

IFSL Church House Esk Global Equity Fund
(formerly SVS Church House Esk Global Equity Fund)

Annual Report

for the year ended 30 September 2022

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IFSL Church House Esk Global Equity Fund (formerly SVS Church House Esk Global Equity Fund)

Report of the Manager

The Manager, presents the Annual Report for IFSL Church House Esk Global Equity Fund (formerly SVS Church House Esk Global Equity Fund) for the year ended 30 September 2022.

IFSL Church House Esk Global Equity Fund ('the Trust' or 'the Fund') is an authorised unit trust scheme further to an authorisation order dated 25 October 1996 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.

On 24 February 2022, Russian troops started invading Ukraine. In response, multiple jurisdictions have imposed economic sanctions on Russia and Belarus. In addition, a growing number of public and private companies have announced voluntary actions to curtail business activities with Russia and Belarus. As Manager we continue to monitor the events as they unfold. In particular, IFSL Church House Esk Global Equity Fund does not have direct exposure to the Russian market.

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 aim of the Fund is to provide capital growth over the long term (at least five years).

The Fund is actively managed. At least 80% of the Fund's assets are invested directly in shares of companies worldwide. The focus of the Fund is on larger capitalisation companies, which the Manager defines as those with a minimum market capitalisation of \$5 billion at the time of purchase, which must be listed on recognised exchanges in developed markets. No specific geographic limitations are imposed, but a maximum of 15% is invested in companies incorporated in the UK. Up to 20% of the Fund may be invested in other assets: smaller companies (capitalisation less than \$5 billion), fixed interest securities (including floating rate notes, index linked or convertible fixed interest securities), money market instruments and cash.

Changes affecting the Fund in the year

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

Smith & Williamson Fund Administration Limited changed name to Evelyn Partners Fund Solutions Limited on 10 June 2022.

Changes affecting the Fund subsequent to the year

As at 1 October 2022, the Fund changed name to IFSL Church House Esk Global Equity Fund and Investment Fund Services Limited became Manager of the Fund.

Further information in relation to the Fund is illustrated on page 36.

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, Investment Fund Services Limited.



Allan Hamer

Directors

Investment Fund Services Limited

26 January 2023



Helen Redmond

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 losses 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 the Financial Statements of UK Authorised Funds ('the SORP') issued by The Investment Association in May 2014 and amended in June 2017;
- 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. The Assessment of Value will be published on the Manager's website.

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

Report of the Trustee to the unitholders of IFSL Church House Esk Global Equity 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 limits;
- 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 Fund, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Fund.

NatWest Trustee and Depositary Services Limited
26 January 2023

Independent Auditor's report to the unitholders of IFSL Church House Esk Global Equity Fund

Opinion

We have audited the financial statements of IFSL Church House Esk Global Equity Fund (the 'Trust') for the year ended 30 September 2022 which comprise the Statement of Total Return, Statement of Change in Net Assets Attributable to Unitholders, Balance Sheet, the related Notes to the Financial Statements, including significant accounting policies and the Distribution Table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the financial position of the Trust at 30 September 2022 and of the net revenue and the net capital losses on the property of the Trust for the year then ended; and
- have been properly prepared in accordance with the IA Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes sourcebook of the Financial Conduct Authority 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 described further 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 12 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. 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 this gives rise to a material misstatement in the financial statements themselves. 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:

- Proper accounting records for the Trust have been kept and the accounts are in agreement with those records;
- We have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- The information given in the Manager's report for the year is consistent with the financial statements.

Independent Auditor's report to the unitholders of IFSL Church House Esk Global Equity Fund (continued)

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 these financial statements.

Extent to which the audit is considered capable of detecting irregularities, including fraud

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. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- UK Generally Accepted Accounting Practice including Financial Reporting Standard 102 and the IA Statement of Recommended Practice for Authorised Funds;
- the Financial Conduct Authority's Collective Investment Schemes sourcebook; and
- the Trust's Prospectus.

We gained an understanding of how the Trust is complying with these laws and regulations by making enquiries of the Manager. We corroborated these enquiries through our review of any relevant correspondence with regulatory bodies and the Trust's breaches register.

