SVS Church House Investment Grade Fixed Interest Fund

Annual Report

for the year ended 31 March 2021

Contents

SVS Church House Investment Grade Fixed Interest Fund

Report of the Manager

St Vincent St Fund Administration (trading name of Smith & Williamson Fund Administration Limited), as Manager, presents herewith the Annual Report for SVS Church House Investment Grade Fixed Interest Fund for the year ended 31 March 2021.

SVS Church House Investment Grade Fixed Interest Fund ('the Trust' or 'the Fund') is an authorised unit trust scheme further to an authorisation order dated 1 December 2000 and is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL'), as published by the Financial Conduct Authority ('FCA').

The Manager 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 Fund consist predominantly of securities which are readily realisable and, accordingly, the Fund 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 EU-UK Trade and Cooperation Agreement concluded between the EU and the UK sets out preferential arrangements in areas such as trade in goods and in services, digital trade, intellectual property, public procurement, aviation and road transport, energy, fisheries, social security coordination, law enforcement and judicial cooperation in criminal matters, thematic cooperation and participation in Union programmes. It is underpinned by provisions ensuring a level playing field and respect for fundamental rights.

The Trade and Cooperation Agreement is provisionally applicable from 1 January 2021, after having been agreed by EU and UK negotiators on 24 December 2020. As at the date of this report, the economic impacts of Brexit and of the Trade and Cooperation Agreement remain uncertain.

The base currency of the Fund is UK sterling.

The Trust Deed can be inspected at the offices of the Manager.

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

Investment objective and policy

The objective of the Fund is to secure a high level of income through investment principally in investment grade corporate bonds, United Kingdom Government Gilts and supra-national issues.The Fund may also invest in other higher income securities such as preference shares and infrastructure funds and other interest bearing securities such as Treasury bills. The Fund also seeks to hedge the interest rate or credit risk in the portfolio through the use of derivative instruments.

Important Note from the Manager

The outbreak of Covid-19, declared by the World Health Organisation as a Public Health Emergency of International Concern on 30 January 2020, has caused disruption to businesses and economic activity. The Manager is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice.

Changes affecting the Fund in the year

KPMG LLP resigned as auditor and Mazars LLP were appointed on 9 July 2020.

Further information in relation to the Fund is illustrated on page 43.

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

Brian McLean James Gordon
Directors
Smith & Williamson Fund Administration Limited
30 July 2021

Statement of the Manager's responsibilities

The Collective Investment Schemes sourcebook (‘COLL’) published by the FCA, requires the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Trust and of the net revenue and net capital gains on the property of the Trust for the year.

In preparing the financial statements the Manager 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 Trust’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 Trust 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;
- taking reasonable steps for the prevention and detection of fraud and irregularities; and
- the maintenance and integrity of the Trust’s information on the Manager's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

COLL also requires the Manager to carry out an Assessment of Value on the Trust and publish this assessment within the Annual Report.

The Manager is responsible for the management of the Trust in accordance with the Trust Deed, the Prospectus and COLL.

Assessment of Value - SVS Church House Investment Grade Fixed Interest Fund

In line with the provisions contained within COLL 6.6.20R, the Board of Smith & Williamson Fund Administration Limited ('SWFAL') as Authorised Fund Manager ('AFM'), has carried out an Assessment of Value for SVS Church House Investment Grade Fixed Interest Fund ('the Trust'). Furthermore, the rules require that SWFAL publishes these assessments.

A high-level summary of the outcome of SWFAL's rigorous review of the Trust, at unit class level, for the year ending 31 March 2021, using the seven criteria set by the FCA is set out below:

Criteria	Income & Accumulation Units	XL Institutional Units
1. Quality of Service	🟢	🟢
2. Performance	🟡	🟡
3. AFM Costs	🟢	🟢
4. Economies of Scale	🟢	🟡
5. Comparable Market Rates	🟢	🟢
6. Comparable Services	🟢	🟢
7. Classes of Units	🟢	🟢
Overall Rating	🟢	🟢

SWFAL has adopted a traffic light system to show how it rated the funds:

🟢 On balance, the Board believes the Trust is delivering value to unitholders, with no material issues noted.

🟡 On balance, the Board believes the Trust is delivering value to unitholders, but may require some action.

🔴 On balance, the Board believes the Trust has not delivered value to unitholders and significant remedial action is now being undertaken by the Board.

How SWFAL assessed each of the seven criteria and the rating arrived at are discussed in greater detail on the following pages.

SWFAL has created an Assessment of Value Committee ('AVC'), for the review, challenge and approval of all the funds' Assessments of Value. Ultimately the assessment will be subject to scrutiny by the SWFAL Board (which includes independent directors) to ensure the outcomes of the assessments are clear and fair, before final sign-off by the chair of the SWFAL Board prior to communicating to investors if the Trust has delivered value, and if not, where improvements need to be made.

In carrying out the assessment, the SWFAL AVC has separately considered the following seven criteria stipulated by the FCA. The Committee may also have considered other issues where it was deemed appropriate.

SWFAL believes the Assessment of Value can make it easier for investors to both evaluate whether the Trust is providing them with value for money and make more informed decisions when choosing investments.

The seven criteria are:

(1) Quality of service – the quality of every aspect of the service provided, including, for example, accounting, administration, customer services and communications;

(2) Performance – how the Trust performed, including whether it met targets and objectives, kept to relevant policy, followed relevant principles, kept to reasonable timescales;

(3) AFM costs – the fairness and value of the Trust's costs, including entry and exit fees, early redemption fees, administration charges;

(4) Economies of scale – how costs have been or can be reduced as a result of increased assets-under-management ('AUM'), and whether or not those savings have been passed on to investors;

(5) Comparable market rates – how the costs of the Trust compare with others in the marketplace;

(6) Comparable services – how the charges applied to the Trust compare with those of other funds administered by SWFAL;

(7) Classes of units – the appropriateness of the classes of units in the Trust for investors.

Assessment of Value - SVS Church House Investment Grade Fixed Interest Fund (continued)

1. Quality of Service

What was assessed in this section?

Internal Factors

SWFAL, as AFM, has overall responsibility for the Trust. The Board assessed, amongst other things: the day-to-day administration of the Trust; the maintenance of scheme documentation (such as prospectuses and key investor information documents ('KIIDs')); the pricing and valuation of units; the calculation of income and distribution payments; the maintenance of accounting and other records the preparation of annual audited and half-yearly Report & Accounts; the review of tax provisions and submission of tax computations to HMRC; the maintenance of the register of unitholders; and the dealing and settlement arrangements. SWFAL delegates the investment management of the Trust to an Investment Management firm.

The Board reviewed information provided by SWFAL's control functions on the adequacy of its internal services, including governance, operations and monitoring. Elements important to the client experience such as the timely payment of settlement and distribution monies were also reviewed. Over the past year, SWFAL has been audited by, internal and external auditors, the Trustee and various SWFAL delegated investment managers.

External Factors

The SWFAL Board assessed the delegate's skills, processes, experience, level of breaches and complaints. Also considered were any results from service review meetings as well as the annual due diligence performed by SWFAL on the delegated investment manager, Church House Investments Limited ('Church House'), where consideration was given to, amongst other things, the delegate's controls around the Trust's liquidity management.

The Board also considered the nature, extent and quality of administrative and unitholder services performed under separate agreements covering trustee services, custodians, as well as services provided with regard to both audit and legal functions.

What was the outcome of the assessment?

Internal Factors

The Board recognised that all distribution and settlement monies were paid in a timely manner and that there were no significant findings as a result of the various audits performed on SWFAL during the year. In addition, SWFAL has performed its own independent analysis, using automated software, of the Trust's liquidity. The Board concluded that SWFAL had carried out its duties diligently.

External Factors

The Board concluded that the nature, extent and quality of the services provided by the external parties have benefited and should continue to benefit the Trust and its unitholders.

Were there any follow up actions?

There were no follow-up actions required.

2. Performance

What was assessed in this section?

The Board reviewed the performance of the Trust, after the deduction of all payments out of the scheme property as set out in the Prospectus. Performance, against its benchmarks, is considered over appropriate timescales having regard to the Trust's investment objective, policy and strategy. The Board also considered whether an appropriate level of market risk had been taken.

Investment Objective

The objective of the Trust is to secure a high level of income through investment principally in investment grade corporate bonds, United Kingdom Government Gilts and supra-national issues.

