Danske Bank 1.195% 04/10/2018**	£400,000	400,004	0.16
Derwent London Capital No 2 Jersey 1.125% 24/07/2019 Convertible	£1,000,000	1,019,370	0.41
ELM BV for Swiss Re 3.25% 13/06/2024	\$2,000,000	1,513,638	0.62
Glencore Funding 0% 27/03/2025 Convertible	\$1,200,000	832,560	0.34
Goldman Sachs Group 2.1% 08/09/2021**	£500,000	503,200	0.20
Heathrow Funding Index Linked 3.334% 09/12/2039**	£100,000	221,392	0.09
InterContinental Hotels Group 3.75% 14/08/2025	£425,000	447,323	0.18
International Bank for Reconstruction & Development 0.9371% 04/10/2023**	£10,000,000	10,002,000	4.06
John Lewis 8.375% 08/04/2019	£2,148,000	2,218,669	0.90
Lloyds Bank 1.75% 19/06/2020**	£300,000	301,161	0.12
National Westminster Bank 2.8125% perpetual**	\$1,000,000	623,059	0.25
NGG Finance 5.625% 18/06/2073**	£1,000,000	1,094,817	0.44
Nordea Bank 2.6875% perpetual**	\$2,000,000	1,299,797	0.53
Orange 5.875% perpetual**	£1,000,000	1,073,375	0.44
Orange 0.375% 27/06/2021	£3,000,000	2,887,230	1.17
Pennon Group 2.875% perpetual**	£800,000	798,536	0.32
Petropavlovsk 2010 9% 18/03/2020 Convertible	\$188,000	127,707	0.05
Phoenix Group Holdings 5.75% perpetual**	£2,000,000	1,760,000	0.72
Prudential 5.625% 20/10/2051**	£2,000,000	2,022,500	0.82
Remgro Jersey 2.625% 22/03/2021	£1,500,000	1,450,020	0.59

Portfolio statement (continued)

as at 30 September 2018

	Nominal value or holding	Market value £	% of total net assets
Investment			
Debt securities* (continued)			
Baa3 and below (continued)			
Rothesay Life 6.875% perpetual**	£2,000,000	1,977,500	0.80
Rothesay Life 8% 30/10/2025	£635,000	757,390	0.31
Shaftesbury Carnaby 2.487% 30/09/2031	£450,000	418,684	0.18
Shaftesbury Chinatown 2.348% 30/09/2027	£1,400,000	1,329,860	0.54
Society of Lloyd's 4.875% 07/02/2047**	£500,000	507,500	0.21
SSE 5% 01/10/2018	£2,000,000	2,000,200	0.82
St Modwen Properties Securities Jersey 2.875% 06/03/2019	£1,000,000	998,430	0.41
Tesco 1.982% 24/03/2036**	£500,000	744,330	0.30
Vodafone Group 4.875% 03/10/2078**	£2,000,000	1,992,400	0.81
Wales & West Utilities Finance 2.496% 22/08/2035**	£200,000	379,433	0.15
Whitbread Group 3.375% 16/10/2025	£1,945,000	1,974,016	0.80
		47,310,914	19.21
Default* 0.00% (0.00%)			
Lehman Brothers Treasury 0% 01/06/2009^	£300,000	-	-
Total debt securities		189,358,195	76.95
Equities 11.48% (11.60%)			
Equities - United Kingdom 10.49% (10.58%)			
Equities - incorporated in the United Kingdom 4.99% (4.69%)			
Health Care 0.20% (0.00%)			
Sensyne Health	250,000	480,000	0.20
Travel & Leisure 0.00% (0.15%)		-	-
Utilities 0.47% (0.00%)			
SSE	100,000	1,146,000	0.47
Banks 0.54% (0.00%)			
Lloyds Banking Group	1,500,000	889,050	0.36
Standard Chartered	70,000	445,480	0.18
		1,334,530	0.54
Real Estate 1.16% (0.91%)			
Land Securities Group	220,000	1,943,480	0.79
Triple Point Social Housing REIT	850,582	910,123	0.37
Triple Point Social Housing REIT C shares	283,527	11,341	0.00
		2,864,944	1.16
Financial Services 2.62% (3.63%)			
Aberforth Split Level Income Trust	814,945	863,842	0.35
Caledonia Investments	66,500	1,842,050	0.75
ICG Enterprise Trust	90,000	774,000	0.31
Mobius Investment Trust	1,000,000	1,000,000	0.41
Montanaro UK Smaller Companies Investment Trust	170,000	205,700	0.08
Odyssean Investment Trust	1,000,000	1,020,000	0.41
Tritax EuroBox	727,500	763,875	0.31
		6,469,467	2.62
Total equities incorporated in the United Kingdom		12,294,941	4.99

Portfolio statement (continued)

as at 30 September 2018

Investment	Nominal value or holding	Market value £	% of total net assets
Equities - incorporated outwith the United Kingdom 5.50% (5.89%)			
Basic Resources 0.00% (0.00%)			
Brookfield Infrastructure Partners	3	92	0.00
Industrial Goods & Services 0.11% (0.00%)			
Jardine Strategic Holdings	10,000	278,364	0.11
Food & Beverage 0.27% (0.00%)			
Anheuser-Busch InBev	10,000	669,814	0.27
Real Estate 0.90% (1.26%)			
MedicX Fund	1,475,000	1,206,550	0.49
Target Healthcare REIT	886,363	1,010,454	0.41
		2,217,004	0.90
Financial Services 4.22% (4.63%)			
Acorn Income Fund	250,000	375,000	0.15
Duet Real Estate Finance^^	350,000	-	-
GCP Infrastructure Investments	1,250,000	1,552,500	0.63
HICL Infrastructure	952,727	1,459,578	0.59
International Public Partnerships	987,106	1,492,504	0.61
JPMorgan Global Convertibles Income Fund	1,000,000	904,000	0.37
NB Private Equity Partners Fund 'A'	145,000	1,624,000	0.66
NB Private Equity Partners Fund 2022 zero dividend preference share	383,308	433,138	0.18
NB Private Equity Partners Fund 2024 zero dividend preference share	2,400,000	2,484,000	1.01
Terra Catalyst Fund^^^	193,031	54,864	0.02
		10,379,584	4.22
Total equities - incorporated outwith the United Kingdom		13,544,858	5.50
Total equities - United Kingdom		25,839,799	10.49
Equities - North America 0.99% (1.02%)			
Berkshire Hathaway	12,500	2,052,356	0.84
Morgan Stanley	10,000	357,042	0.15
Total equities - North America		2,409,398	0.99
Total equities		28,249,197	11.48

Portfolio statement (continued)

as at 30 September 2018

	Nominal value or holding	Market value £	% of total net assets
Investment			
Collective Investment Schemes 5.54% (5.09%)			
UK Authorised Collective Investment Schemes 4.16% (3.18%)			
SVS Church House Deep Value Investment Fund #	1,365,000	2,140,320	0.87
SVS Church House Esk Global Equity Fund #	1,400,000	4,005,400	1.63
SVS Church House Investment Grade Fixed Interest Fund #	3,600,000	4,096,800	1.66
Total UK authorised collective investment schemes		<u>10,242,520</u>	<u>4.16</u>
Offshore Collective Investment Schemes 1.38% (1.91%)			
BANOR - North America Long Short Equity	1,167	1,234,496	0.50
Boost Gilts 10Y 3x Short Daily ETP	10,000	498,700	0.20
Waverton Investment Funds SICAV - Waverton European Capital Growth Fund	1,429,051	1,671,989	0.68
Total offshore collective investment schemes		<u>3,405,185</u>	<u>1.38</u>
Total collective investment schemes		<u>13,647,705</u>	<u>5.54</u>
Structured Products 3.29% (4.00%)			
Barclays Bank QIS2 S&P 500 Dynamic Vix Tracker 30/03/2022	500,000	113,614	0.05
Goldman Sachs 5Y GBP Capped Floored Floater Note**	5,000,000	5,060,370	2.06
Royal Bank of Canada CMS Linked Reverse Convertible Notes 28/06/2019**	2,000,000	2,050,398	0.83
Royal Bank of Canada FTSE 100 & S&P 500 Index Linked Preference Share	650,000	862,424	0.35
Total structured products		<u>8,086,806</u>	<u>3.29</u>
Portfolio of investments		239,341,903	97.26
Other net assets		6,753,267	2.74
Total net assets		<u>246,095,170</u>	<u>100.00</u>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The comparative figures in brackets are as at 30 September 2017.

* Grouped by credit rating - source: Interactive Data and Bloomberg.

** Variable interest security.

^ Lehman Brothers Treasury is in default and is included in the portfolio of investments with no value.

^^ Duet Real Estate Finance is in liquidation and is included in the portfolio of investments with no value.

^^^ Terra Catalyst Fund is a delisted security and is valued by the fair value pricing committee.

Related party securities managed within the same corporate body as the ACD, St Vincent St Fund Administration (a trading name of Smith & Williamson Fund Administration Limited) and managed by the Investment Manager Church House Investments Limited.

United Kingdom equities are grouped in accordance with the Industry Classification Benchmark.

The Industry Classification Benchmark (ICB) is a joint product of FTSE International Limited and Dow Jones & Company, Inc. and has been licensed for use. "FTSE" is a trade and service mark of London Stock Exchange and the Financial Times Limited. "Dow Jones" and "DJ" are trade and service marks of Dow Jones & Company Inc. FTSE and Dow Jones do not accept any liability to any person for any loss or damage arising out of any error omission in the ICB.

Risk and reward profile

The risk and reward profile relates to all share classes in the sub-fund.

The risk and reward indicator table 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. The shaded area in the table below shows the sub-fund's ranking on the risk and reward indicator.

←	Typically lower rewards, lower risk	→	Typically higher rewards, higher risk	→		
1	2	3	4	5	6	7

The sub-fund is in a medium category because the price of its investments have risen or fallen to some extent. The category shown is not guaranteed to remain unchanged and may shift over time. Even the lowest category does not mean a risk-free investment.

The price of the sub-fund and any income from it can go down as well as up and is not guaranteed. Investors may not get back the amount invested. Past performance is not a guide to future performance.

Where the sub-fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. This is usually a greater risk for bonds that produce a higher level of income. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond's market value.

Where the sub-fund invests into other investment funds, they may invest in different assets, countries or economic sectors and therefore have different risk profiles not in line with those of the sub-fund.

Investment trusts and closed ended funds may borrow to purchase additional investments. This can increase returns when stock markets rise but will magnify losses when markets fall.

The value of an investment trust or a closed-ended fund moves in line with stock market demand and its unit/share price may be less than or more than the net value of the investments it holds.

The sub-fund is entitled to use derivative instruments for Efficient Portfolio Management and investment purposes. Derivatives may not achieve their intended purpose. Their prices may move up or down significantly over relatively short periods of time which may result in losses greater than the amount paid. This could adversely impact the value of the sub-fund.

The organisation from which the sub-fund buys a derivative may fail to carry out its obligations, which could also cause losses to the sub-fund.

For further information please refer to the Key Investor Information Document ('KIID').

For full details on risk factors for the sub-fund, please refer to the Prospectus.

There have been no changes to the risk and reward indicator in the year.

Comparative table

The following disclosures give a shareholder an indication of the performance of a share in the sub-fund. It also discloses the operating charges and direct transaction costs applied to each share. Operating charges are those charges incurred in operating the sub-fund and direct transaction costs are costs incurred when purchasing or selling securities in the portfolio of investments.

A income shares launched on 30 January 2015 at 139.9p per share.

A accumulation shares launched on 22 November 2007 at 100.0p per share.