We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where it was considered there was susceptibility to fraud. This evaluation also considered how the Manager was remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how the Manager oversees the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

Independent Auditor's report to the unitholders of IFSL Church House Esk Global Equity Fund (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

Extent to which the audit is considered capable of detecting irregularities, including fraud (continued)

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity and reviewing judgements made by the Manager in its calculation of accounting estimates for potential management bias; and
- Assessing the Trust's compliance with the key requirements of the Collective Investment Schemes sourcebook and its Prospectus.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>

Use of Our Report

This report is made solely to the Trust's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') published by the Financial Conduct Authority under 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.



Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Bishop's Court
29 Albyn Place
Aberdeen, AB10 1YL
26 January 2023

Accounting policies of IFSL Church House Esk Global Equity Fund

for the year ended 30 September 2022

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 and amended in June 2017.

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 30 September 2022.

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 30 September 2022 with reference to quoted bid prices from reliable external sources.

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.

Dividends from unquoted equity shares are recognised when declared.

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

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

e *Expenses*

All expenses, other than those relating to the purchase and sale of investments, are charged to revenue on an accrual basis.

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.

Accounting policies of IFSL Church House Esk Global Equity Fund (continued)

for the year ended 30 September 2022

g Taxation

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

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

Deferred taxation is provided in full on timing differences that result in an obligation at 30 September 2022 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 relevant class 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.

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* over:	1 year	3 years	5 years
IFSL Church House Esk Global Equity Fund A Income	-8.7%	+22.1%	+40.6%

*Source: Bloomberg and Evelyn Partners Fund Solutions Limited. Based on mid prices at 12pm on 30 September 2022.

Past performance is not a reliable indicator of future performance; the value of your investment and any income from it can go down as well as up. Capital at risk. Past performance is not a reliable indicator of future performance; the value of your investment and any income from it can go down as well as up. Performance returns are based on the net asset value with distributable income reinvested and take account of all ongoing charges, but not entry charges (if applicable). The past performance of this unit class is calculated in sterling.

The benchmark produced the following performance^ over the year from 1 October 2021 to 30 September 2022:

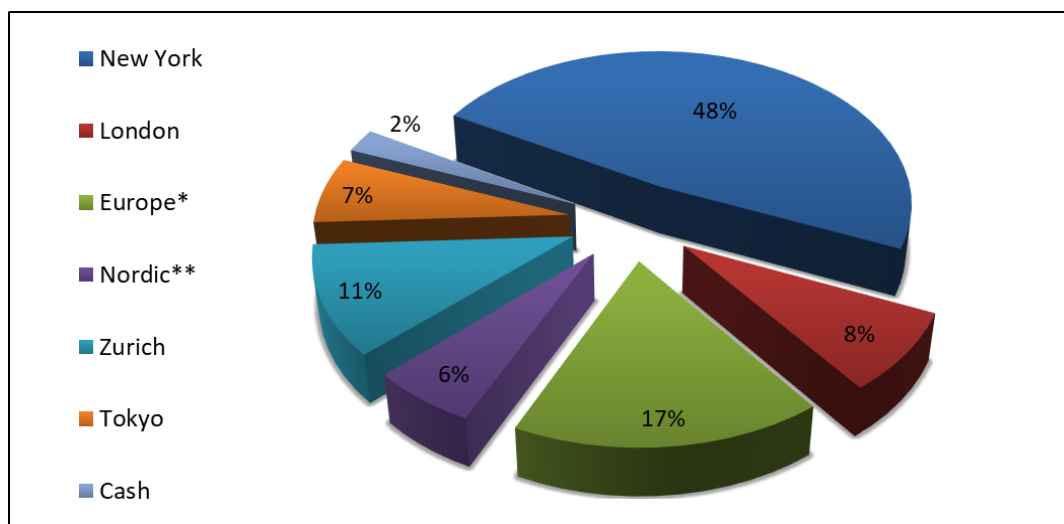
IA Global Sector: -8.9%

^ Source: FE fundinfo

Investment activities

IFSL Church House Esk Global Equity Fund has been sheltered from much of the storms of 2022 by virtue of its high exposure to US dollar assets. This is reflected in a further slight increase in the US portion of the pie chart of constituents:

IFSL Church House Esk Global Equity Fund Constituents by City of Listing - 30 September 2022



Source: Church House Investments Limited.