Benchmark

As AFM, SWFAL is required to explain in a Trust's scheme documentation why a benchmark is being used or alternatively explain how investors should assess performance of a fund in the absence of a benchmark.

The benchmarks for the Trust are ICE BofAML 7-10 Years AA Sterling Corporate & Collateralised Index and IA £ Corporate Bond sector, both of which are comparators. A 'comparator' benchmark is an index or similar factor against which an investment manager invites investors to compare a fund's performance. Details of how the Trust has performed against its comparator benchmarks over various time periods can be found on the next page.

Assessment of Value - SVS Church House Investment Grade Fixed Interest Fund (continued)

2. Performance (continued)

Benchmark (continued)

Performance Charts

Cumulative Performance — Cumulative Performance as at 28/02/2021

Instrument	Currency	1 year	3 years	5 years	28/02/2011 to 28/02/2021
IA £ Corporate Bond sector TR in GB	GBP	1.98%	13.46%	28.28%	64.98%
ICE BofAML 7-10 Years AA Sterling Corporate & Collateralised Index TR in GB	GBP	0.92%	12.15%	21.23%	70.68%
SVS Church House Investment Grade Fixed Interest Acc in GB	GBX	3.14%	8.86%	17.12%	47.67%
SVS Church House Investment Grade Fixed Interest XL Institutional Inc TR in GB*	GBX	3.28%	-	-	-

Fund data provided by FE fundinfo. Care has been taken to ensure that the information is correct but FE fundinfo neither warrants, represents nor guarantees the contents of the information, nor does FE fundinfo accept any responsibility for errors, inaccuracies, omissions or any inconsistencies herein.

Performance is calculated net of fees.

You should be aware that past performance is not a guide to future performance.

* unit class launched 23 July 2018.

Yield Information relating to the ordinary class.

Year	Historic Yield %
2016	1.97
2017	2.07
2018	2.03
2019	2.16
2020	2.09

What was the outcome of the assessment?

The Board initially noted the Trust’s underperformance against both comparator benchmarks as well as the Trust’s inability to secure a high level of income for unitholders over recent years.

SWFAL, in seeking to understand more fully the relative performance, undertook further analysis on IA £ Corporate Bond sector benchmark which evidenced that over recent years the top performing funds typically have had a far greater exposure to bonds with a lower credit rating than the Trust itself had. These high yield/junk bonds have generally outperformed those with a higher credit rating over the last five to ten years. Moreover, the Trust has been more heavily invested in shorter dated instruments than the top ranked funds in IA £ Corporate Bond sector and the performance of these has been inferior to longer dated instruments over a similar period.

The ICE BofAML 7-10 Years AA Sterling Corporate & Collateralised Index benchmark, on the other hand, is the one that best reflects the asset allocation of the Trust and where the Board noted that the Trust had underperformed over the three, five and ten year periods. However, further analysis looking at the four months succeeding the reference date up to end-June 2021, showed that the shortfall evident over the three and five year periods had narrowed significantly.

Assessment of Value - SVS Church House Investment Grade Fixed Interest Fund (continued)

2. Performance (continued)

Benchmark (continued)

Separately, the Board recognised the Trust's low volatility compared to that of both the benchmarks; favourable risk adjusted returns versus that of the sector average; and focus on high quality issuance with no exposure to sub-investment grade holdings, as key characteristics which upholds Church House's ethos of capital preservation and which differentiates it from other funds in the marketplace.

Once all was taken into consideration, the Board were of the opinion that despite the Trust's inability to deliver a higher yield together with its modest overall performance, it had, for the reasons stated above, still been of value to unitholders.

That said, the Board were still mindful that the principal objective of securing a high level of income had not been met and for that reason an Amber rating was given for this section. The Board found that the Trust is investing in the asset classes permitted by the investment policy and that there have been no breaches of the policy in the last twelve months.

Were there any follow up actions?

SWFAL has engaged with Church House with a view to clarifying the Trust's objective and policy. This is expected to be completed by the end of 2021.

3. AFM Costs

What was assessed in this section?

The Board reviewed each separate charge to ensure that they were reasonable and reflected the services provided. This includes investment management fees, annual management charge ('AMC'), Trustee/Custodian fees and audit fees.

The charges should be transparent and understandable to the investor, with no hidden costs.

What was the outcome of the assessment?

The Board received and considered information about each of the Trust's costs, and concluded that they were fair, reasonable and provided on a competitive basis.

Were there any follow up actions?

There were no follow-up actions required.

4. Economies of Scale

What was assessed in this section?

The Board reviewed each separate fee structure and the AUM of the Trust to examine the effect on the Trust to potential and existing investors should the Trust increase or decrease in value.

What was the outcome of the assessment?

As SWFAL's business grows some fees may be negotiated onto better terms with any cost reductions achieved being passed on for the benefit of unitholders.

The AMC on the ordinary class is tiered meaning that there are opportunities for further savings to be achieved in the future should this class grow in size. Additionally, the ancillary costs of the Trust which represent 4 basis points[1] may fall as the size of the Trust grows and could offer some further savings.

However, the AMC on the XL class is fixed with an embedded AFM tier within it, meaning that if this class was to grow the result would be that the delegated investment manager would receive a greater proportion of the XL class' OCF. This mechanism therefore prevents investors from participating in any possible savings that could be achieved if the XL class was to grow in the future.

Accordingly, the Board were of the opinion that the current fee structure within the XL class was not in investors' best interests and as such they concluded that further action should be taken along with Church House in order to establish a model that was better suited to achieving a more favourable investor outcome.

This section has therefore been marked as Amber in respect of the XL class.

Were there any follow up actions?

SWFAL are in discussion with Church House with a view to addressing the issue on the XL class.

[1] One basis point is equal to 1/100th of 1%, or 0.01%

Assessment of Value - SVS Church House Investment Grade Fixed Interest Fund (continued)

5. Comparable Market Rates

What was assessed in this section?

The OCF is 0.83% for the ordinary unit class and 0.64% for the XL Institutional unit class[2].

The Board reviewed the ongoing charges of the Trust, and how those charges affect the returns of the Trust. Funds with lower fees may offer better value than those with higher fees.

The OCF of the Trust was compared against the 'market rate' of similar external funds.

What was the outcome of the assessment?

The charges of all unit classes were found to compare favourably with those of similar externally managed funds.

Note that SWFAL has not charged an entry fee, exit fee or any other event-based fees on this Trust.

Were there any follow up actions?

There were no follow-up actions required.

6. Comparable Services

What was assessed in this section?

The Board compared the Trust's OCF with those of other funds administered by SWFAL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

There were too few SWFAL administered funds displaying the same characteristics as the SVS Church House Investment Grade Fixed Interest Fund against which to form a meaningful conclusion.

Were there any follow up actions?

There were no follow-up actions required.

7. Classes of Units

What was assessed in this section?

The Board reviewed the Trust's set-up to ensure that where there are multiple unit classes, unitholders are in the correct unit class given the size of their holding.

What was the outcome of the assessment?

There are two unit classes within the Trust. SWAFL conducted a review of all unitholders on the register where upon it was found that all unitholders were indeed invested in the appropriate class.

Were there any follow up actions?

There were no follow-up actions required.

[2] Figures at interim report 30 September 2020

Overall Assessment of Value

The Board noted the failure of the Trust to provide the level of income committed to within the objective and acknowledged the action currently being taken to clarify the wording within the Trust's documentation.

The Board were also mindful of the issue concerning the XL class where the current fee arrangement is not suited to benefit the investors in the Trust should it grow in size.

Notwithstanding both these issues, the Board concluded that both classes of the SVS Church House Investment Grade Fixed Interest Fund had still provided value to the unitholders.

Dean Buckley
Chairman of the Board of Smith & Williamson Fund Administration Limited
28 July 2021

Consumer Feedback

On reviewing this Assessment of Value report, we would welcome invaluable feedback from investors via our short questionnaire which can be found online:
https://smithandwilliamson.com/en/services/fund-administration/assessment-of-value/

Investors views are invaluable to the development and delivery of this report.

Should you be unable to access the questionnaire online please contact us directly on 0141 222 1151 and we will provide you with a paper copy of the questionnaire.

Report of the Trustee to the unitholders of SVS Church House Investment Grade Fixed Interest Fund

Trustee's responsibilities

The Trustee must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Fund's Trust Deed and Prospectus (together 'the Scheme documents') as detailed below.