	A Income			A Accumulation		
	2018	2017	2016	2018	2017	2016
	p	p	p	p	p	p
Change in net assets per share						
Opening net asset value per share	149.59	145.78	137.04	153.32	148.62	138.27
Return before operating charges	2.21	6.45	12.04	2.26	6.61	12.17
Operating charges	(1.96)	(1.84)	(1.80)	(2.02)	(1.91)	(1.82)
Return after operating charges *	0.25	4.61	10.24	0.24	4.70	10.35
Distributions [^]	(0.37)	(0.80)	(1.50)	(0.37)	(0.78)	(1.48)
Retained distributions on accumulation shares [^]	-	-	-	0.37	0.78	1.48
Closing net asset value per share	149.47	149.59	145.78	153.56	153.32	148.62
* after direct transaction costs of:	0.03	0.03	0.06	0.03	0.03	0.05
Performance						
Return after charges	0.17%	3.16%	7.47%	0.16%	3.16%	7.49%
Other information						
Closing net asset value (£)	8,437,102	7,281,851	3,431,093	26,072,893	24,619,202	20,416,235
Closing number of shares	5,644,774	4,867,776	2,353,619	16,979,377	16,057,620	13,736,867
Operating charges	1.32%	1.27%	1.27%	1.32%	1.27%	1.27%
Direct transaction costs	0.02%	0.02%	0.03%	0.02%	0.02%	0.03%
Prices						
Highest share price (p)	150.9	150.9	146.9	154.6	154.3	149.1
Lowest share price (p)	148.3	146.3	136.4	152.0	149.1	137.6

[^] Rounded to 2 decimal places.

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Comparative table (continued)

B income shares launched on 28 November 2014 at 141.4p per share.

B accumulation shares launched on 22 November 2007 at 100.0p per share.

	B Income			B Accumulation		
	2018 p	2017 p	2016 p	2018 p	2017 p	2016 p
Change in net assets per share						
Opening net asset value per share	152.65	148.74	139.80	158.23	152.95	141.89
Return before operating charges	2.14	6.44	12.16	2.23	6.67	12.40
Operating charges	(1.46)	(1.24)	(1.31)	(1.52)	(1.39)	(1.34)
Return after operating charges*	0.68	5.20	10.85	0.71	5.28	11.06
Distributions [^]	(0.81)	(1.29)	(1.91)	(0.84)	(1.27)	(1.94)
Retained distributions on accumulation shares [^]	-	-	-	0.84	1.27	1.94
Closing net asset value per share	152.52	152.65	148.74	158.94	158.23	152.95
* after direct transaction costs of:	0.03	0.03	0.05	0.04	0.03	0.05
Performance						
Return after charges	0.45%	3.50%	7.76%	0.45%	3.45%	7.79%
Other information						
Closing net asset value (£)	29,226,976	26,319,264	3,581,770	40,363,474	45,317,761	29,238,338
Closing number of shares	19,162,697	17,241,637	2,408,119	25,396,082	28,639,715	19,116,814
Operating charges	0.96%	0.91%	0.91%	0.96%	0.91%	0.91%
Direct transaction costs	0.02%	0.02%	0.03%	0.02%	0.02%	0.03%
Prices						
Highest share price (p)	154.1	154.2	150.0	159.7	159.2	153.5
Lowest share price (p)	151.5	149.3	139.3	157.1	153.5	141.4

[^] Rounded to 2 decimal places.

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Comparative table (continued)

C income shares launched on 31 October 2016 at 150.3p per share.

C accumulation shares launched on 23 January 2015 at 143.3p per share.

	C Income		C Accumulation		
	2018 p	2017 p	2018 p	2017 p	2016 p
Change in net assets per share					
Opening net asset value per share	152.64	150.30	158.76	153.30	142.08
Return before operating charges	2.08	4.70	2.17	6.62	12.36
Operating charges	(1.19)	(1.09)	(1.27)	(1.16)	(1.14)
Return after operating charges *	0.89	3.61	0.90	5.46	11.22
Distributions [^]	(1.02)	(1.27)	(1.03)	(1.45)	(2.10)
Retained distributions on accumulation shares [^]	-	-	1.03	1.45	2.10
Closing net asset value per share	152.51	152.64	159.66	158.76	153.30
* after direct transaction costs of:	0.03	0.03	0.03	0.03	0.05
Performance					
Return after charges	0.58%	2.40%	0.57%	3.56%	7.90%
Other information					
Closing net asset value (£)	23,660,829	5,053,852	118,333,896	43,077,696	9,323,822
Closing number of shares	15,514,724	3,310,930	74,114,023	27,133,500	6,082,155
Operating charges	0.84%	0.79% ^{^^}	0.84%	0.79%	0.77%
Direct transaction costs	0.02%	0.02%	0.02%	0.02%	0.03%
Prices					
Highest share price (p)	154.2	154.3	160.4	159.8	153.8
Lowest share price (p)	151.4	149.2	157.7	153.9	141.6

[^] Rounded to 2 decimal places.

^{^^} Annualised based on the expenses incurred during the period 31 October 2016 to 30 September 2017.

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Ongoing charges figure

The ongoing charges figure ('OCF') provides investors with a clearer picture of the total annual costs in running a collective investment scheme. The ongoing charges figure consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid.

The Investment Manager's fee excludes any holdings within the portfolio of investments that are managed by the Investment Manager, Church House Investments Limited.

The sub-fund has invested in collective investment schemes and the expenses incurred by these schemes in relation to the sub-fund are included in the ongoing charges calculation. This is known as 'Synthetic OCF'. The Synthetic OCF is calculated on the underlying collective investment schemes held within the sub-fund at the reporting date.

A accumulation	30.09.18	30.09.17*
Annual management charge	1.21%	1.21%
Other expenses	0.06%	0.06%
Synthetic OCF	0.05%	-
Ongoing charges figure	1.32%	1.27%
B accumulation	30.09.18	30.09.17*
Annual management charge	0.85%	0.85%
Other expenses	0.06%	0.06%
Synthetic OCF	0.05%	-
Ongoing charges figure	0.96%	0.91%
C accumulation	30.09.18	30.09.17*
Annual management charge	0.73%	0.73%
Other expenses	0.06%	0.06%
Synthetic OCF	0.05%	-
Ongoing charges figure	0.84%	0.79%
A income	30.09.18	30.09.17*
Annual management charge	1.21%	1.21%
Other expenses	0.06%	0.06%
Synthetic OCF	0.05%	-
Ongoing charges figure	1.32%	1.27%
B income	30.09.18	30.09.17*
Annual management charge	0.85%	0.85%
Other expenses	0.06%	0.06%
Synthetic OCF	0.05%	-
Ongoing charges figure	0.96%	0.91%
C income	30.09.18	30.09.17*^
Annual management charge	0.73%	0.73%
Other expenses	0.06%	0.06%
Synthetic OCF	0.05%	-
Ongoing charges figure	0.84%	0.79%

* Calculated per COLL 4 Annex 1 Total expense ratio (TER) calculation, which required a synthetic TER to be calculated when at least 10% of the Net Asset Value (NAV) in a scheme was invested in Collective Investment Schemes. This was superseded by COLL 4.7 on 1 January 2018 which requires a synthetic OCF calculation when at least 5% of the NAV in a scheme is invested in Collective Investment Schemes.

^ Annualised based on the expenses incurred during the period 31 October 2016 to 30 September 2017.

Please note the ongoing charges figure is indicative of the charges which the share classes may incur in a year as it is calculated on historical data.

Financial statements - SVS Church House Tenax Absolute Return Strategies Fund

Statement of total return

for the year ended 30 September 2018

	Notes	2018		2017	
		£	£	£	£
Income:					
Net capital (losses) / gains	2		(186,112)		1,824,407
Revenue	3	2,888,393		1,722,177	
Expenses	4	<u>(1,732,118)</u>		<u>(932,315)</u>	
Net revenue before taxation		1,156,275		789,862	
Taxation	5	<u>(102,353)</u>		<u>(46,586)</u>	
Net revenue after taxation			<u>1,053,922</u>		<u>743,276</u>
Total return before distributions			867,810		2,567,683
Distributions	6		(1,053,567)		(739,960)
Change in net assets attributable to shareholders from investment activities			<u>(185,757)</u>		<u>1,827,723</u>

Statement of change in net assets attributable to shareholders

for the year ended 30 September 2018

		2018		2017	
		£	£	£	£
Opening net assets attributable to shareholders			151,669,626		65,991,258
Amounts receivable on issue of shares		117,853,145		92,358,307	
Amounts payable on cancellation of shares		<u>(24,153,410)</u>		<u>(9,237,732)</u>	
			93,699,735		83,120,575
Change in net assets attributable to shareholders from investment activities			(185,757)		1,827,723
Retained distributions on accumulation shares			911,566		730,070
Closing net assets attributable to shareholders			<u>246,095,170</u>		<u>151,669,626</u>

Balance sheet

as at 30 September 2018

	Notes	2018 £	2017 £
Assets:			
Fixed assets:			
Investments		239,341,903	137,106,633
Current assets:			
Debtors	7	14,000,709	1,488,721
Cash and bank balances	8	8,454,650	14,406,415
Total assets		<u>261,797,262</u>	<u>153,001,769</u>
Liabilities:			
Creditors:			
Distribution payable		(196,563)	(143,245)
Other creditors	9	(15,505,529)	(1,188,898)
Total liabilities		<u>(15,702,092)</u>	<u>(1,332,143)</u>
Net assets attributable to shareholders		<u>246,095,170</u>	<u>151,669,626</u>

Notes to the financial statements

for the year ended 30 September 2018

1. Accounting policies

The accounting policies are disclosed on pages 8 to 10.

2. Net capital (losses) / gains	2018	2017
	£	£
Non-derivative securities - realised gains	1,737,475	881,547
Non-derivative securities - movement in unrealised (losses) / gains	(1,920,448)	773,232
Derivative contracts - realised (losses) / gains	(800)	116,250
Derivative contracts - movement in unrealised gains	23,885	93,965
Currency losses	(26,193)	(34,560)
Forward currency contracts	6,890	-
Transaction charges	(6,921)	(6,027)
Total net capital (losses) / gains	<u>(186,112)</u>	<u>1,824,407</u>

Unrealised gains/(losses) are disclosed as the movement in unrealised gains/(losses) on investments between the prior year and the current year. Where realised gains/(losses) on investments include unrealised gains/(losses) arising in previous periods, a corresponding gain/(loss) is included in unrealised gains/(losses).