* Amsterdam, Paris, Frankfurt

** Copenhagen, Stockholm

Having reported in April on the first six months of the Fund's year, these comments cover the latter six-month period. Over the three months to the end of June, the Fund fell back along with world markets. Numerically, the most damage was done by Illumina, the American gene sequencing company, whose stock slumped with a (perceived) increase in competition, a Food and Drug Administration warning on the vulnerability of their machines to cyber attack and the resignation of their Finance Director. But the most actual damage was done by Amazon.com, a bigger holding in the portfolio, after disappointing first quarter figures and a downbeat outlook statement. Modest positive contributions came from Heineken, Johnson & Johnson and Sartorius and, most notably from Unilever, which managed an 8% gain. The only sale was the holding in VeriSign, which had suffered along with the rest, but we felt that there was better value to be found elsewhere. We started to buy Intuit again in mid-May, their shares had fallen an extraordinary 43% since we reduced the holding in December. Others added to at this time were Alphabet 'A', GN Store Nord and Logitech International.

Investment Manager's report (continued)

Investment activities (continued)

At the end of June, we returned to the market to add to Mastercard and to T Rowe Price Group, which had fallen 50% from last November (extraordinary, is this company really worth half what it was six months ago?). We also started to buy back into Morgan Stanley, the American bank, another holding that we had reduced last autumn but had subsequently fallen by 27%.

Moving into the final three months, we decided to close the position in Illumina, which was continuing to disappoint, while opening a new position in the Swiss dental services company, Straumann Holding. We have followed Straumann Holding for many years, hoping for an opportunity to acquire a holding, with their shares down by around 50% from their peak in 2021 we were happy to make a start. Numerically, the worst performer in the portfolio was GN Store Nord, the Danish manufacturer of hearing aids and audio equipment, as concerns have been raised about the resilience of the audio side of the business in a downturn.

Top 15 Holdings - 30 September 2022*	
Microsoft	4.4%
Alphabet 'A'	4.1%
Johnson & Johnson	3.8%
Apple	3.4%
LVMH Moët Hennessy Louis Vuitton	3.4%
Amazon.com	3.3%
Mastercard	3.2%
Roche Holding	3.1%
Nestlé	2.9%
Stryker	2.9%
Morgan Stanley	2.8%
L'Oréal	2.7%
RELX	2.6%
Unilever	2.5%
McDonald's	2.5%

Euronext, the pan-European stock exchange, has also been a weak feature, caught up in the general pessimism surrounding European stocks. Among the technology holdings in the portfolio, Alphabet 'A' and Microsoft both weakened along with the rather smaller holding in Oracle, despite some respectable figures from the latter. Better against the trend though were Amazon.com, Apple and Intuit.

The pharmaceutical and healthcare holdings put in a mixed performance with notable gains for Chugai Pharmaceutical, Gilead Sciences and Stryker but weakness in Johnson & Johnson which had to destroy a number of doses of their Covid-19 vaccine after some failed inspection. The industrials Nordson and PACCAR both put in a positive performance as did the majority of the staple goods holdings, with the exception of Nestlé, which drifted. The luxury goods holdings gained, LVMH Moët Hennessy Louis Vuitton by 5% and, most notably, Hermès International, by 14% after strong half-year figures and a confident statement that beat expectations.

Investment strategy and outlook

An appalling quarter on so many fronts ended at just about the worst point possible for investors. It had started reasonably well with an improvement in equity and bond markets through July and early August. Putin's 'gas attack' on Europe in mid-August put paid to this, and energy prices leapt again, adding to concerns over inflation on both sides of the Atlantic.