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

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

The Trustee must ensure that:

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

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

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

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

(ii) has observed the investment and borrowing powers and restrictions applicable to the Fund.

NatWest Trustee and Depositary Services Limited
30 July 2021

Independent Auditor's report to the unitholders of SVS Church House Investment Grade Fixed Interest Fund

Opinion

We have audited the financial statements of SVS Church House Investment Grade Fixed Interest Fund for the year ended 31 March 2021 which comprise the Statement of total return, Statement of change in net assets attributable to unitholders, Balance sheet and notes to the financial statements including the Distribution table and a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Association (the 'Statement of Recommended Practice for Authorised Funds'), the Collective Investment Schemes sourcebook and the Trust Deed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2021 and of the net revenue and the net capital gains for the year then ended; and
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice, Statement of Recommended Practice for Authorised Funds, the Collective Investment Schemes Sourcebook and the Trust Deed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Manager is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Manager for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Manager has been prepared in accordance with applicable legal requirements.

Independent Auditor's report to the unitholders of SVS Church House Investment Grade Fixed Interest Fund ('continued')

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Manager.

We have nothing to report in respect of the following matters in relation to which the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Manager

As explained more fully in the Statement of the Manager's responsibilities set out on page 3, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Trust and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, anti-bribery, corruption and fraud, money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Collective Investment Schemes Sourcebook and the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Association.

We evaluated the Manager's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the potential for manual journal entries to manipulate financial performance and bias through judgements and assumptions in significant accounting estimates, in particular in relation to valuation of investments.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Manager their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Trust which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Manager on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

Independent Auditor's report to the unitholders of SVS Church House Investment Grade Fixed Interest Fund ('continued')

Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes Sourcebook published by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Trust's unitholders 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 Trust and the Trust's unitholders as a body for our audit work, for this report, or for the opinions we have formed.

Stephen Eames (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Mazars LLP
Tower Bridge House
St Katharine's Way
London E1W 1DD
30 July 2021

Accounting policies of SVS Church House Investment Grade Fixed Interest Fund

for the year ended 31 March 2021

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.

The Manager has considered the impact of the emergence and spread of Covid-19 and potential implications on future operations of the Fund of reasonably possible downside scenarios. The Manager has considered a detailed assessment of the Fund's ability to meet its liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the Fund continues to be open for trading and the Manager is satisfied the Fund has adequate financial resources to continue in operation for at least the next 12 months and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

b *Valuation of investments*

The purchase and sale of investments are included up to close of business on 31 March 2021.

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 31 March 2021 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 within the portfolio are valued at the most recent published price prior to the close of business valuation on 31 March 2021.

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

Where an observable market price is unreliable or does not exist, investments are valued at the Manager'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 Fund is UK sterling which is taken to be the 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.

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.

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 Fund's distribution.

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

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

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

d Revenue (continued)

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 Fund. The amortised amounts are accounted for as revenue or as an expense and form part of the distributable revenue of the Fund.

e Expenses

All expenses, other than those relating to the purchase and sale of investments, are charged to revenue on an accrual basis then 50% of these expenses are reallocated to capital, net of any tax effect.

Bank interest paid is charged to revenue.

f Allocation of revenue and expenses to multiple unit classes

All revenue and expenses which are directly attributable to a particular unit class are allocated to that class. All revenue and expenses which are attributable to the Fund are allocated to the Fund and are normally allocated across the unit 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 31 March 2021 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.

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 Distribution policies

i Basis of distribution

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

ii Unclaimed distributions

Distributions to unitholders outstanding after 6 years are taken to the capital property of the Fund.

iii Revenue

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

iv Expenses

Expenses incurred against the revenue of the Fund 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.

i Distribution policies (continued)

v Equalisation

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

Investment Manager's report

Investment performance

Capital performance*	1 Year	3 Years	5 Years
SVS Church House Investment Grade Fixed Interest Fund	6.1%	2.4%	4.1%

* Percentage change in bid price of income units at 12pm to 31 March 2021.

Source: Bloomberg and Smith & Williamson Fund Administration Limited.

Investment activities^

We reported in October 2020 on activity in the first half of the year so these comments cover the latter six months of the Fund's year.

Turnover in SVS Church House Investment Grade Fixed Interest Fund portfolio edged down again over the final three months of 2020, with less drama in the credit markets and a gradual improvement in pricing. The first quarter of 2021 saw the portfolio edged shorter-dated again, albeit from an already cautious stance:

SVS Church House Investment Grade Fixed Interest Fund	March 2021	December 2020
Short-dated Securities (less than 7 years)*	57%	53%
Medium-dated Securities (7 to 15 years)	34%	36%
Long-dated Securities (over 15 years)	9%	11%
Duration of Portfolio	4.7	5.5

The final quarter of 2020 saw the exit of Orange 5.875% Perpetual hybrid bond, which we sold in October, and entry of Tesco Personal Finance Group 3.5% 25/07/2025 bond, which have actually been in the portfolio since August 2019 when we acquired them at first issue. Of the relatively few new holdings in the portfolio, one of the largest, and longest-dated, is a new 1.25% issue from Wessex Water due in 2036.

During the first quarter of 2021, we acquired a new floating rate note (FRN), European Investment Bank 1.0488% 18/01/2027, which was issued in January and is the largest holding in the Fund's portfolio. Overall, 22% of the portfolio is invested in FRN, which benefit from a rising rate environment. We reduced the previous top holding, Canadian Imperial Bank of Commerce 1.2115% 10/01/2022 stock, on a couple of occasions so it does not feature any more. We also halved the holding in 3i Group 3.75% 05/06/2040 stock so that drops out too.

Top 15 Holdings - 31 March 2021	
European Investment Bank 1.0488% 18/01/2027	3.0%
Bank of America 7% 31/07/2028	2.5%
Goldman Sachs Group 7.25% 10/04/2028	2.3%
Royal Bank of Canada 0.51858% 30/01/2025	2.0%
Australia & New Zealand Banking Group 0.72867% 24/01/2022	2.0%
AP Moller - Maersk 4.% 04/04/2025	1.9%
M&G 5.625% 20/10/2051	1.9%
Barclays 2.375% 06/10/2023	1.8%
Southern Water Services Finance 2.375% 28/05/2028	1.8%
Yorkshire Building Society 0.6482% 19/11/2023	1.7%
GCP Infrastructure Investments	1.7%
SSE 3.74% Perpetual	1.6%
Citigroup 5.15% 21/05/2026	1.6%
Tesco Personal Finance Group 3.5% 25/07/2025	1.5%
BP Capital Markets 4.25% Perpetual	1.5%

Investment strategy and outlook^

US yields rose abruptly over the first quarter of 2021, with the pace taking markets by surprise. We have come a long way rather quickly and are maybe due for a pause. The inflation debate is ongoing and there is justifiable optimism that we are beginning to see the end of the pandemic here and in the US, but globally, we are not out of the woods. The US Treasury curve moved sharply, the Long Bond reaching a yield of more than 2.4%. This began to affect other long-duration assets, as discounting of future cash-flows by a higher risk-free rate caused volatility in growth and tech stocks. In several appearances, Federal Reserve (Fed) officials did not seek to mitigate the moves, sticking to their narrative, maybe they were already concerned about the potential for asset bubbles.

^ Source: Bloomberg.

Investment Manager's report (continued)

Investment strategy and outlook^ (continued)

The fundamental drivers are still there for global growth to rebound, with Central Bank policy likely to be accommodative for the foreseeable future and US fiscal stimulus planned of gigantic proportions; Biden got what he wanted. Whilst this fiscal stimulus has a strong direct effect on lower income households, there is also the wealth effect of rising asset values boosting consumer demand (US retail sales are now rising at nearly 10% month-on-month), and it is understandable that forecasts for the US and the spill over into global growth keep being upgraded.

As most asset classes regained pre-pandemic levels, it was rates markets that had not played catch up, however, now the ten-year US Treasury yield does exceed the yield on the S&P 500 Index. At first, Governor Powell was strangely silent on the imminent end of the Supplementary Leverage Ratio exemption for banks, which was due to expire at the end of March (which allowed banks not to account for US treasuries on their balance sheets), and this probably contributed to selling pressure, forcing up yields, although this has since been clarified.