3. Revenue	2018	2017
	£	£
UK revenue	258,815	224,911
Unfranked revenue	220,701	71,569
Overseas revenue	408,038	316,432
Interest on debt securities	1,993,419	1,109,247
Bank and deposit interest	7,420	18
Total revenue	<u>2,888,393</u>	<u>1,722,177</u>

4. Expenses	2018	2017
	£	£
Payable to the ACD and associates		
Annual management charge	1,630,557	880,679
Registration fees	2,065	1,176
	<u>1,632,622</u>	<u>881,855</u>
Payable to the Depositary		
Depositary fees	53,383	29,494
Other expenses:		
Audit fee	6,180	5,940
Safe custody fees	12,911	2,589
Bank interest	2,632	1,486
FCA fee	48	65
KIID production fee	1,711	1,278
Platform charges	22,631	9,608
	<u>46,113</u>	<u>20,966</u>
Total expenses	<u>1,732,118</u>	<u>932,315</u>

Notes to the financial statements (continued)

for the year ended 30 September 2018

5. Taxation	2018	2017
	£	£
<i>a. Analysis of the tax charge for the year</i>		
UK corporation tax	97,884	88,380
Overseas tax withheld	4,469	-
Adjustment in respect of prior years	-	(60)
Total current taxation (note 5b)	<u>102,353</u>	<u>88,320</u>
Deferred tax - origination and reversal of timing differences (note 5c)	-	(41,734)
Total taxation (note 5b)	<u><u>102,353</u></u>	<u><u>46,586</u></u>

b. Factors affecting the tax charge for the year

The tax assessed for the year is lower (2017: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2017: 20%). The differences are explained below:

	2018	2017
	£	£
Net revenue before taxation	<u>1,156,275</u>	<u>789,862</u>
Corporation tax @ 20%	231,255	157,972
Effects of:		
UK revenue	(51,763)	(44,982)
Overseas revenue	(81,608)	(63,286)
Offshore income gains	-	38,676
Overseas tax withheld	4,469	-
Deferred taxation	-	(41,734)
Adjustment in respect of prior years	-	(60)
Total taxation (note 5a)	<u><u>102,353</u></u>	<u><u>46,586</u></u>

c. Provision for deferred taxation

	2018	2017
	£	£
Opening provision	-	41,734
Movement (note 5a)	-	(41,734)
Closing provision	<u><u>-</u></u>	<u><u>-</u></u>

6. Distributions

The distributions take account of revenue added on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	2018	2017
	£	£
Interim income distribution	107,619	55,058
Interim accumulation distribution	295,225	323,378
Final income distribution	196,563	143,245
Final accumulation distribution	<u>616,341</u>	<u>406,692</u>
	<u>1,215,748</u>	<u>928,373</u>

Notes to the financial statements (continued)

for the year ended 30 September 2018

6. Distributions (continued)

	2018	2017
Equalisation:	£	£
Amounts deducted on cancellation of shares	37,785	19,233
Amounts added on issue of shares	(197,776)	(205,410)
Net equalisation on conversions	(2,190)	(2,236)
Total net distributions	<u>1,053,567</u>	<u>739,960</u>

Reconciliation between net revenue and distributions:

	2018	2017
	£	£
Net revenue after taxation per Statement of total return	1,053,922	743,276
Undistributed revenue brought forward	365	105
Corporation tax	-	37,140
Deferred taxation	-	(41,734)
Marginal tax relief	-	1,538
Undistributed revenue carried forward	(720)	(365)
Distributions	<u>1,053,567</u>	<u>739,960</u>

Details of the distribution per share are disclosed in the Distribution table.

7. Debtors

	2018	2017
	£	£
Amounts receivable on issue of shares	1,871,194	838,901
Sales awaiting settlement	11,074,545	-
Accrued revenue	1,036,057	644,164
Recoverable overseas withholding tax	18,459	5,229
Prepaid expenses	454	427
Total debtors	<u>14,000,709</u>	<u>1,488,721</u>

8. Cash and bank balances

	2018	2017
	£	£
Total cash and bank balances	<u>8,454,650</u>	<u>14,406,415</u>

9. Other creditors

	2018	2017
	£	£
Amounts payable on cancellation of shares	73,201	43,244
Purchases awaiting settlement	15,157,107	1,047,815
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	162,272	3,684
Registration fees	14	5
	<u>162,286</u>	<u>3,689</u>

Notes to the financial statements (continued)

for the year ended 30 September 2018

9. Other creditors (continued)

	2018	2017
	£	£
Other expenses:		
Depository fees	365	120
Safe custody fees	2,508	1,407
Audit fee	6,180	5,940
FCA fee	-	33
Platform charges	5,701	-
Transaction charges	297	249
	<u>15,051</u>	<u>7,749</u>
Total accrued expenses	<u>177,337</u>	<u>11,438</u>
Corporation tax payable	<u>97,884</u>	<u>86,401</u>
Total other creditors	<u>15,505,529</u>	<u>1,188,898</u>

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities.

11. Share classes

The sub-fund currently has six share classes: A income, A accumulation, B income, B accumulation, C income and C accumulation.

The following reflects the change in shares in issue for each share class in the year:

	A income
Opening shares in issue	4,867,776
Total shares issued in the year	1,290,030
Total shares cancelled in the year	(386,247)
Total shares converted in the year	(126,785)
Closing shares in issue	<u>5,644,774</u>
	A accumulation
Opening shares in issue	16,057,620
Total shares issued in the year	2,428,719
Total shares cancelled in the year	(1,525,743)
Total shares converted in the year	18,781
Closing shares in issue	<u>16,979,377</u>
	B income
Opening shares in issue	17,241,637
Total shares issued in the year	4,135,406
Total shares cancelled in the year	(934,072)
Total shares converted in the year	(1,280,274)
Closing shares in issue	<u>19,162,697</u>

Notes to the financial statements (continued)

for the year ended 30 September 2018

11. Share classes (continued)

	B accumulation
Opening shares in issue	28,639,715
Total shares issued in the year	9,513,820
Total shares cancelled in the year	(8,880,366)
Total shares converted in the year	<u>(3,877,087)</u>
Closing shares in issue	<u>25,396,082</u>
	C income
Opening shares in issue	3,310,930
Total shares issued in the year	10,895,362
Total shares cancelled in the year	(388,790)
Total shares converted in the year	<u>1,697,222</u>
Closing shares in issue	<u>15,514,724</u>
	C accumulation
Opening shares in issue	27,133,500
Total shares issued in the year	46,644,065
Total shares cancelled in the year	(3,225,585)
Total shares converted in the year	<u>3,562,043</u>
Closing shares in issue	<u>74,114,023</u>

For the year ended 30 September 2018, the annual management charge for each share class is as follows:

A income	1.21%
A accumulation	1.21%
B income	0.85%
B accumulation	0.85%
C income	0.73%
C accumulation	0.73%

The annual management charge includes the ACD's periodic charge and the Investment Manager's fee.

Further information in respect of the return per share is disclosed in the Comparative table.

On the winding up of a sub-fund all the assets of the sub-fund will be realised and apportioned to the share classes in relation to the net asset value on the closure date. Shareholders will receive their respective share of the proceeds, net of liabilities and the expenses incurred in the termination in accordance with the FCA regulations. Each share class has the same rights on winding up.

12. Related party transactions

Smith & Williamson Fund Administration Limited, as ACD is a related party due to its ability to act in respect of the operations of the sub-fund.

The ACD acts as principal in respect of all transactions of shares in the sub-fund. The aggregate monies received and paid through the creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders.

Amounts payable to the ACD and its associates are disclosed in note 4. The amount due to the ACD and its associates at the balance sheet date is disclosed in note 9.

Notes to the financial statements (continued)

for the year ended 30 September 2018

12. Related party transactions (continued)

The following securities held in the portfolio of investments are related parties as they are managed within the same corporate body as the ACD:

	2018	2017
	Holding	Holding
SVS Church House Deep Value Investment Fund	1,365,000	970,000
SVS Church House Esk Global Equity Fund	1,400,000	645,000
SVS Church House Investment Grade Fixed Interest Fund	3,600,000	1,450,000

A shareholder with a holding in excess of 20% of the value of the sub-fund may be able to exercise significant influence over the financial and operating policies of the sub-fund with reference to shareholders' voting rights at general meetings and as such is deemed to be a related party.

Parties with an interest in excess of 20% of the sub-fund are as follows:

	2018	2017
Church House Investments Limited	27.32%	41.57%

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Income share has decreased from 149.47p to 147.99p, per A Accumulation share has decreased from 153.56p to 152.03p, per B Income share has decreased from 152.52p to 151.12p, per B Accumulation share has decreased from 158.94p to 157.49p, per C Income share has decreased from 152.51p to 151.17p and per C Accumulation share has decreased from 159.66p to 158.27p as at 14 January 2019. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

Direct transaction costs include fees and commissions paid to agents, advisers, brokers and dealers; levies by regulatory agencies and security exchanges; and transfer taxes and duties.

Commission is a charge which is deducted from the proceeds of the sale of securities and added to the cost of the purchase of securities. This charge is a payment to agents, advisers, brokers and dealers in respect of their services in executing the trades.

Tax is payable on the purchase of securities in the United Kingdom. It may be the case that 'other taxes' will be charged on the purchase of securities in countries other than the United Kingdom.

The total purchases and sales and the related direct transaction costs incurred in these transactions are as follows:

2018	Purchases before transaction costs		Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£	
Equities	16,443,653	10,752	0.07%	23,399	0.14%	1,627	0.01%	16,479,431	
Bonds	171,738,754	1	0.00%	7	0.00%	-	-	171,738,762	
Collective Investment Schemes*	6,766,898	-	-	-	-	-	-	6,766,898	
Structured Products*	7,000,000	-	-	-	-	-	-	7,000,000	
Total	201,949,305	10,753	0.07%	23,406	0.14%	1,627	0.01%	201,985,091	

* No direct transaction costs were incurred in these transactions.

Notes to the financial statements (continued)

for the year ended 30 September 2018

14. Transaction costs (continued)

a Direct transaction costs (continued)

	Purchases before transaction costs		Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£	
2017									
Equities	7,150,189	3,521	0.05%	12,590	0.18%	-	-	-	7,166,300
Bonds	115,045,469	5	0.00%	-	-	-	-	-	115,045,474
Collective Investment Schemes*	3,380,110	-	-	-	-	-	-	-	3,380,110
Structured Products*	5,000,800	-	-	-	-	-	-	-	5,000,800
Total	130,576,568	3,526	0.05%	12,590	0.18%	-	-	-	130,592,684

Capital events amount of £490,825 (2017: £152,229) is excluded from the total purchases as there were no direct transaction costs charged in these transactions.

	Sales before transaction costs		Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£	
2018									
Equities	6,729,991	(6,026)	0.09%	(2)	0.00%	-	-	-	6,723,963
Bonds*	86,684,246	-	-	-	-	-	-	-	86,684,246
Collective Investment Schemes*	1,053,544	-	-	-	-	-	-	-	1,053,544
Structured Products*	5,000,000	-	-	-	-	-	-	-	5,000,000
Total	99,467,781	(6,026)	0.09%	(2)	-	-	-	-	99,461,753

	Sales before transaction costs		Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£	
2017									
Equities	2,399,716	(4,239)	0.18%	-	-	-	-	-	2,395,477
Bonds	52,326,167	(1)	0.00%	-	-	-	-	-	52,326,166
Collective Investment Schemes*	796,873	-	-	-	-	-	-	-	796,873
Structured Products*	1,366,250	-	-	-	-	-	-	-	1,366,250
Total	56,889,006	(4,240)	0.18%	-	-	-	-	-	56,884,766

* No direct transaction costs were incurred in these transactions.

Capital events amount of £8,728 (2017: £942,410) is excluded from the total sales as there were no direct transaction costs charged in these transactions.

Notes to the financial statements (continued)

for the year ended 30 September 2018

14. Transaction costs (continued)

Summary of direct transaction costs

The following represents the total of each type of transaction cost, expressed as a percentage of the sub-fund's average net asset value in the year:

	2018	% of average net asset value	2017	% of average net asset value
	£		£	
Commission	16,779	0.01%	7,766	0.01%
Taxes	23,408	0.01%	12,590	0.01%
Financial transaction tax	1,627	0.00%	-	-

b Average portfolio dealing spread

The average portfolio dealing spread is calculated as the difference between the bid and offer value of the portfolio as a percentage of the offer value.

The average portfolio dealing spread of the investments at the balance sheet date was 0.26% (2017: 0.32%).

15. Risk management policies

In pursuing the sub-fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the sub-fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the ACD's policy for managing these risks. To ensure these risks are consistently and effectively managed these are continually reviewed by the risk committee, a body appointed by the ACD, which sets the risk appetite and ensures continued compliance with the management of all known risks.

a Market risk

Market risk is the risk that the value of the sub-fund's financial instruments will fluctuate as a result of changes in market prices and comprise three elements: other price risk, currency risk, and interest rate risk.

(i) Other price risk

The sub-fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main element of the portfolio of investments which is exposed to this risk is bonds which are disclosed in the Portfolio statement.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the sub-fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective of the sub-fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 30 September 2018, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £2,069,910 (2017: £1,265,850).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

Notes to the financial statements (continued)

for the year ended 30 September 2018

15. Risk management policies (continued)

a Market risk (continued)

(ii) Currency risk (continued)

Forward currency contracts may be used to manage the portfolio exposure to currency movements.

The foreign currency risk profile of the sub-fund's financial instruments and cash holdings at the balance sheet date is as follows:

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2018	£	£	£
Danish Krone	-	1,720	1,720
Euro	2,664,367	16,739	2,681,106
US dollar	9,269,832	4,046	9,273,878
Total foreign currency exposure	<u>11,934,199</u>	<u>22,505</u>	<u>11,956,704</u>
	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2017	£	£	£
Euro	899,839	5,229	905,068
US dollar	8,211,233	741	8,211,974
Total foreign currency exposure	<u>9,111,072</u>	<u>5,970</u>	<u>9,117,042</u>

At 30 September 2018, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £597,826 (2017: £455,882).

(iii) Interest rate risk

Interest rate risk is the risk that the value of the sub-fund's investments will fluctuate as a result of interest rate changes.

During the year the sub-fund's direct exposure to interest rates consisted of cash and bank balances and interest bearing securities.

The amount of revenue receivable from floating rate securities and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

The value of interest bearing securities may be affected by changes in the interest rate environment, either globally or locally.

At 30 September 2018, if interest rates increased or decreased by 25 basis points, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £393,292 (2017: £441,944).

The sub-fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

Notes to the financial statements (continued)

for the year ended 30 September 2018

15. Risk management policies (continued)

a Market risk (continued)

(iii) Interest rate risk (continued)

The interest rate risk profile of financial assets and liabilities at the balance sheet date is as follows:

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2018	£	£	£	£	£	£
Danish krone	-	-	-	1,720	-	1,720
Euro	1,133,655	-	860,898	686,553	-	2,681,106
UK sterling	145,340,331	-	38,268,191	66,232,036	(15,702,092)	234,138,466
US dollar	4,065,246	-	2,516,733	2,691,899	-	9,273,878
	150,539,232	-	41,645,822	69,612,208	(15,702,092)	246,095,170

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2017	£	£	£	£	£	£
Euro	-	-	899,859	5,229	-	905,088
UK sterling	68,713,016	-	46,046,488	29,125,203	(1,332,143)	142,552,564
US dollar	5,240,568	-	1,282,067	1,689,339	-	8,211,974
	73,953,584	-	48,228,414	30,819,771	(1,332,143)	151,669,626

b Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty risk and issuer risk.

The Depositary has appointed the custodian to provide custody services for the assets of the sub-fund. There is a counterparty risk that the custodian could cease to be in a position to provide custody services to the sub-fund. The sub-fund's investments (excluding cash) are ring fenced hence the risk is considered to be negligible.

In addition to the interest rate risk, bond investments are exposed to issuer risk which reflects the ability for the bond issuer to meet its obligations to pay interest and return the capital on the redemption date. Change in issuer risk will change the value of the investments and is dealt with further in note 15a. The majority of debt securities held within the portfolio are investment grade bonds. These are made across a variety of industry sectors, and geographical markets, so as to avoid concentrations of credit risk. A breakdown is provided in the Portfolio statement. The credit quality of the debt securities is disclosed in the Portfolio statement.

The sub-fund holds cash and cash deposits with financial institutions which potentially exposes the sub-fund to counterparty risk. The credit rating of the financial institution is taken into account so as to minimise the risk to the sub-fund of default.

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

Notes to the financial statements (continued)

for the year ended 30 September 2018

15. Risk management policies (continued)

c Liquidity risk

A significant risk is the cancellation of shares which investors may wish to sell and that securities may have to be sold in order to fund such cancellations if insufficient cash is held at the bank to meet this obligation. If there were significant requests for the redemption of shares at a time when a large proportion of the portfolio of investments were not easily tradable due to market volumes or market conditions, the ability to fund those redemptions would be impaired and it might be necessary to suspend dealings in shares in the sub-fund.

Investments in smaller companies at times may prove illiquid, as by their nature they tend to have relatively modest traded share capital. Shifts in investor sentiment, or the announcement of new price sensitive information, can provoke significant movement in share prices, and make dealing in any quantity difficult.

The sub-fund may also invest in securities that are not listed or traded on any stock exchange. In such situations the sub-fund may not be able to immediately sell such securities.

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the sub-fund's assets consist of readily realisable securities. This is monitored on a monthly basis and reported to the Risk Committee together with historical outflows of the sub-fund.

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the sub-fund to meet large redemptions (50% of the net asset value and 80% of the net asset value), while still being able to adhere to its objective guidelines and the FCA investment borrowing regulations.

All of the financial liabilities are payable on demand.

d Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

To ensure this, the fair value pricing committee is a body appointed by the ACD to analyse, review and vote on price adjustments/maintenance where no current secondary market exists and/or where there are potential liquidity issues that would affect the disposal of an asset. In addition, the committee may also consider adjustments to the sub-fund's price should the constituent investments be exposed to closed markets during general market volatility or instability.

	Investment assets	Investment liabilities
Valuation technique	2018	2018
	£	£
Quoted prices	42,709,051	-
Observable market data	188,491,182	-
Unobservable data*	8,141,670	-
	<u>239,341,903</u>	<u>-</u>
	Investment assets	Investment liabilities
Valuation technique	2017	2017
	£	£
Quoted prices	31,971,502	-
Observable market data	99,071,410	-
Unobservable data*	6,063,721	-
	<u>137,106,633</u>	<u>-</u>

*Structured product holdings in the portfolio statement are valued using valuation models where the inputs are unobservable. The ACD engages a third party to provide valuations for these investments.

The following security is valued in the portfolio of investments using a valuation technique:

Terra Catalyst Fund: This is a delisted security and is valued by the fair value pricing committee.

Notes to the financial statements (continued)

for the year ended 30 September 2018

15. Risk management policies (continued)

e Assets subject to special arrangements arising from their illiquid nature

The following assets held in the portfolio of investments are subject to special arrangements arising from their illiquid nature:

	2018	2017
	% of the total net asset value	% of the total net asset value
Duet Real Estate Finance	-	-
Lehman Brothers Treasury 0% 01/06/2009	-	-
Total	-	-

f Derivatives

The sub-fund may employ derivatives with the aim of reducing the sub-fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with efficient portfolio management.

The ACD monitors that any exposure is covered globally to ensure adequate cover is available to meet the sub-fund's total exposure, taking into account the value of the underlying investments, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

In the year the sub-fund had exposure to derivatives embedded in structured products. On a daily basis, exposure is calculated in UK sterling using the commitment method with netting applied where appropriate. The total global exposure figure is divided by the net asset value of the sub-fund to calculate the percentage global exposure. Global exposure is a risk mitigation technique that monitors the overall commitment to derivatives in a sub-fund at any given time and may not exceed 100% of the net asset value of the property of the sub-fund.

For certain derivative transactions cash margins may be required to be paid to the brokers with whom the trades were executed and settled. These balances are subject to daily reconciliations and are held by the broker in segregated cash accounts that are afforded client money protection.

In the year, the sub-fund held structured products with embedded derivatives. Exposure created by underlying derivatives is monitored by the ACD as well as the rating of the issuer of the structured product. A third party is used to verify the prices of the structured products.

Derivatives may be used for investment purposes and as a result could potentially impact upon the risk factors outlined above.

(i) Counterparties

Transactions in securities give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. This risk is mitigated by the sub-fund using a range of brokers for security transactions, thereby diversifying the risk of exposure to any one broker. In addition the sub-fund will only transact with brokers who are subject to frequent reviews with whom transaction limits are set.

The sub-fund may transact in derivative contracts which potentially exposes the sub-fund to counterparty risk from the counterparty not settling their side of the contract. Transactions involving derivatives are entered into only with investment banks and brokers with appropriate and approved credit rating, which are regularly monitored. Forward currency transactions are only undertaken with the custodians appointed by the Depositary.

At the balance sheet date, there are no securities in the portfolio of investments subject to a repurchase

(ii) Leverage

The leverage is calculated as the exposure generated through the use of derivatives (calculated in accordance with the commitment approach) divided by the net asset value.

As at the balance sheet date, the leverage was 4.45%.

Notes to the financial statements (continued)

for the year ended 30 September 2018

15. Risk management policies (continued)

f Derivatives (continued)

(iii) Global exposure

Global exposure is a measure designed to limit the leverage generated by a sub-fund through the use of financial derivative instruments, including derivatives with embedded assets.

At the balance sheet date the global exposure is as follows:

	Gross exposure value £	% of the total net asset value
Investment		
Structured Products		
Barclays Bank QIS2 S&P 500 Dynamic Vix Tracker 30/03/2022	113,614	0.05%
Goldman Sachs 5Y GBP Capped Floored Floater Note	5,060,370	2.06%
Royal Bank of Canada CMS Linked Reverse Convertible Notes 28/06/2019	2,050,398	0.83%
Royal Bank of Canada FTSE 100 & S&P 500 Index Linked Preference Share	862,424	0.35%
Convertible bonds		
Derwent London Capital No 2 1.125% 24/07/2019 Convertible	1,019,370	0.41%
Glencore Funding 0% 27/03/2025 Convertible	832,560	0.34%
Petropavlovsk 2010 9% 18/03/2020 Convertible	127,707	0.05%
TOTAL 0.5% 02/12/2022 Convertible	875,388	0.36%

There have been no collateral arrangements in the year.

Distribution table*for the year ended 30 September 2018*

Distributions on A income shares in pence per share

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.18	group 1	interim	0.111	-	0.111	0.466
31.05.18	group 2	interim	0.026	0.085	0.111	0.466
30.11.18	group 1	final	0.256	-	0.256	0.331
30.11.18	group 2	final	0.113	0.143	0.256	0.331

Distributions on A accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.18	group 1	interim	0.104	-	0.104	0.446
31.05.18	group 2	interim	0.032	0.072	0.104	0.446
30.11.18	group 1	final	0.263	-	0.263	0.337
30.11.18	group 2	final	0.123	0.140	0.263	0.337

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

Holders of accumulation shares should add the distributions received thereon to the cost of the shares for capital gains tax purposes.

Interim distributions:

Group 1 Shares purchased before 1 October 2017

Group 2 Shares purchased 1 October 2017 to 31 March 2018

Final distributions:

Group 1 Shares purchased before 1 April 2018

Group 2 Shares purchased 1 April 2018 to 30 September 2018

Distribution table (continued)*for the year ended 30 September 2018***Distributions on B income shares in pence per share**

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.18	group 1	interim	0.325	-	0.325	0.677
31.05.18	group 2	interim	0.165	0.160	0.325	0.677
30.11.18	group 1	final	0.484	-	0.484	0.611
30.11.18	group 2	final	0.223	0.261	0.484	0.611

Distributions on B accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.18	group 1	interim	0.332	-	0.332	0.687
31.05.18	group 2	interim	0.133	0.199	0.332	0.687
30.11.18	group 1	final	0.503	-	0.503	0.584
30.11.18	group 2	final	0.204	0.299	0.503	0.584

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

Holders of accumulation shares should add the distributions received thereon to the cost of the shares for capital gains tax purposes.