The Fed continues to send dovish messages although recently Jerome Powell spoke about how, potentially, in the distant future, the Fed will reduce its supportive policies. The Federal Open Market Committee is yet to vote on any reduction but the 'sense of guidance' was a scaling-back of bond purchases (tapering) 'well before' hiking rates. Most Central Bankers have explicitly stated that they will look through any short-term increase in inflation, focussing instead on recoveries becoming durable and sustainable.

European Central Bank (ECB) board member Schnabel recently stated that the ECB doesn't expect a sustained rise in inflation, although, as they are still enacting a negative interest rate policy, presumably they would actually like one. European Union yields have moved but not to the same extent as US, remaining deeply negative and solely dependent on anchoring from the ECB. Christine Lagarde remains a loose cannon in how she chooses her words to address the market, but her sometimes slightly untactful approach is no worse than the shambolic attempts to implement a vaccination programme by Brussels bureaucrats.

No change in policy from the Bank of England, but the Gilt curve has also seen its fair share of readjustment and bear-steepening (long-dated yields rising faster than shorter dates), with the thirty-year Gilt yield nearly doubling to a mighty 1.4%. This might not seem excessive, but it is does equate to a 16% fall in price for the underlying Gilt.

Amidst all of the interest rate volatility, the strong prospects for (potentially outsized) growth, bounce-backs in activity and general health of corporate balance sheets means that credit spreads have hardly moved over the quarter with the iTraxx Main Investment Grade index trading where it started the year. Sterling credit spreads are a touch wider but nothing significant.

The primary market has remained firmly open for issuers of any description as a recent dual tranche issue by pandemic flattened International Airlines Group, printing eight-year High Yield debt at 3.75%, would attest. We also recently saw an issue from Gatwick Funding, which attracted interest for eleven times more than was on offer. This solid support for risk assets also helped US stock market indices attain new highs (fuelled by a strong earnings season) and there are as many outlandish price targets and forecasts as ever.

We have witnessed plenty of liquidity inspired moves, unusual stock market situations leading to hedge fund blow ups, supply chain finance disasters and the biggest personal margin call ever seen, destroying a 'Family Office' named Archegos. The start of 2021 has certainly been busy. Commodity prices trending up have added to inflationary fears, with US ten-year inflation expectations reaching an eight-year high, though recent inflation numbers have not shown any uptick so far.

^ Source: Bloomberg.

Church House Investments Limited
30 April 2021

Summary of portfolio changes

for the year ended 31 March 2021

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

Purchases:	Cost £
European Investment Bank 1.0488% 18/01/2027	10,488,500
CPPIB Capital 1.125% 14/12/2029	9,116,666
New York Life Global Funding 0.75% 14/12/2028	6,991,390
3i Group 3.75% 05/06/2040	5,960,760
Southern Water Services Finance 2.375% 28/05/2028	5,950,800
SSE 3.74% Perpetual	5,497,910
European Bank for Reconstruction & Development 1.0481% 20/11/2025	5,196,350
BP Capital Markets 4.25% Perpetual	5,000,000
Eastern Power Networks 1.875% 01/06/2035	4,982,550
GlaxoSmithKline Capital 1.625% 12/05/2035	4,973,750
GlaxoSmithKline Capital 1.25% 12/10/2028	4,952,450
Legal & General Group 5.625% Perpetual	4,512,000
Nationwide Building Society 0.4481% 24/02/2031	4,000,000
Eversholt Funding 2.742% 30/06/2040	4,000,000
Enel Finance International 1% 20/10/2027	3,989,880
National Grid Electricity Transmission 1.25% 07/07/2028	3,981,320
Volkswagen Financial Services 4.25% 09/10/2025	3,975,200
Siemens Financieringsmaatschappij 0.875% 05/06/2023	3,787,878
Motability Operations Group 1.5% 20/01/2041	3,555,684
Heathrow Funding 2.625% 16/03/2028	3,482,780

Sales:	Proceeds £
Coventry Building Society 0.92674% 13/11/2023	10,750,000
UK Treasury Gilt 2% 22/07/2020	10,015,000
Santander UK 0.5117% 20/09/2021	9,008,750
Lloyds Bank 0.5486% 13/09/2021	8,008,000
Nationwide Building Society 0.82425% 02/08/2022	7,476,750
Lloyds Bank 0.86579% 16/05/2024	5,999,400
Orange 5.875% Perpetual	5,860,583
New York Life Global Funding 0.75% 14/12/2028	5,823,452
GlaxoSmithKline Capital 1.625% 12/05/2035	5,164,249
Eastern Power Networks 1.875% 01/06/2035	5,115,100
GlaxoSmithKline Capital 1.25% 12/10/2028	5,036,000
Royal Bank of Canada 0.65122% 03/10/2024	4,980,800
RBC CMS Linked Reverse Convertible Notes 5% 09/04/2020	4,861,900
National Grid Electricity Transmission 1.25% 07/07/2028	4,061,040
CPPIB Capital 1.125% 14/12/2029	4,027,531
Siemens Financieringsmaatschappij 0.875% 05/06/2023	3,821,090
Canadian Imperial Bank of Commerce 1.2115% 10/01/2022	3,510,150
3i Group 3.75% 05/06/2040	3,420,000
Digital Stout Holding 4.75% 13/10/2023	3,369,750
Phoenix Group Holdings 5.75% Perpetual	3,172,650

Portfolio statement

as at 31 March 2021

Investment	Nominal value or holding	Market value £	% of total net assets
Debt Securities* 93.47% (88.73%)			
Aaa to Aa2 23.80% (38.05%)			
Australia & New Zealand Banking Group 0.72867% 24/01/2022**	£7,000,000	7,033,810	2.00
Bank of Scotland 4.875% 20/12/2024	£1,500,000	1,740,459	0.49
Berkshire Hathaway Finance 2.375% 19/06/2039	£2,500,000	2,629,075	0.75
Canadian Imperial Bank of Commerce 0.5286% 28/10/2022**	£5,000,000	5,031,150	1.43
Clydesdale Bank 4.625% 08/06/2026	£1,250,000	1,487,291	0.42
Clydesdale Bank 0.7477% 22/03/2024**	£3,000,000	3,044,640	0.86
CPPIB Capital 1.125% 14/12/2029	£5,000,000	4,975,850	1.41
Deutsche Pfandbriefbank 1.047546% 29/09/2023**	£1,500,000	1,527,195	0.43
European Investment Bank 1.0478% 08/09/2025**	£2,000,000	2,075,060	0.59
European Investment Bank 1.0488% 18/01/2027**	£10,000,000	10,468,000	2.98
Landesbank Baden-Wuerttemberg 0.32913% 18/05/2021**	£2,000,000	2,000,420	0.57
Lloyds Bank 5.125% 07/03/2025	£2,500,000	2,938,012	0.83
National Australia Bank 0.5485% 04/02/2025**	£2,000,000	2,020,840	0.57
National Westminster Bank 0.647663% 22/03/2023**	£4,000,000	4,037,000	1.15
Nationwide Building Society 0.79894% 10/01/2024**	£2,000,000	2,032,980	0.58
New York Life Global Funding 0.75% 14/12/2028	£1,000,000	953,950	0.27
Royal Bank of Canada 0.627485% 03/10/2024**	£5,000,000	5,059,800	1.44
Royal Bank of Canada 0.51858% 30/01/2025**	£7,000,000	7,059,080	2.00
Santander UK 0.7782% 12/02/2024**	£4,000,000	4,060,560	1.15
Toronto-Dominion Bank 0.5176% 24/06/2022**	£2,000,000	2,009,140	0.57
TSB Bank 0.9182% 15/02/2024**	£5,000,000	5,096,050	1.45
Wellcome Trust Finance 4.75% 28/05/2021	£500,000	503,150	0.14
Yorkshire Building Society 0.6482% 19/11/2023**	£6,000,000	6,067,920	1.72
		83,851,432	23.80
Aa3 to A1 1.75% (1.40%)			
Close Brothers Finance 1.625% 03/12/2030	£3,000,000	2,901,510	0.82
Close Brothers Finance 2.75% 19/10/2026	£10,000	10,723	0.00
Motability Operations Group 1.5% 20/01/2041	£3,600,000	3,267,701	0.93
		6,179,934	1.75
A2 to A3 19.29% (16.09%)			
Aviva 6.125% Perpetual**	£700,000	747,502	0.21
Aviva 6.625% 03/06/2041**	£1,500,000	1,513,710	0.43
Aviva 4.375% 12/09/2049**	£4,000,000	4,491,520	1.27
Aviva 4% 03/06/2055**	£2,000,000	2,175,820	0.62
Aviva 5.125% 04/06/2050**	£2,000,000	2,355,820	0.67
Bank of America 7% 31/07/2028	£6,400,000	8,798,534	2.51
Citigroup 5.15% 21/05/2026	£4,683,000	5,563,109	1.58
Close Brothers Group 2.75% 26/04/2023	£2,382,000	2,464,870	0.70
Close Brothers Group 4.25% 24/01/2027**	£1,835,000	1,879,939	0.53
Diageo Finance 2.875% 27/03/2029	£3,000,000	3,307,680	0.94

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

** Denotes a variable interest security.

Portfolio statement (continued)
as at 31 March 2021

Investment	Nominal value or holding	Market value £	% of total net assets
Debt Securities* (continued)			
A2 to A3 (continued)			
Goldman Sachs Group 7.25% 10/04/2028	£6,000,000	8,193,468	2.33
Goldman Sachs Group 3.125% 25/07/2029	£3,000,000	3,305,280	0.94
Goldman Sachs Group 1.5% 07/12/2027	£500,000	497,785	0.14
HSBC Holdings 3% 22/07/2028**	£2,500,000	2,681,700	0.76
Legal & General Group 10% 23/07/2041**	£2,000,000	2,054,260	0.58
M&G 5.625% 20/10/2051**	£5,750,000	6,705,938	1.90
Prudential 6.125% 19/12/2031	£2,584,000	3,483,925	0.99
Rio Tinto Finance 4% 11/12/2029	£2,700,000	3,229,157	0.92
Volkswagen Financial Services 4.25% 09/10/2025	£4,000,000	4,489,080	1.27
		67,939,097	19.29
Baa1 to Baa2 22.01% (13.27%)			
3i Group 3.75% 05/06/2040	£3,000,000	3,295,650	0.94
AP Moller - Maersk 4.% 04/04/2025	£6,126,000	6,769,463	1.92
BAE Systems 4.125% 08/06/2022	£3,000,000	3,120,003	0.89
Barclays 2.375% 06/10/2023**	£6,146,000	6,284,039	1.78
BP Capital Markets 4.25% Perpetual**	£5,000,000	5,300,000	1.50
Burberry Group 1.125%21/09/2025	£1,000,000	988,523	0.28
Cadent Finance 1.125% 22/09/2021	£100,000	100,270	0.03
Cadent Finance 2.125% 22/09/2028	£2,500,000	2,578,325	0.73
CK Hutchison Group Telecom Finance 2% 17/10/2027	£2,000,000	2,026,640	0.58
Direct Line Insurance Group 4% 05/06/2032	£1,500,000	1,660,995	0.47
Eastern Power Networks 4.75% 30/09/2021	£1,500,000	1,531,155	0.43
Enel Finance International 1% 20/10/2027	£2,000,000	1,948,220	0.55
Eversholt Funding 2.742% 30/06/2040	£4,000,000	4,079,640	1.16
Experian Finance 3.25% 07/04/2032	£2,000,000	2,237,720	0.63
Fidelity International 7.125% 13/02/2024	£2,995,000	3,477,120	0.99
Glencore Finance Europe 3.125% 26/03/2026	£3,500,000	3,729,565	1.06
HSBC Bank 6.5% 07/07/2023	£1,000,000	1,123,359	0.32
Investec Bank 4.25% 24/07/2028**	£2,500,000	2,623,450	0.74
Leeds Building Society 3.75% 25/04/2029**	£2,000,000	2,105,300	0.60
London Power Networks 5.125% 31/03/2023	£500,000	543,746	0.15
Scotland Gas Networks 3.25% 08/03/2027	£1,350,000	1,486,310	0.42
Scottish Widows 5.5% 16/06/2023	£4,140,000	4,521,700	1.28
SSE 8.375% 20/11/2028	£250,000	366,738	0.10
Standard Chartered 5.125% 06/06/2034	£1,592,000	1,988,016	0.56
Tesco Personal Finance Group 3.5% 25/07/2025	£5,155,000	5,426,514	1.54
Thames Water Utilities Finance 4% 19/06/2025	£1,500,000	1,683,256	0.48
Tritax Big Box REIT 1.5% 27/11/2033	£1,000,000	945,951	0.27
Wessex Water Services Finance 4% 24/09/2021	£450,000	457,290	0.13
Wessex Water Services Finance 1.25% 12/01/2036	£2,500,000	2,211,406	0.63
Western Power Distribution West Midlands 6% 09/05/2025	£500,000	598,491	0.17
Yorkshire Building Society 3.375% 13/09/2028**	£2,250,000	2,387,340	0.68
		77,596,195	22.01

* Grouped by credit rating - source: Interactive Data and Bloomberg.
** Denotes a variable interest security.

Portfolio statement (continued)

as at 31 March 2021

Investment	Nominal value or holding	Market value £	% of total net assets
Debt Securities* (continued)			
Baa3 to unrated 26.62% (19.92%)			
Aster Treasury 1.405% 27/01/2036	£1,800,000	1,689,192	0.48
BG Energy Capital 5.125% 01/12/2025	£750,000	895,220	0.25
British Land 2.375% 14/09/2029	£2,500,000	2,500,150	0.71
European Bank for Reconstruction & Development 1.0481% 20/11/2025**	£5,000,000	5,191,500	1.47
Goldman Sachs Group 2.1% 08/09/2021**	£2,000,000	2,002,000	0.57
Heathrow Funding 5.225% 15/02/2023	£500,000	538,341	0.15
Heathrow Funding 6.75% 03/12/2026	£2,629,000	3,313,623	0.94
Heathrow Funding 2.625% 16/03/2028	£3,500,000	3,460,572	0.98
Heathrow Funding 2.75% 13/10/2029	£2,000,000	2,050,741	0.58
InterContinental Hotels Group 3.375% 08/10/2028	£2,500,000	2,634,875	0.75
Legal & General Group 5.625% Perpetual**	£4,500,000	4,899,600	1.39
Liverpool Victoria Friendly Society 6.5% 22/05/2043**	£1,500,000	1,638,591	0.46
Nationwide Building Society 0.4481% 24/02/2031**	£4,000,000	4,000,000	1.14
Northumbrian Water Finance 6.875% 06/02/2023	£4,000,000	4,442,600	1.26
Pearson Funding 3.75% 04/06/2030	£1,000,000	1,084,627	0.31
Pension Insurance Corp 4.625% 07/05/2031	£1,500,000	1,670,140	0.47
Pension Insurance Corp 3.625% 21/10/2032	£2,000,000	2,053,422	0.58
Phoenix Group Holdings 5.6255 28/04/2031	£3,000,000	3,538,590	1.00
Rothesay Life 6.875% Perpetual**	£4,000,000	4,550,120	1.29
Rothesay Life 5.5% 17/09/2029**	£3,400,000	3,769,614	1.07
Rothesay Life 8% 30/10/2025	£4,190,000	5,231,760	1.48
Segro 2.375% 11/10/2029	£4,000,000	4,258,360	1.21
Shaftesbury Chinatown 2.348% 30/09/2027	£2,900,000	2,849,830	0.81
Southern Water Services Finance 2.375% 28/05/2028	£6,000,000	6,129,300	1.75
SSE 3.74% Perpetual**	£5,500,000	5,775,000	1.64
Tesco Corporate Treasury Services 2.75% 27/04/2030	£2,200,000	2,315,214	0.66
Virgin Money UK 4% 25/09/2026**	£3,000,000	3,259,590	0.92
Whitbread Group 3% 31/05/2031	£2,200,000	2,178,398	0.62
Whitbread Group 2.375% 31/05/2027	£3,000,000	2,977,778	0.84
Workspace Group 2.25% 11/03/2028	£3,000,000	2,952,710	0.84
		93,851,458	26.62
Total debt securities		329,418,116	93.47
Closed-Ended Funds 4.31% (3.58%)			
Closed-Ended Funds - incorporated in the United Kingdom 1.48% (0.92%)			
HICL Infrastructure	3,175,000	5,232,400	1.48
Closed-Ended Funds - incorporated outwith the United Kingdom 2.83% (2.66%)			
GCP Infrastructure Investments	5,838,680	5,967,131	1.69
International Public Partnerships	2,387,500	4,001,450	1.14
Total closed-ended funds - incorporated outwith the United Kingdom		9,968,581	2.83
Total closed-ended funds		15,200,981	4.31

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

** Denotes a variable interest security.

Portfolio statement (continued)
as at 31 March 2021

Investment	Nominal value or holding	Market value £	% of total net assets
Offshore Collective Investment Schemes 0.53% (0.48%)			
WisdomTree Gilts 10Y 3x Daily Short	50,000	1,857,000	0.53
Structured Products 0.00% (1.43%)		-	-
Portfolio of investments		346,476,097	98.31
Other net assets		5,938,235	1.69
Total net assets		352,414,332	100.00

All investments are listed on recognised stock exchanges or 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 31 March 2020.