Interim distributions:

- Group 1 Shares purchased before 1 October 2017
- Group 2 Shares purchased 1 October 2017 to 31 March 2018

Final distributions:

- Group 1 Shares purchased before 1 April 2018
- Group 2 Shares purchased 1 April 2018 to 30 September 2018

Distribution table (continued)*for the year ended 30 September 2018***Distributions on C income shares in pence per share**

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.18	group 1	interim	0.442	-	0.442	0.616
31.05.18	group 2	interim	0.196	0.246	0.442	0.616
30.11.18	group 1	final	0.576	-	0.576	0.658
30.11.18	group 2	final	0.251	0.325	0.576	0.658

Distributions on C accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.18	group 1	interim	0.435	-	0.435	0.771
31.05.18	group 2	interim	0.189	0.246	0.435	0.771
30.11.18	group 1	final	0.599	-	0.599	0.683
30.11.18	group 2	final	0.291	0.308	0.599	0.683

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

Holders of accumulation shares should add the distributions received thereon to the cost of the shares for capital gains tax purposes.

Interim distributions:

- Group 1 Shares purchased before 1 October 2017
- Group 2 Shares purchased 1 October 2017 to 31 March 2018

Final distributions:

- Group 1 Shares purchased before 1 April 2018
- Group 2 Shares purchased 1 April 2018 to 30 September 2018

SVS Church House Deep Value Investment Fund

Investment Manager's report

Investment objective and policy

The sub-fund has an objective of long-term capital growth from a concentrated portfolio of equity investments; income distributions (if any) are likely to be low. Over the long-term, the objective is to provide positive returns irrespective of the UK equity market; no attempt will be made to track, or perform relative to, the UK equity market. Long-term in this context means five years or more.

Capital invested in the sub-fund is at risk, there is no guarantee that a positive return will be achieved over a five year period, or any other time period. With such a concentrated portfolio of (typically) smaller company investments, volatility in the sub-fund's asset value is likely to be high.

The sub-fund will invest in the shares of companies that exhibit 'deep value' characteristics i.e. that exhibit balance sheet strength relative to their market capitalisation. To provide a margin of safety, the sub-fund seeks to identify companies that have traded profitably in the past and can realistically be expected to be able to return to profitability.

The sub-fund will have a concentrated portfolio; the number of investments is unlikely to exceed thirty at any one time. During periods when no suitable investments are identified the sub-fund may be substantially liquid for sustained periods; such liquidity may be maintained in cash deposits, UK Treasury bills and other short-dated UK Government securities.

The sub-fund will not invest more than 7% of its total assets in the securities of any one company or group at the time the investment is made. Primarily it will consider investment opportunities in companies admitted to trading on the London Stock Exchange and Alternative Investment Market, but up to 30% of total assets may also be invested in companies listed overseas, principally in Western Europe and North America. No more than 10% of the sub-fund's total assets may be invested in collective investment schemes.

The sub-fund will, at all times, invest and manage its assets in a manner that is consistent with spreading investment risk and in accordance with its published investment policy.

It is the intention that derivatives and forward transactions will only be used for Efficient Portfolio Management. The sub-fund may use derivatives and forward transactions for investment purposes on the giving of 60 days' notice to shareholders. The use of derivatives for investment purposes may alter the risk profile of the sub-fund.

Investment performance*

Performance:	One Year	Three Years	Five Years
SVS Church House Deep Value Investment Fund A accumulation	+4.2%	+50.3%	+29.5%

*Source: Bloomberg, Smith & Williamson Fund Administration Limited. Based on mid price at 12pm on 28 September 2018.

Investment activities

The comments below refer to the latter six months of the sub-fund's year as we reported on the first six months in April 2018. The SVS Church House Deep Value Investment Fund portfolio continued to make progress in the second quarter for a good year-to-date performance.

Hydrogen Group released a positive trading update in July, re-instating the dividend and saying that they expected a return to growth after three dull years. Their share price was strong in August, bolstered by a positive research note, this followed through in September and the holding hit our 10% limit. With their interim results came an optimistic statement: "...we have established a scalable platform that enables us to look forward confidently to further sustainable long-term organic profit growth". A subsequent meeting with management confirmed this.

We have continued to build the position in GAME Digital (a debt-free 'net-net') after meeting management at one of their new venues in Westfield, Stratford City. Their opportunity in the eSports market was highlighted for us when the FIFA 'eWorld Cup' finals took place in London, the winner coming from over 20 million entrants, and viewing figures of around 30 million. We visited another of their venues in September, which was filled to capacity on a Saturday afternoon.

Investment Manager’s report (continued)

Investment activities (continued)

Record released a trading update that held few surprises. PV Crystalox Solar released results, having earlier announced that a final agreement had been reached in their (by now famous) arbitration case and that the last payment may be received on 30 November. Other companies to release results during September were Redt Energy, IndigoVision and Lamprell, which were all as expected. We also made a small addition to the position in Thalassa Holdings and initiated a small position in Smartspace Software, a net-net (mainly cash) with an interesting operating company. In the opposite direction, we completed the sale of the holding in McKay Securities.

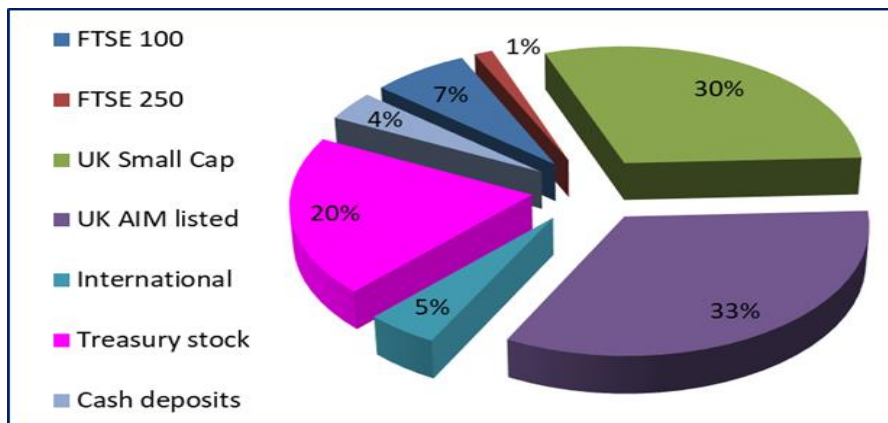
The sub-fund has been awarded a 5-crown rating by Financial Express.

Top 15 holdings as at 30 September 2018	
UK Treasury Gilt 1.75% 22/07/2019	20.19%
Hydrogen Group	8.99%
PV Crystalox Solar	6.98%
GAME Digital	6.80%
Record	6.65%
BP Marsh & Partners	5.56%
Enteq Upstream	5.34%
Land Securities Group	4.96%
Thalassa Holdings	4.85%
Hargreaves Services	3.98%
Lamprell	3.02%
H&T Group	2.67%
IndigoVision Group	2.49%
Richardson Electronics	2.16%
British Land	1.98%

Investment strategy and outlook

The pie chart below shows the disposition of assets in the sub-fund at the end of September; cash resources are a shade lower than at the year end at around one quarter of the portfolio:

SVS Church House Deep Value Investment Fund - Disposition of Assets 30 September 2018



Source: Church House Investments Limited

A relatively benign third quarter of the year has quickly turned into an unpleasant start to the fourth quarter. The various economic and political worries, that have been a factor for some while now, combined to tip sentiment over the edge and stock markets in London, New York and Frankfurt have all fallen by around 7% since the beginning of the month. The proximate cause was a further increase in American interest rates at a time when the Chinese economic expansion appears to be slowing again and the new Italian Government produced an incautious budget. Domestically, of course, we also have the interminable Brexit negotiations to contend with.

Investment Manager's report (continued)

Investment strategy and outlook (continued)

The Brexit negotiations have us all ground down and there is no doubt that it is having an impact on the wider economy. Many companies are reporting that they have put investment plans 'on hold' for now and this is also clear from the bank lending figures. We have no clairvoyance to offer, but suspect that a last-minute 'deal' may be cobbled together in the usual manner of European Union negotiations. Either way, and in the hope of ending on a marginally more optimistic note, there is scope for a recovery when the result is clear (assuming that it ever could be!).

Church House Investments Limited
30 October 2018

Portfolio changes

for the year ended 30 September 2018

The following represents the total purchases and sales in the year to reflect a clearer picture of the investment activities.

	Cost
Purchases:	£
UK Treasury Gilt 1.75% 22/07/2019	2,525,175
UK Treasury Gilt 1.25% 22/07/2018	1,003,400
GAME Digital	897,808
Land Securities Group	485,312
Gulf Marine Services	223,409
Lamprell	209,917
IndigoVision Group	113,477
MTI Wireless Edge	102,204
Hydrogen Group	91,020
Enteq Upstream	83,043
Smartspace Software	70,690
Thalassa Holdings	22,500
	Proceeds
Sales:	£
UK Treasury Gilt 1.25% 22/07/2018	2,000,000
McKay Securities	522,401
H&T Group	450,413
Telford Homes	448,719
Sanshin Electronics	285,504
BP Marsh & Partners	255,018
Hornbeck Offshore Services	242,729
Hydrogen Group	38,544
ACHP	19,981

Portfolio statement

as at 30 September 2018

	Nominal value or holding	Market value £	% of total net assets
Investment			
Debt securities* 20.19% (9.07%)			
Aaa to Aa2 20.19% (9.07%)			
UK Treasury Gilt 1.75% 22/07/2019	£2,500,000	2,519,000	20.19
Total debt securities		<u>2,519,000</u>	<u>20.19</u>
Equities 75.64% (80.96%)			
Equities - United Kingdom 71.60% (72.16%)			
Equities - incorporated in the United Kingdom 61.92% (62.15%)			
Oil & Gas 14.23% (11.14%)			
Enteq Upstream	2,380,000	666,400	5.34
Gulf Marine Services	500,000	238,500	1.91
PV Crystalox Solar	3,525,000	870,675	6.98
		<u>1,775,575</u>	<u>14.23</u>
Industrial Goods & Services 12.97% (8.43%)			
Hargreaves Services	150,000	496,500	3.98
Hydrogen Group	1,650,000	1,122,000	8.99
		<u>1,618,500</u>	<u>12.97</u>
Personal & Household Goods 0.00% (4.09%)			
Havelock Europa^	1,125,000	-	-
Retail 6.80% (0.00%)			
GAME Digital	2,800,000	848,400	6.80
Insurance 0.00% (0.47%)			
Real Estate 8.26% (9.30%)			
British Land	40,000	246,640	1.98
Great Portland Estates	24,568	164,384	1.32
Land Securities Group	70,000	618,380	4.96
		<u>1,029,404</u>	<u>8.26</u>
Financial Services 16.61% (25.51%)			
BP Marsh & Partners	225,000	693,000	5.56
H&T Group	108,000	332,640	2.67
Record	2,073,392	829,357	6.65
Walker Crips Group	600,000	216,000	1.73
		<u>2,070,997</u>	<u>16.61</u>
Technology 3.05% (3.21%)			
IndigoVision Group	282,500	310,750	2.49
Smartspace Software	75,000	69,750	0.56
		<u>380,500</u>	<u>3.05</u>
Total equities - incorporated in the United Kingdom		<u>7,723,376</u>	<u>61.92</u>

Portfolio statement (continued)

as at 30 September 2018

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities - incorporated outwith the United Kingdom 9.68% (10.01%)			
Oil & Gas 7.87% (7.06%)			
Lamprell	600,000	376,800	3.02
Thalassa Holdings	650,000	604,500	4.85
		981,300	7.87
Industrial Goods & Services 1.39% (1.73%)			
Redt Energy	1,830,769	173,923	1.39
Retail 0.42% (1.22%)			
Stanley Gibbons Group	1,500,000	52,500	0.42
Total equities - incorporated outwith the United Kingdom		1,207,723	9.68
Total equities - United Kingdom		8,931,099	71.60
Equities - Israel 1.45% (1.64%)			
MTI Wireless Edge	950,000	180,500	1.45
Total equities - Israel		180,500	1.45
Equities - Japan 0.43% (2.87%)			
Nippon Antenna	10,300	53,683	0.43
Total equities - Japan		53,683	0.43
Equities - United States 2.16% (4.29%)			
Richardson Electronics	40,001	269,015	2.16
Total equities - United States		269,015	2.16
Total equities		9,434,297	75.64
Portfolio of investments		11,953,297	95.83
Other net assets		520,034	4.17
Total net assets		12,473,331	100.00

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules unless otherwise stated.