Risk and reward profile

The risk and reward indicator table demonstrates where the 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 Fund. The shaded area in the table below shows the 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 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 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 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.

The 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 Fund.

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

For further information please refer to the KIID.

For full details on risk factors for the 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 unitholder an indication of the performance of a unit in the Fund. It also discloses the operating charges and direct transaction costs applied to each unit. Operating charges are those charges incurred in operating the Fund and direct transaction costs are costs incurred when purchasing or selling securities in the portfolio of investments.

	Income			Accumulation		
	2021	2020	2019	2021	2020	2019
	p	p	p	p	p	p
Change in net assets per unit						
Opening net asset value per unit	110.16	113.71	114.11	166.81	168.53	165.54
Return before operating charges	10.09	(0.15)	3.05	15.28	(0.29)	4.37
Operating charges	(0.98)	(0.96)	(1.00)	(1.46)	(1.43)	(1.38)
Return after operating charges *	9.11	(1.11)	2.05	13.82	(1.72)	2.99
Distributions^	(2.61)	(2.44)	(2.45)	(4.00)	(3.64)	(3.58)
Retained distributions on accumulation units^	-	-	-	4.00	3.64	3.58
Closing net asset value per unit	116.66	110.16	113.71	180.63	166.81	168.53
Performance						
Return after charges	8.27%	(0.98%)	1.80%	8.28%	(1.02%)	1.81%
Other information						
Closing net asset value (£)	266,914,843	268,794,605	255,912,996	29,282,979	22,363,685	21,413,459
Closing number of units	228,788,795	243,993,458	225,063,466	16,211,359	13,406,824	12,705,767
Operating charges^^	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest unit price (p)	127.3	123.3	120.7	195.6	185.7	177.4
Lowest unit price (p)	110.3	108.3	111.9	167.0	163.1	164.7

^ Rounded to 2 decimal places.

^^ The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the Manager'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. It is indicative of the charges which the unit classes may incur in a year as it is calculated on historical data.

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

Comparative table (continued)

XL Institutional Income launched on 1 November 2018 at 113.7p per unit.

	XL Institutional Income		
	2021	2020	2019
	p	p	p
Change in net assets per unit			
Opening net asset value per unit	110.73	114.18	113.70
Return before operating charges	10.15	(0.15)	2.34
Operating charges	(0.76)	(0.74)	(0.74)
Return after operating charges*	9.39	(0.89)	1.60
Distributions^	(2.74)	(2.56)	(1.12)
Closing net asset value per unit	117.38	110.73	114.18
Performance			
Return after charges	8.48%	(0.78%)	1.41%
Other information			
Closing net asset value (£)	56,216,510	60,271,949	61,803,745
Closing number of units	47,893,446	54,429,219	54,126,422
Operating charges^^	0.64%	0.64%	^^^0.64%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest unit price (p)	128.1	124.0	120.9
Lowest unit price (p)	110.9	108.9	112.3

^ Rounded to 2 decimal places.

^^ The operating charges are represented by the Ongoing Charges Figure (‘OCF’). The OCF consists principally of the Manager'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. It is indicative of the charges which the unit classes may incur in a year as it is calculated on historical data.

^^^ Annualised based on the expenses incurred during the period 1 November 2018 to 31 March 2019.

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

Financial statements - SVS Church House Investment Grade Fixed Interest Fund

Statement of total return
for the year ended 31 March 2021

	Notes	2021		2020	
		£	£	£	£
Income:					
Net capital gains / (losses)	2		21,788,246		(10,515,881)
Revenue	3	9,694,311		9,090,595	
Expenses	4	(2,933,253)		(2,869,282)	
Net revenue before taxation		6,761,058		6,221,313	
Taxation	5	-		-	
Net revenue after taxation			6,761,058		6,221,313
Total return before distributions			28,549,304		(4,294,568)
Distributions	6		(8,225,121)		(7,656,803)
Change in net assets attributable to unitholders from investment activities			20,324,183		(11,951,371)

Statement of change in net assets attributable to unitholders
for the year ended 31 March 2021

	2021		2020	
	£	£	£	£
Opening net assets attributable to unitholders		351,430,239		339,130,200
Amounts receivable on issue of units	32,790,981		48,914,393	
Amounts payable on cancellation of units	(52,753,865)		(25,150,050)	
		(19,962,884)		23,764,343
Change in net assets attributable to unitholders from investment activities		20,324,183		(11,951,371)
Retained distributions on accumulation units		622,794		487,067
Closing net assets attributable to unitholders		352,414,332		351,430,239

Balance sheet

as at 31 March 2021

	Notes	2021	2020
		£	£
Assets:			
Fixed assets:			
Investments		346,476,097	331,110,077
Current assets:			
Debtors	7	4,508,025	7,458,276
Cash and bank balances	8	3,255,875	17,061,541
Total assets		354,239,997	355,629,894
Liabilities:			
Creditors:			
Distribution payable		(1,769,491)	(1,741,212)
Other creditors	9	(56,174)	(2,458,443)
Total liabilities		(1,825,665)	(4,199,655)
Net assets attributable to unitholders		352,414,332	351,430,239

Notes to the financial statements

for the year ended 31 March 2021

1. Accounting policies

   The accounting policies are disclosed on pages 14 to 16.

2. Net capital gains / (losses)	2021	2020
	£	£
Non-derivative securities - realised gains	1,326,040	1,212,052
Non-derivative securities - movement in unrealised gains / (losses)	20,467,664	(11,682,660)
Derivative contracts - movement in unrealised losses	-	(33,445)
Compensation	-	(7,349)
Transaction charges	(5,458)	(4,479)
Total net capital gains / (losses)	21,788,246	(10,515,881)

3. Revenue	2021	2020
	£	£
UK revenue	28,757	44,319
Unfranked revenue	209,893	103,272
Overseas revenue	590,078	424,288
Interest on debt securities	8,865,494	8,515,312
Bank and deposit interest	89	3,404
Total revenue	9,694,311	9,090,595

4. Expenses	2021	2020
	£	£
Payable to the Manager and associates		
Annual management charge	2,781,351	2,731,152
Registration fees	3,195	3,268
	2,784,546	2,734,420
Payable to the Trustee		
Trustee fees	95,327	93,979
Other expenses:		
Audit fee	15,480	8,520
Non-executive directors' fees	626	596
Safe custody fees	27,212	25,656
Bank interest	3,929	1,310
FCA fee	4,991	3,516
KIID production fee	1,142	1,285
	53,380	40,883
Total expenses	2,933,253	2,869,282

5. Taxation	2021	2020
	£	£
a. Analysis of the tax charge for the year		
Total taxation (note 5b)	-	-

5. Taxation (continued)

b. Factors affecting the tax charge for the year

The tax assessed for the year is lower (2020: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2020: 20%). The differences are explained below:

	2021	2020
	£	£
Net revenue before taxation	6,761,058	6,221,313
Corporation tax @ 20%	1,352,212	1,244,263
Effects of:		
Tax deductible interest distributions	(1,352,092)	(1,244,564)
Movement in short term timing differences	(120)	301
Total taxation (note 5a)	-	-

6. Distributions

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

	2021	2020
	£	£
Quarter 1 income distribution	1,792,467	1,800,294
Quarter 1 accumulation distribution	122,185	119,998
Interim income distribution	2,028,037	1,896,533
Interim accumulation distribution	175,115	130,948
Quarter 3 income distribution	1,924,081	1,786,911
Quarter 3 accumulation distribution	167,109	119,482
Final income distribution	1,769,491	1,741,212
Final accumulation distribution	158,385	116,639
	8,136,870	7,712,017
Equalisation:		
Amounts deducted on cancellation of units	164,311	72,849
Amounts added on issue of units	(76,102)	(128,059)
Net equalisation on conversions	42	(4)
Total net distributions	8,225,121	7,656,803