The comparative figures in brackets are as at 30 September 2017.

* Grouped by credit rating - source: Interactive Data and Bloomberg.

^ Havelock Europa - The fair value pricing committee determined that it is appropriate to include the security in the portfolio of investments with no value, as the security is in administration.

United Kingdom equities are grouped in accordance with the Industry Classification Benchmark.

The Industry Classification Benchmark (ICB) is a joint product of FTSE International Limited and Dow Jones & Company, Inc. and has been licensed for use. "FTSE" is a trade and service mark of London Stock Exchange and the Financial Times Limited. "Dow Jones" and "DJ" are trade and service marks of Dow Jones & Company Inc. FTSE and Dow Jones do not accept any liability to any person for any loss or damage arising out of any error omission in the ICB.

Risk and reward profile

The risk and reward profile relates to all share classes in the sub-fund.

The risk and reward indicator table 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. The shaded area in the table below shows the sub-fund's ranking on the risk and reward indicator.

←	Typically lower rewards, lower risk	Typically higher rewards, higher risk	→			
1	2	3	4	5	6	7

The sub-fund is in a medium category because the price of its investments have risen or fallen to some extent. The category shown is not guaranteed to remain unchanged and may shift over time. Even the lowest category does not mean a risk-free investment.

The price of the sub-fund and any income from it can go down as well as up and is not guaranteed. Investors may not get back the amount invested. Past performance is not a guide to future performance.

Where investments are made in smaller company shares, these may be riskier as they can be more difficult to buy and sell. Their share prices may also move up and down more than larger companies.

Exposure to the risks associated with property investment, include but are not limited to, fluctuations in land prices, construction costs, interest rates, inflation and property yields, changes in taxation, legislation changes in landlord and tenant legislation, environmental factors, and changes in the supply and demand for property.

The sub-fund is entitled to use derivative instruments for Efficient Portfolio Management. Derivatives may not achieve their intended purpose. Their prices may move up or down significantly over relatively short periods of time which may result in losses greater than the amount paid. This could adversely impact the value of the sub-fund.

The organisation from which the sub-fund buys a derivative may fail to carry out its obligations, which could also cause losses to the sub-fund.

The price of gold or other resources may be subject to sudden, unexpected and substantial fluctuations. This may lead to significant declines in the values of any companies developing these resources in which the sub-fund invests and significantly impact investment performance.

The sub-fund may hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the sub-fund's value than if it held a larger number of investments.

For further information please refer to the Key Investor Information Document ('KIID').

For full details on risk factors for the sub-fund, please refer to the Prospectus.

The risk and reward indicator changed from 5 to 4 during the year.

Comparative table

The following disclosures give a shareholder an indication of the performance of a share in the sub-fund. It also discloses the operating charges and direct transaction costs applied to each share. Operating charges are those charges incurred in operating the sub-fund and direct transaction costs are costs incurred when purchasing or selling securities in the portfolio of investments.

A accumulation shares launched on 29 February 2012 at 100.0p per share.

B accumulation shares launched on 27 November 2014 at 120.5p per share.

	A accumulation			B accumulation		
	2018 p	2017 p	2016 p	2018 p	2017 p	2016 p
Change in net assets per share						
Opening net asset value per share	145.92	112.71	100.44	147.58	113.51	100.75
Return before operating charges	8.10	35.17	13.86	8.21	35.49	13.96
Operating charges	(2.10)	(1.96)	(1.59)	(1.55)	(1.42)	(1.20)
Return after operating charges *	6.00	33.21	12.27	6.66	34.07	12.76
Distributions [^]	(0.61)	(1.16)	-	(1.21)	(1.74)	(0.26)
Retained distributions on accumulation shares [^]	0.61	1.16	-	1.21	1.74	0.26
Closing net asset value per share	151.92	145.92	112.71	154.24	147.58	113.51
 * after direct transaction costs of:	 0.22	 0.09	 0.18	 0.22	 0.09	 0.18
Performance						
Return after charges	4.11%	29.46%	12.22%	4.51%	30.01%	12.67%
Other information						
Closing net asset value (£)	7,559,321	7,915,224	6,025,276	4,914,010	3,182,621	1,838,969
Closing number of shares	4,975,771	5,424,247	5,345,955	3,185,863	2,156,578	1,620,134
Operating charges	1.42%	1.44%	1.48%	1.05%	1.07%	1.11%
Direct transaction costs	0.15%	0.07%	0.17%	0.15%	0.07%	0.17%
Prices						
Highest share price (p)	156.1	148.6	116.0	158.4	150.3	116.8
Lowest share price (p)	141.1	115.2	97.70	142.8	116.0	98.10

[^] Rounded to 2 decimal places.

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Ongoing charges figure

The ongoing charges figure ('OCF') provides investors with a clearer picture of the total annual costs in running a collective investment scheme. The ongoing charges figure consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid.

A accumulation	30.09.18	30.09.17
Annual management charge	1.25%	1.25%
Other expenses	0.17%	0.19%
Ongoing charges figure	<u>1.42%</u>	<u>1.44%</u>
B accumulation	30.09.18	30.09.17
Annual management charge	0.88%	0.88%
Other expenses	0.17%	0.19%
Ongoing charges figure	<u>1.05%</u>	<u>1.07%</u>

Please note the ongoing charges figure is indicative of the charges which the share classes may incur in a year as it is calculated on historical data.

Financial statements - SVS Church House Deep Value Investment Fund

Statement of total return

for the year ended 30 September 2018

	Notes	2018		2017	
		£	£	£	£
Income:					
Net capital gains	2		433,658		2,258,611
Revenue	3	218,028		226,146	
Expenses	4	<u>(148,578)</u>		<u>(127,925)</u>	
Net revenue before taxation		69,450		98,221	
Taxation	5	<u>(3,974)</u>		<u>(2,590)</u>	
Net revenue after taxation			<u>65,476</u>		<u>95,631</u>
Total return before distributions			499,134		2,354,242
Distributions	6		(65,459)		(95,599)
Change in net assets attributable to shareholders from investment activities			<u>433,675</u>		<u>2,258,643</u>

Statement of change in net assets attributable to shareholders

for the year ended 30 September 2018

	2018		2017	
	£	£	£	£
Opening net assets attributable to shareholders		11,097,845		7,864,245
Amounts receivable on issue of shares	1,729,408		1,297,831	
Amounts payable on cancellation of shares	<u>(857,411)</u>		<u>(422,033)</u>	
		871,997		875,798
Dilution levy		2,112		-
Change in net assets attributable to shareholders from investment activities		433,675		2,258,643
Retained distributions on accumulation shares		67,702		99,159
Closing net assets attributable to shareholders		<u>12,473,331</u>		<u>11,097,845</u>

Balance sheet

as at 30 September 2018

	Notes	2018 £	2017 £
Assets:			
Fixed assets:			
Investments		11,953,297	9,991,653
Current assets:			
Debtors	7	56,767	35,621
Cash and bank balances	8	556,226	1,077,000
Total assets		<u>12,566,290</u>	<u>11,104,274</u>
Liabilities:			
Creditors:			
Other creditors	9	(92,959)	(6,429)
Total liabilities		<u>(92,959)</u>	<u>(6,429)</u>
Net assets attributable to shareholders		<u><u>12,473,331</u></u>	<u><u>11,097,845</u></u>

Notes to the financial statements

for the year ended 30 September 2018

1. Accounting policies

The accounting policies are disclosed on pages 8 to 10.

2. Net capital gains	2018	2017
	£	£
Non-derivative securities - realised gains	612,674	(1,158,028)
Non-derivative securities - movement in unrealised (losses) / gains	(173,311)	3,414,872
Currency (losses) / gains	(3,540)	3,852
Transaction charges	(2,165)	(2,085)
Total net capital gains	<u>433,658</u>	<u>2,258,611</u>

Unrealised gains/(losses) are disclosed as the movement in unrealised gains/(losses) on investments between the prior year and the current year. Where realised gains/(losses) on investments include unrealised gains/(losses) arising in previous periods, a corresponding gain/(loss) is included in unrealised gains/(losses).

3. Revenue	2018	2017
	£	£
UK revenue	148,162	194,930
Unfranked revenue	40,025	13,084
Overseas revenue	22,408	17,656
Interest on debt securities	7,328	468
Bank and deposit interest	105	8
Total revenue	<u>218,028</u>	<u>226,146</u>

4. Expenses	2018	2017
	£	£
Payable to the ACD and associates		
Annual management charge	130,232	111,962
Registration fees	422	390
	<u>130,654</u>	<u>112,352</u>
Payable to the Depositary		
Depositary fees	<u>9,000</u>	<u>8,994</u>
Other expenses:		
Audit fee	6,180	5,940
Safe custody fees	394	(883)
Bank interest	14	38
FCA fee	48	65
KIID production fee	1,141	852
Platform charges	1,147	567
	<u>8,924</u>	<u>6,579</u>
Total expenses	<u>148,578</u>	<u>127,925</u>

5. Taxation	2018	2017
	£	£
<i>a. Analysis of the tax charge for the year</i>		
Overseas tax withheld	<u>3,974</u>	<u>2,590</u>
Total taxation (note 5b)	<u>3,974</u>	<u>2,590</u>

Notes to the financial statements (continued)

for the year ended 30 September 2018

5. Taxation (continued)

b. Factors affecting the tax charge for the year

The tax assessed for the year is lower (2017: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2017: 20%). The differences are explained below:

	2018 £	2017 £
Net revenue before taxation	<u>69,450</u>	<u>98,221</u>
Corporation tax @ 20%	13,890	19,644
Effects of:		
UK revenue	(29,632)	(38,986)
Overseas revenue	(4,483)	(3,531)
Overseas tax withheld	3,974	2,590
Excess management expenses	20,225	22,873
Total taxation (note 5a)	<u>3,974</u>	<u>2,590</u>

c. Provision for deferred taxation

At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of asset not recognised is £156,771 (2017: £136,546).

6. Distributions

The distributions take account of revenue added on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	2018 £	2017 £
Interim accumulation distribution	12,983	8,476
Final accumulation distribution	<u>54,719</u>	<u>90,683</u>
	67,702	99,159
Equalisation:		
Amounts deducted on cancellation of shares	1,275	616
Amounts added on issue of shares	(2,914)	(4,184)
Net equalisation on conversions	<u>(604)</u>	<u>8</u>
Total net distributions	<u>65,459</u>	<u>95,599</u>

Reconciliation between net revenue and distributions:

	2018 £	2017 £
Net revenue after taxation per Statement of total return	65,476	95,631
Undistributed revenue brought forward	34	2
Undistributed revenue carried forward	<u>(51)</u>	<u>(34)</u>
Distributions	<u>65,459</u>	<u>95,599</u>

Details of the distribution per share are disclosed in the Distribution table.