Reconciliation between net revenue and distributions:

	2021	2020
Net revenue after taxation per Statement of total return	6,761,058	6,221,313
Undistributed revenue brought forward	836	2,340
Expenses paid from capital	1,464,662	1,433,986
Undistributed revenue carried forward	(1,435)	(836)
Distributions	8,225,121	7,656,803

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

7. Debtors

	2021	2020
	£	£
Amounts receivable on issue of units	459,470	518,024
Sales awaiting settlement	-	3,532,836
Accrued revenue	4,048,555	3,407,416
Total debtors	4,508,025	7,458,276

8. Cash and bank balances

	2021	2020
	£	£
Total cash and bank balances	3,255,875	17,061,541

9. Other creditors

	2021	2020
	£	£
Amounts payable on cancellation of units	40,753	458,794
Purchases awaiting settlement	-	1,985,920
Other expenses:		
Safe custody fees	2,493	4,245
Audit fee	12,000	8,520
Non-executive directors' fees	561	547
KIID production fee	286	286
Transaction charges	81	131
Total accrued expenses	15,421	13,729
Total other creditors	56,174	2,458,443

10. Commitments and contingent liabilities

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

11. Unit classes

The following reflects the change in units in issue in the year:

	Income
Opening units in issue	243,993,458
Total units issued in the year	18,520,289
Total units cancelled in the year	(32,890,110)
Total units converted in the year	(834,842)
Closing units in issue	228,788,795

	Accumulation
Opening units in issue	13,406,824
Total units issued in the year	4,645,440
Total units cancelled in the year	(2,382,225)
Total units converted in the year	541,320
Closing units in issue	16,211,359

	XL Institutional Income
Opening units in issue	54,429,219
Total units issued in the year	2,202,176
Total units cancelled in the year	(8,744,509)
Total units converted in the year	6,560
Closing units in issue	47,893,446

11. Unit classes (continued)

For the year ended 31 March 2021, the annual management charge is as follows:

Income:	0.79%
Accumulation	0.79%
XL Institutional Income	0.60%

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

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

On the winding up of a Fund all the assets of the Fund will be realised and apportioned to the unit classes in relation to the net asset value on the closure date. Unitholders 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 unit class has the same rights on winding up.

12. Related party transactions

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

The Manager acts as principal in respect of all transactions of units in the Fund. The aggregate monies received and paid through the creation and cancellation of units are disclosed in the Statement of change in net assets attributable to unitholders of the Fund.

Amounts payable to the Manager and its associates are disclosed in note 4.

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per income unit has increased from 116.7p to 117.9p, accumulation unit has increased from 180.6p to 183.6p and XL Institutional Income unit has increased from 117.4p to 118.7p as at 26 July 2021. 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:

	Purchases before transaction costs	Commission		Taxes		Purchases after transaction costs
2021	£	£	%	£	%	£
Equities	2,900,470	410	0.01%	407	0.01%	2,901,287
Bonds	185,214,239	-	-	1	0.00%	185,214,240
Total	188,114,709	410	0.01%	408	0.01%	188,115,527

14. Transaction costs (continued)

a Direct transaction costs (continued)

2020	Purchases before transaction costs £	Commission £	Commission %	Taxes £	Taxes %	Purchases after transaction costs £
Equities	3,767,451	1,289	0.03%	6,156	0.16%	3,774,896
Bonds	143,021,683	2	0.00%	-	-	143,021,685
Total	146,789,134	1,291	0.03%	6,156	0.16%	146,796,581

2021	Sales before transaction costs £	Commission £	Commission %	Taxes £	Taxes %	Sales after transaction costs £
Bonds	188,250,996	-	-	(1)	0.00%	188,250,995
Structured Products*	4,861,900	-	-	-	-	4,861,900
Total	193,112,896	-	-	(1)	-	193,112,895

2020	Sales before transaction costs £	Commission £	Commission %	Taxes £	Taxes %	Sales after transaction costs £
Equities	1,322,111	(1,326)	0.10%	-	-	1,320,785
Bonds	137,194,466	(1)	0.00%	-	-	137,194,465
Structured Products*	5,000,000	-	-	-	-	5,000,000
Total	143,516,577	(1,327)	0.10%	-	-	143,515,250

* No direct transaction costs were incurred 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 Fund's average net asset value in the year:

2021	£	% of average net asset value
Commission	410	0.00%
Taxes	409	0.00%

2020	£	% of average net asset value
Commission	2,618	0.00%
Taxes	6,156	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 0.41% (2020: 0.53%).

15. Risk management policies (continued)

a Market risk (continued)

15. Risk management policies

In pursuing the Fund's investment objective, as set out in the Prospectus, the following are accepted by the Manager as being the main risks from the Fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the Manager'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 Manager, 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 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 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 Fund is exposed to price fluctuations, which are monitored by the Manager 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 Fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 31 March 2021, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders of the Fund would increase or decrease by approximately £852,899 (2020: £713,704).

(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. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. 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 Fund had no significant exposure to foreign currency in the year.

(iii) Interest rate risk

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

During the year the 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. The Fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

At 31 March 2021, if interest rates increased or decreased by 25 basis points, with all other variables remaining constant, then the net assets attributable to unitholders of the Fund would increase or decrease by approximately £3,673,045 (2020: £2,263,540).

Derivative contracts are not used to hedge against the exposure to interest rate risk.

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:

2021	Variable rate financial assets £	Variable rate financial liabilities £	Fixed rate financial assets £	Non-interest bearing financial assets £	Non-interest bearing financial liabilities £	Total £
UK sterling	150,271,873	-	182,402,118	21,566,006	(1,825,665)	352,414,332
	150,271,873	-	182,402,118	21,566,006	(1,825,665)	352,414,332

2020	Variable rate financial assets £	Variable rate financial liabilities £	Fixed rate financial assets £	Non-interest bearing financial assets £	Non-interest bearing financial liabilities £	Total £
UK sterling	201,543,261	-	132,354,278	21,732,355	(4,199,655)	351,430,239
	201,543,261	-	132,354,278	21,732,355	(4,199,655)	351,430,239

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 Trustee has appointed the custodian to provide custody services for the assets of the Fund. There is a counterparty risk that the custodian could cease to be in a position to provide custody services to the Fund. The 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 Fund holds cash and cash deposits with financial institutions which potentially exposes the Fund to counterparty risk. The credit rating of the financial institution is taken into account so as to minimise the risk to the Fund of default.

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

c Liquidity risk

A significant risk is the cancellation of units 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 units 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 units in the Fund.

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

To reduce liquidity risk the Manager will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the 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 Fund.

15. Risk management policies (continued)

c Liquidity risk (continued)

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the 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 Manager 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 Fund's price should the constituent investments be exposed to closed markets during general market volatility or instability.

Basis of valuation	Investment assets 2021	Investment liabilities 2021
	£	£
Quoted prices	17,057,981	-
Observable market data	329,418,116	-
Unobservable data	-	-
	346,476,097	-

Basis of valuation	Investment assets 2020	Investment liabilities 2020
	£	£
Quoted prices	24,330,079	-
Observable market data	301,774,058	-
Unobservable data*	5,005,940	-
	331,110,077	-

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

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

Cattles 7.875% 17/01/2014: The fair value pricing committee felt that it was appropriate to value the holding at nil value due to the security being in default.

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:

	2021	2020
	% of the total net asset value	% of the total net asset value
Cattles 7.875% 17/01/2014	-	0.00%
Total	-	0.00%

15. Risk management policies (continued)

f Derivatives

The Fund may employ derivatives with the aim of reducing the Fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with Efficient Portfolio Management.

The Manager monitors that any exposure is covered globally to ensure adequate cover is available to meet the 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 Fund had exposure to derivatives embedded in structured products and convertible bonds. On a daily basis, exposure is calculated in UK sterling using the commitment approach with netting applied where appropriate. The total global exposure figure is divided by the net asset value of the Fund to calculate the percentage global exposure. Global exposure is a risk mitigation technique that monitors the overall commitment to derivatives in a Fund at any given time and may not exceed 100% of the net asset value of the property of the 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.