Notes to the financial statements (continued)

for the year ended 30 September 2018

7. Debtors	2018	2017
	£	£
Amounts receivable on issue of shares	20,472	650
Accrued revenue	35,984	34,687
Prepaid expenses	311	284
Total debtors	<u>56,767</u>	<u>35,621</u>
8. Cash and bank balances	2018	2017
	£	£
Total cash and bank balances	<u>556,226</u>	<u>1,077,000</u>
9. Other creditors	2018	2017
	£	£
Amounts payable on cancellation of shares	5,097	-
Purchases awaiting settlement	69,716	-
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	11,353	353
Registration fees	<u>2</u>	<u>1</u>
	11,355	354
Other expenses:		
Depository fees	49	25
Safe custody fees	62	51
Audit fee	6,180	5,940
FCA fee	-	33
Platform charges	435	-
Transaction charges	<u>65</u>	<u>26</u>
	6,791	6,075
Total accrued expenses	<u>18,146</u>	<u>6,429</u>
Total other creditors	<u>92,959</u>	<u>6,429</u>

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities.

11. Share classes

The sub-fund currently has two share classes: A accumulation and B accumulation.

The following reflects the change in shares in issue for each share class in the year:

	A accumulation
Opening shares in issue	5,424,247
Total shares issued in the year	337,654
Total shares cancelled in the year	(546,799)
Total shares converted in the year	<u>(239,331)</u>
Closing shares in issue	<u>4,975,771</u>

Notes to the financial statements (continued)

for the year ended 30 September 2018

11. Share classes (continued)

	B accumulation
Opening shares in issue	2,156,578
Total shares issued in the year	836,593
Total shares cancelled in the year	(43,525)
Total shares converted in the year	236,217
Closing shares in issue	<u>3,185,863</u>

For the year ended 30 September 2018, the annual management charge for each share class is as follows:

A accumulation	1.25%
B accumulation	0.88%

The annual management charge includes the ACD's periodic charge and the Investment Manager's fee.

Further information in respect of the return per share is disclosed in the Comparative table.

On the winding up of a sub-fund all the assets of the sub-fund will be realised and apportioned to the share classes in relation to the net asset value on the closure date. Shareholders will receive their respective share of the proceeds, net of liabilities and the expenses incurred in the termination in accordance with the FCA regulations. Each share class has the same rights on winding up.

12. Related party transactions

Smith & Williamson Fund Administration Limited, as ACD is a related party due to its ability to act in respect of the operations of the sub-fund.

The ACD acts as principal in respect of all transactions of shares in the sub-fund. The aggregate monies received and paid through the creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders of the sub-fund.

Amounts payable to the ACD and its associates are disclosed in note 4. The amount due to the ACD and its associates at the balance sheet date is disclosed in note 9.

A shareholder with a holding in excess of 20% of the value of the sub-fund may be able to exercise significant influence over the financial and operating policies of the sub-fund with reference to shareholders' voting rights at general meetings and as such is deemed to be a related party.

Parties with an interest in excess of 20% of the sub-fund are as follows:

	2018	2017
Church House Investments Limited	44.77%	45.57%
The Bank Of New York (Nominees) Limited	27.66%	24.54%

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A accumulation shares has decreased from 151.92p to 134.96p and the B accumulation shares has decreased from 154.24p to 137.18p as at 14 January 2019. This movement takes into account routine transactions but also reflects the market movements of recent months.

Notes to the financial statements (continued)

for the year ended 30 September 2018

14. Transaction costs

a Direct transaction costs

Direct transaction costs include fees and commissions paid to agents, advisers, brokers and dealers; levies by regulatory agencies and security exchanges; and transfer taxes and duties.

Commission is a charge which is deducted from the proceeds of the sale of securities and added to the cost of the purchase of securities. This charge is a payment to agents, advisers, brokers and dealers in respect of their services in executing the trades.

Tax is payable on the purchase of securities in the United Kingdom. It may be the case that 'other taxes' will be charged on the purchase of securities in countries other than the United Kingdom.

The total purchases and sales and the related direct transaction costs incurred in these transactions are as follows:

	Purchases before transaction costs		Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£	
2018									
Equities	2,288,840	2,547	0.11%	7,993	0.35%	-	-	2,299,380	
Bonds*	3,528,575	-	-	-	-	-	-	3,528,575	
Total	5,817,415	2,547	0.11%	7,993	0.35%	-	-	5,827,955	

	Purchases before transaction costs		Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£	
2017									
Equities	867,537	1,440	0.17%	2,258	0.26%	-	-	871,235	
Bonds*	1,009,300	-	-	-	-	-	-	1,009,300	
Total	1,876,837	1,440	0.17%	2,258	0.26%	-	-	1,880,535	

Capital events amount of £nil (2017: £10,462) is excluded from the total purchases as there were no direct transaction costs charged in these transactions.

	Sales before transaction costs		Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£	
2018									
Equities	2,269,732	(6,417)	0.28%	(6)	0.00%	-	-	2,263,309	
Bonds*	2,000,000	-	-	-	-	-	-	2,000,000	
Total	4,269,732	(6,417)	0.28%	(6)	0.00%	-	-	4,263,309	

* No direct transaction costs were incurred in these transactions.

Notes to the financial statements (continued)

for the year ended 30 September 2018

14. Transaction costs (continued)

a Direct transaction costs (continued)

	Sales before transaction costs		Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£		£	%	£	%	£	%	£
2017									
Equities	1,409,397	(2,765)	0.20%	(1)	0.00%	-	-	-	1,406,631
Total	1,409,397	(2,765)	0.20%	(1)	0.00%	-	-	-	1,406,631

Capital events amount of £26,690 (2017: £500,000) is excluded from the total sales as there were no direct transaction costs charged in these transactions.

Summary of direct transaction costs

The following represents the total of each type of transaction cost, expressed as a percentage of the sub-fund's average net asset value in the year:

	2018	% of average net asset value	2017	% of average net asset value
	£		£	
Commission	8,964	0.08%	4,205	0.05%
Taxes	7,999	0.07%	2,259	0.02%

b Average portfolio dealing spread

The average portfolio dealing spread is calculated as the difference between the bid and offer value of the portfolio as a percentage of the offer value.

The average portfolio dealing spread of the investments at the balance sheet date was 2.60% (2017: 3.54%).

15. Risk management policies

In pursuing the sub-fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the sub-fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the ACD's policy for managing these risks. To ensure these risks are consistently and effectively managed these are continually reviewed by the risk committee, a body appointed by the ACD, which sets the risk appetite and ensures continued compliance with the management of all known risks.

a Market risk

Market risk is the risk that the value of the sub-fund's financial instruments will fluctuate as a result of changes in market prices and comprise three elements: other price risk, currency risk, and interest rate risk.

(i) Other price risk

The sub-fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main element of the portfolio of investments which is exposed to this risk is equities which are disclosed in the Portfolio statement.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the sub-fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

Notes to the financial statements (continued)

for the year ended 30 September 2018

15. Risk management policies (continued)

a Market risk (continued)

(i) Other price risk (continued)

Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective of the sub-fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 30 September 2018, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £471,715 (2017: £449,238).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

Forward currency contracts may be used to manage the portfolio exposure to currency movements.

The foreign currency risk profile of the sub-fund's financial instruments and cash holdings at the balance sheet date is as follows:

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2018	£	£	£
Japanese yen	53,683	-	53,683
US dollar	269,015	-	269,015
Total foreign currency exposure	322,698	-	322,698

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2017	£	£	£
Japanese yen	318,061	1,490	319,551
US dollar	476,880	-	476,880
Total foreign currency exposure	794,941	1,490	796,431

At 30 September 2018, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £16,135 (2017: £39,822).

Notes to the financial statements (continued)

for the year ended 30 September 2018

15. Risk management policies (continued)

a Market risk (continued)

(iii) Interest rate risk

Interest rate risk is the risk that the value of the sub-fund's investments will fluctuate as a result of interest rate changes.

During the year the sub-fund's direct exposure to interest rates consisted of cash and bank balances and interest bearing securities.

The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

The value of interest bearing securities may be affected by changes in the interest rate environment, either globally or locally.

At 30 September 2018, if interest rates increased or decreased by 25 basis points, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £5,034 (2017: £2,018).

The sub-fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

The interest rate risk profile of financial assets and liabilities at the balance sheet date is as follows:

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2018	£	£	£	£	£	£
Japanese yen	-	-	-	53,683	-	53,683
UK sterling	556,226	-	2,519,000	9,168,366	(92,959)	12,150,633
US dollar	-	-	-	269,015	-	269,015
	<u>556,226</u>	<u>-</u>	<u>2,519,000</u>	<u>9,491,064</u>	<u>(92,959)</u>	<u>12,473,331</u>

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2017	£	£	£	£	£	£
Japanese yen	-	-	-	319,550	-	319,550
UK sterling	1,077,000	-	1,006,900	8,223,944	(6,429)	10,301,415
US dollar	-	-	-	476,880	-	476,880
	<u>1,077,000</u>	<u>-</u>	<u>1,006,900</u>	<u>9,020,374</u>	<u>(6,429)</u>	<u>11,097,845</u>

b Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty risk and issuer risk.

The Depositary has appointed the custodian to provide custody services for the assets of the sub-fund. There is a counterparty risk that the custodian could cease to be in a position to provide custody services to the sub-fund. The sub-fund's investments (excluding cash) are ring fenced hence the risk is considered to be negligible.

Notes to the financial statements (continued)

for the year ended 30 September 2018

15. Risk management policies (continued)

b Credit risk (continued)

In addition to the interest rate risk, bond investments are exposed to issuer risk which reflects the ability for the bond issuer to meet its obligations to pay interest and return the capital on the redemption date. Change in issuer risk will change the value of the investments and is dealt with further in note 15a. The debt security held within the portfolio is an investment grade bond. The credit quality of the debt security is disclosed in the Portfolio statement.

The sub-fund holds cash and cash deposits with financial institutions which potentially exposes the sub-fund to counterparty risk. The credit rating of the financial institution is taken into account so as to minimise the risk to the sub-fund of default.

c Liquidity risk

A significant risk is the cancellation of shares which investors may wish to sell and that securities may have to be sold in order to fund such cancellations if insufficient cash is held at the bank to meet this obligation. If there were significant requests for the redemption of shares at a time when a large proportion of the portfolio of investments were not easily tradable due to market volumes or market conditions, the ability to fund those redemptions would be impaired and it might be necessary to suspend dealings in shares in the sub-fund.

Investments in smaller companies at times may prove illiquid, as by their nature they tend to have relatively modest traded share capital. Shifts in investor sentiment, or the announcement of new price sensitive information, can provoke significant movement in share prices, and make dealing in any quantity difficult.

The sub-fund may also invest in securities that are not listed or traded on any stock exchange. In such situations the sub-fund may not be able to immediately sell such securities.

The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria, and can make it difficult to establish accurate estimates of fundamental value. The dearth of accurate and meaningful information, and inefficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with low dealing volumes, can restrict the ACD's ability to execute substantial deals.

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the sub-fund's assets consist of readily realisable securities. This is monitored on a monthly basis and reported to the Risk Committee together with historical outflows of the sub-fund.