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 Fund using a range of brokers for security transactions, thereby diversifying the risk of exposure to any one broker. In addition the Fund will only transact with brokers who are subject to frequent reviews with whom transaction limits are set.

The Fund may transact in derivative contracts which potentially exposes the 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 Trustee.

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

(ii) Leverage

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

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 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 31 March 2021

Distributions on Income units in pence per unit

Payment date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.08.20	group 1	quarter 1	0.613	-	0.613	0.627
31.08.20	group 2	quarter 1	0.233	0.380	0.613	0.627
30.11.20	group 1	interim	0.702	-	0.702	0.647
30.11.20	group 2	interim	0.419	0.283	0.702	0.647
28.02.21	group 1	quarter 3	0.663	-	0.663	0.588
28.02.21	group 2	quarter 3	0.336	0.327	0.663	0.588
31.05.21	group 1	final	0.634	-	0.634	0.578
31.05.21	group 2	final	0.309	0.325	0.634	0.578

Equalisation

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

Quarter 1 distribution:

Group 1	Units purchased before 1 April 2020
Group 2	Units purchased 1 April 2020 to 30 June 2020

Interim distribution:

Group 1	Units purchased before 1 July 2020
Group 2	Units purchased 1 July 2020 to 30 September 2020

Quarter 3 distribution:

Group 1	Units purchased before 1 October 2020
Group 2	Units purchased 1 October 2020 to 31 December 2020

Final distribution:

Group 1	Units purchased before 1 January 2021
Group 2	Units purchased 1 January 2021 to 31 March 2021

Distribution table (continued)

for the year ended 31 March 2021

Distributions on Accumulation units in pence per unit

Allocation date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.08.20	group 1	quarter 1	0.930	-	0.930	0.928
31.08.20	group 2	quarter 1	0.426	0.504	0.930	0.928
30.11.20	group 1	interim	1.079	-	1.079	0.966
30.11.20	group 2	interim	1.007	0.072	1.079	0.966
28.02.21	group 1	quarter 3	1.014	-	1.014	0.879
28.02.21	group 2	quarter 3	0.562	0.452	1.014	0.879
31.05.21	group 1	final	0.977	-	0.977	0.870
31.05.21	group 2	final	0.518	0.459	0.977	0.870

Equalisation

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

Accumulation distributions

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

Quarter 1 distribution:

Group 1	Units purchased before 1 April 2020
Group 2	Units purchased 1 April 2020 to 30 June 2020

Interim distribution:

Group 1	Units purchased before 1 July 2020
Group 2	Units purchased 1 July 2020 to 30 September 2020

Quarter 3 distribution:

Group 1	Units purchased before 1 October 2020
Group 2	Units purchased 1 October 2020 to 31 December 2020

Final distribution:

Group 1	Units purchased before 1 January 2021
Group 2	Units purchased 1 January 2021 to 31 March 2021

Distribution table (continued)

for the year ended 31 March 2021

Distributions on XL Institutional Income units in pence per unit

Payment date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.08.20	group 1	quarter 1	0.644	-	0.644	0.656
31.08.20	group 2	quarter 1	0.278	0.366	0.644	0.656
30.11.20	group 1	interim	0.734	-	0.734	0.679
30.11.20	group 2	interim	0.266	0.468	0.734	0.679
28.02.21	group 1	quarter 3	0.696	-	0.696	0.617
28.02.21	group 2	quarter 3	0.304	0.392	0.696	0.617
31.05.21	group 1	final	0.666	-	0.666	0.608
31.05.21	group 2	final	0.325	0.341	0.666	0.608

Equalisation

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

Quarter 1 distribution:

Group 1	Units purchased before 1 April 2020
Group 2	Units purchased 1 April 2020 to 30 June 2020

Interim distribution:

Group 1	Units purchased before 1 July 2020
Group 2	Units purchased 1 July 2020 to 30 September 2020

Quarter 3 distribution:

Group 1	Units purchased before 1 October 2020
Group 2	Units purchased 1 October 2020 to 31 December 2020

Final distribution:

Group 1	Units purchased before 1 January 2021
Group 2	Units purchased 1 January 2021 to 31 March 2021

Remuneration

Remuneration code disclosure

The remuneration committee is responsible for setting remuneration policy for all partners, directors and employees within the Smith & 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 46-49 of the Smith & Williamson Report and Financial Statements for the year ended 30 April 2020 (available https://smithandwilliamson.com/en/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 seven times during 2019-20.

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 2020. 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 70 employees is £3,099,931 of which £2,863,541 is fixed remuneration. This is based on the annualised salary and benefits for those identified as working in SWFAL as at 30 April 2020. Any variable remuneration is awarded for the year ending 30 April 2020. 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 2019-20 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	Financial Year ending 30 April 2020				
		Variable			
	Fixed	Cash	Equity	Total	No. MRTs
	£'000	£'000	£'000	£'000	
Senior Management	1,846	2,411	-	4,257	9
Other MRTs	1,222	928	-	2,150	9
Total	3,068	3,339	-	6,407	18

Investment Manager

The Manager delegates the management of the Fund's portfolio of investments to Church House Investments Limited and pays to Church House Investments Limited, out of the Manager's annual management charge, a monthly fee calculated on the total value of the portfolio of investments at each valuation point. 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 quarterly on 31 May (final), 31 August (quarter 1), 30 November (interim) and the last day in February (quarter 3). In the event of a distribution, unitholders will receive a tax voucher.

XD dates:	1 April	final
	1 July	quarter 1
	1 October	interim
	1 January	quarter 3
Reporting dates:	31 March	annual
	30 September	interim

Buying and selling units

The property of the Fund is valued at 12 noon on each 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 Manager and the Trustee; and the prices of the Fund are calculated as at that time. Unit dealing is on a forward basis i.e. investors can buy and sell units at the next valuation point following receipt of the order.

Income units and Accumulation units

The minimum initial investment in these unit classes is £5,000. The minimum subsequent investment is £5,000. The Manager reserves the right to terminate holdings where the value is less than £3,000. The Manager may waive the minimum levels at its discretion.

The Manager may impose a charge on the sale of units to investors, which is based on the amount invested by the prospective investor. The preliminary charge is 5% of the value of each unit.

XL Institutional Income units and XL Institutional Accumulation units

The minimum initial investment in these unit classes is £50,000,000. The minimum subsequent investment is £5,000. The Manager reserves the right to terminate holdings where the value is less than £50,000,000. The Manager may waive the minimum levels at its discretion.

The Manager may impose a charge on the sale of units to investors, which is based on the amount invested by the prospective investor. The preliminary charge is 5% of the value of each unit.

Prices of units and the estimated yield of the unit classes are published on the following website: www.trustnet.com or may be obtained by calling 0141 222 1151.

Benchmark

Unitholders may compare the performance of the Trust against the ICE BofAML 7-10 Years AA Sterling Corporate & Collateralised Index and the IA £ Corporate Bond sector.

Comparison of the Trust's performance against IA £ Corporate Bond sector will give unitholders an indication of how the Trust is performing against other similar funds in this peer group sector. The Manager has selected ICE BofAML 7-10 Years AA Sterling Corporate & Collateralised Index as a comparator benchmark as the Manager believes it best reflects the asset allocation of the Trust.

The benchmarks are not targets for the Trust, nor is the Trust constrained by the benchmarks.

Appointments

Manager 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
St Vincent St Fund Administration (a trading name of 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 Manager
Brian McLean
David Cobb - resigned 25 May 2021
James Gordon
Kevin Stopps - resigned 11 May 2021
Andrew Baddeley – appointed 12 March 2021

Independent Non-Executive Directors of the Manager
Dean Buckley
Linda Robinson
Victoria Muir

Non-Executive Directors of the Manager
Paul Wyse
Kevin Stopps – appointed 11 May 2021

Investment Manager
Church House Investments Limited
York House
6 Coldharbour
Sherborne
Dorset DT9 4JW
Authorised and regulated by the Financial Conduct Authority

Trustee
NatWest Trustee and Depositary Services Limited
House A, Floor 0
Gogarburn
175 Glasgow Road
Edinburgh EH12 1HQ
Authorised and regulated by the Financial Conduct Authority

Auditor
Mazars LLP
Tower Bridge House
St Katharine's Way
London E1W 1DD