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the sub-fund to meet large redemptions (50% of the net asset value and 80% of the net asset value), while still being able to adhere to its objective guidelines and the FCA investment borrowing regulations.

All of the financial liabilities are payable on demand.

d Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

To ensure this, the fair value pricing committee is a body appointed by the ACD to analyse, review and vote on price adjustments/maintenance where no current secondary market exists and/or where there are potential liquidity issues that would affect the disposal of an asset. In addition, the committee may also consider adjustments to the sub-fund's price should the constituent investments be exposed to closed markets during general market volatility or instability.

Notes to the financial statements (continued)

for the year ended 30 September 2018

15. Risk management policies (continued)

d Fair value of financial assets and financial liabilities (continued)

Valuation technique	Investment	Investment
	assets	liabilities
	2018	2018
	£	£
Quoted prices	11,953,297	-
Observable market data	-	-
Unobservable data	-	-
	<u>11,953,297</u>	<u>-</u>
Valuation technique	Investment	Investment
	assets	liabilities
	2017	2017
	£	£
Quoted prices	9,991,653	-
Observable market data	-	-
Unobservable data	-	-
	<u>9,991,653</u>	<u>-</u>

The following security is valued in the portfolio of investments using a valuation technique:

Havelock Europa: The fair value pricing committee determined that it is appropriate to include the security in the portfolio of investments with no value, as the security is in administration.

e Assets subject to special arrangements arising from their illiquid nature

The following asset held in the portfolio of investments is subject to a special arrangement arising from its illiquid nature:

	2018	2017
	% of the	% of the
	total net	total net
	asset value	asset value
Havelock Europa	-	0.51%
Total	<u>-</u>	<u>0.51%</u>

f Derivatives

The sub-fund may employ derivatives with the aim of reducing the sub-fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with efficient portfolio management.

The ACD monitors that any exposure is covered globally to ensure adequate cover is available to meet the sub-fund's total exposure, taking into account the value of the underlying investments, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

For certain derivative transactions cash margins may be required to be paid to the brokers with whom the trades were executed and settled. These balances are subject to daily reconciliations and are held by the broker in segregated cash accounts that are afforded client money protection.

During the year there were no derivative transactions.

Notes to the financial statements (continued)

for the year ended 30 September 2018

15. Risk management policies (continued)

f Derivatives (continued)

(i) Counterparties

Transactions in securities give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. This risk is mitigated by the sub-fund using a range of brokers for security transactions, thereby diversifying the risk of exposure to any one broker. In addition the sub-fund will only transact with brokers who are subject to frequent reviews with whom transaction limits are set.

The sub-fund may transact in derivative contracts which potentially exposes the sub-fund to counterparty risk from the counterparty not settling their side of the contract. Transactions involving derivatives are entered into only with investment banks and brokers with appropriate and approved credit rating, which are regularly monitored. Forward currency transactions are only undertaken with the custodians appointed by the Depositary.

At the balance sheet date, there are no securities in the portfolio of investments subject to a repurchase agreement.

(ii) Leverage

There have been no leveraging arrangements in the year.

(iii) Global exposure

Global exposure is a measure designed to limit the leverage generated by a sub-fund through the use of financial derivative instruments, including derivatives with embedded assets.

At the balance sheet date there is no global exposure to derivatives.

There have been no collateral arrangements in the year.

Distribution table

for the year ended 30 September 2018

Distributions on A accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.18	group 1	interim	0.057	-	0.057	0.046
31.05.18	group 2	interim	0.010	0.047	0.057	0.046
30.11.18	group 1	final	0.551	-	0.551	1.114
30.11.18	group 2	final	0.323	0.228	0.551	1.114

Distributions on B accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.18	group 1	interim	0.351	-	0.351	0.340
31.05.18	group 2	interim	0.063	0.288	0.351	0.340
30.11.18	group 1	final	0.857	-	0.857	1.403
30.11.18	group 2	final	0.567	0.290	0.857	1.403

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

Holders of accumulation shares should add the distributions received thereon to the cost of the shares for capital gains tax purposes.

Interim distributions:

- Group 1 Shares purchased before 1 October 2017
- Group 2 Shares purchased 1 October 2017 to 31 March 2018

Final distributions:

- Group 1 Shares purchased before 1 April 2018
- Group 2 Shares purchased 1 April 2018 to 30 September 2018

Remuneration

Remuneration code disclosure

The remuneration committee is responsible for setting remuneration policy for all partners, directors and employees within the Smith and Williamson Group including individuals designated as Material Risk Takers under the Remuneration Code. The remuneration policy is designed to be compliant with the Code and provides a framework to attract, retain, motivate and reward partners, directors and employees. The overall policy is designed to promote the long-term success of the group and to support prudent risk management, with particular attention to conduct risk.

Remuneration committee

The remuneration committee report contained in pages 58-61 of the Smith & Williamson Report and Financial Statements for the year ended 30 April 2018 (available <http://smithandwilliamson.com/about-us/financial-reports>) includes details on the remuneration policy. The remuneration committee comprises five non-executive directors and is governed by formal terms of reference, which are reviewed and agreed by the board. The committee met eight times during 2017-18.

Remuneration policy

The main principles of the remuneration policy are:

- to align remuneration with the strategy and performance of the business
- to ensure that remuneration is set at an appropriate and competitive level taking into account market rates and practices
- to foster and support conduct and behaviours which are in line with our culture and values
- to maintain a sound risk management framework
- to ensure that the ratio between fixed and variable remuneration is appropriate and does not encourage excessive risk taking
- to comply with all relevant regulatory requirements
- to align incentive plans with the business strategy and shareholder interests.

The policy is designed to reward partners, directors and employees for delivery of both financial and non-financial objectives which are set in line with company strategy. As part of a “balanced scorecard” approach to variable remuneration non-financial criteria including, but not limited to, compliance and risk issues, client management, supervision, leadership and teamwork are considered alongside financial performance.

Remuneration systems

The committee reviews all partners and directors fixed and variable remuneration. In addition, it approves hurdles and awards in respect of equity incentive plans, namely a deferred option plan, Equity Matching Plan, Matching Share Plan, Executive Long Term Incentive Plan and an Investment Management Long Term Incentive Plan.

The remuneration of partners is made up of a fixed profit share, discretionary bonus profit share and non-discretionary bonus profit share. The remuneration of employees typically comprises of a salary with benefits including pension contribution, life assurance, permanent health insurance, private medical insurance, SAYE scheme and a discretionary bonus scheme. Partners, directors and associate directors are also eligible to participate, at the invitation of the committee, in the equity incentive plans described above.

When setting variable remuneration for the executive directors, the committee considers overall business profit for the group and divisions, achievement of both financial and non-financial objectives (including adherence to the principles of treating customers fairly, conduct risk, compliance and regulatory rules), personal performance and any other relevant policy of the board in respect of the year ended 30 April 2018. The committee agrees the individual allocation of variable remuneration and the proportion of that variable remuneration to be awarded as restricted shares.

Aggregate Quantitative Information

The total amount of remuneration paid by Smith & Williamson Fund Administration Limited (SWFAL) is nil as SWFAL has no employees. However, a number of employees have remuneration costs recharged to SWFAL and the annualised remuneration for these 78 employees is £3,741,023 of which £3,391,428 is fixed remuneration. This is based on the annualised salary and benefits for those identified as working in SWFAL as at 30 April 2018. Any variable remuneration is awarded for the year ending 30 April 2018. This information excludes any senior management or other Material Risk Takers (MRTs) whose remuneration information is detailed on the next page.

Remuneration (continued)

Aggregate Quantitative Information (continued)

Smith & Williamson reviews its MRTs at least annually. These individuals are employed by and provide services to other companies in the Smith & Williamson group. It is difficult to apportion remuneration for these individuals in respect of their duties to SWFAL. For this reason, the aggregate total remuneration awarded for the financial year 2017-18 for senior management and other MRTs detailed below has not been apportioned.

Table to show the aggregate remuneration split by Senior Management and other MRTs for SWFAL (£000)	Financial Year ending 30 April 2018				
	Fixed	Variable		Total	No. MRTs
		Cash	Equity		
Senior Management	£2,906	£1,872	£563	£5,341	15
Other MRTs	£1,506	£864	£186	£2,556	11
Total	£4,412	£2,736	£749	£7,897	26

Investment Manager

The ACD delegates the management of the Company's liquid assets to Church House Investments Limited and pays to Church House Investments Limited, out of the ACD's annual management charge, a monthly fee calculated on the total value of the liquid portfolio at the month end. Church House Investments Limited are compliant with the Capital Requirements Directive regarding remuneration and therefore Church House Investments Limited staff are covered by remuneration regulatory requirements.

Further information

Distributions and reporting dates

Where net revenue is available it will be distributed/allocated semi-annually on 30 November (final) and 31 May (interim). In the event of a distribution, shareholders will receive a tax voucher.

XD dates:	1 October	final
	1 April	interim
Reporting dates:	30 September	annual
	31 March	interim

Buying and selling shares

The property of the sub-funds are valued at 12 noon on every business day, with the exception of Christmas Eve and New Year's Eve or a bank holiday in England and Wales, or the last business day prior to those days annually where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary, and prices of shares are calculated as at that time. Share dealing is on a forward basis i.e. investors can buy and sell shares at the next valuation point following receipt of the order.

	Minimum initial investment and minimum holding value	Minimum subsequent investment
SVS Church House Tenax Absolute Return Strategies Fund:		
<i>share classes available for investment</i>		
A income and A accumulation shares	£5,000	£5,000
B income and B accumulation shares	£100,000	£100,000
C income and C accumulation shares	£1,000,000	£1,000,000
SVS Church House Deep Value Investment Fund:		
<i>share classes available for investment</i>		
A Accumulation shares	£5,000	£1,000
B Accumulation shares	£100,000	£100,000

The minimum investments may be waived by the ACD at its discretion.

There is no initial charge applied on the purchase of shares.

Prices of shares and the estimated yield of the share classes of the sub-funds are published on the following website: www.fundlistings.com or may be obtained from the ACD by calling 0141 222 1151.

Appointments

ACD and Registered office

St Vincent St Fund Administration (a trading name of Smith & Williamson Fund Administration Limited)

25 Moorgate

London EC2R 6AY

Telephone: 020 7131 4000

Authorised and regulated by the Financial Conduct Authority

Administrator and Registrar

Smith & Williamson Fund Administration Limited

206 St. Vincent Street

Glasgow G2 5SG

Telephone: 0141 222 1151 (Registration)

0141 222 1150 (Dealing)

Authorised and regulated by the Financial Conduct Authority

Directors of the ACD

Brian McLean

David Cobb

Grant Hotson

James Gordon

Kevin Stopps

Paul Wyse

Giles Murphy - resigned 30 May 2018

Jocelyn Dalrymple - resigned 30 May 2018

Peter Maher - resigned 30 May 2018

Susan Shaw - resigned 30 May 2018

Tas Quayum - resigned 30 May 2018

Non-Executive Directors of the ACD

Dean Buckley - appointed 29 August 2018

Linda Robinson - appointed 29 August 2018

Victoria Muir - appointed 29 August 2018

Investment Manager

Church House Investments Limited

York House

6 Coldharbour

Sherborne

Dorset DT9 4JW

Authorised and regulated by the Financial Conduct Authority

Depositary

NatWest Trustee & Depositary Services Limited

2nd Floor

Drummond House

1 Redheughs Avenue

Edinburgh EH12 9RH

Authorised and regulated by the Financial Conduct Authority

Auditor

KPMG LLP

Saltire Court

20 Castle Terrace

Edinburgh EH1 2EG