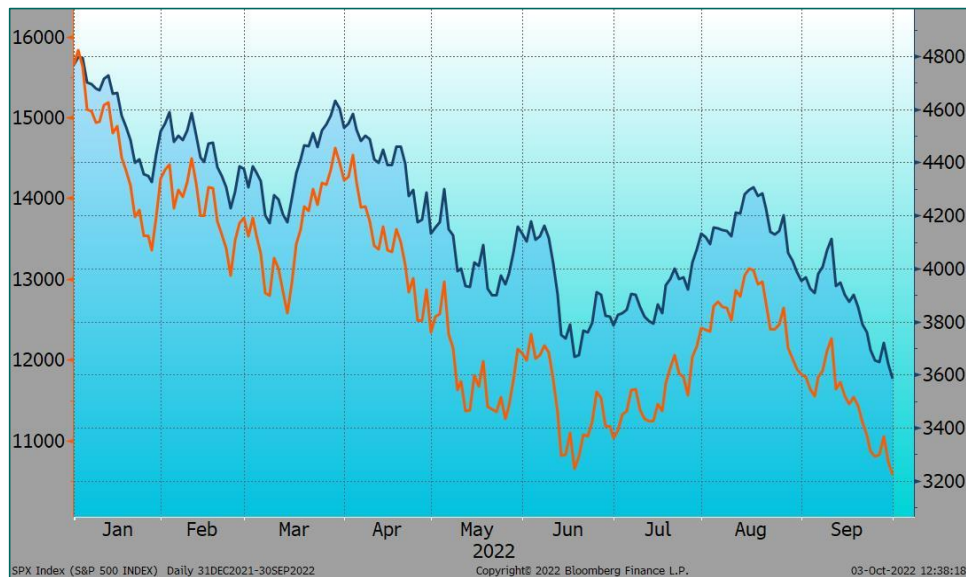
International equity markets have suffered big falls over the year despite some respite in July and the first half of August. The chart, on the following page, of the American markets over the course of the year illustrates this, the technology-dominated NASDAQ Index is down by around a third, though it was, relatively speaking, not so bad over the past three months:

*Source: Evelyn Partners Fund Solutions Limited.

Investment Manager's report (continued)

Investment strategy and outlook (continued)

S&P 500 (dark blue) and NASDAQ Composite (orange) Indices – 2022*



Government disarray in the UK did not help. UK gilts don't often hit the headlines, but that all changed in the week following Kwasi Kwarteng's 'Fiscal Statement' on 23 September. This was a shockingly inept display from the new Government, how did they expect markets to react, particularly the gilt market, when they announce 'spend, spend, spend' with no indication of how this was to be paid for. The price of gilts duly collapsed and it was true to say that the gilt market had fallen into disarray and was not functioning properly. This was the moment when the Bank of England, correctly, stepped in to provide a backstop and some order was restored. The result is that available rates of interest for longer periods have reversed the falls of the past twelve years since the financial crisis of 2008/9. The shock was that it happened so quickly, leaving holders of longer-dated gilts (and other fixed interest securities) nursing heavy capital losses.

Inflation is still the key to all this. Led by the US Federal Reserve, central banks have been raising their base interest rates in an attempt to tackle it, and we expect to see more increases. Here, and in Europe, consumers and businesses are to be shielded from the prospect of massive jumps in fuel prices (though these are abating somewhat), which will provide significant relief. But central bank (and inept political) actions mean that a mild recession in the US looks likely now, while the European economy is already in recession as is, probably, ours.

There is value on offer in international equity markets, particularly among the 'quality growth' companies. Markets have now 'priced-in' a lot of bad news (it has been relentless!). We expect to see the value in the Fund's holdings reflected in better returns over the course of the year ahead.

Church House Investments Limited
28 October 2022

*Source: Bloomberg

Portfolio changes

for the year ended 30 September 2022

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

	Cost
	£
Purchases:	
Sartorius	1,179,367
Straumann Holding	1,075,346
Remy Cointreau	1,013,579
Logitech International	854,254
GN Store Nord	532,164
Amazon.com	514,201
Chugai Pharmaceutical	482,151
Mastercard	463,048
Ferrari	296,754
Intuit	293,450
Morgan Stanley	188,106
T Rowe Price Group	187,564
Alphabet 'A'	177,197
Oracle	168,618
Illumina	148,010
Nidec	110,152
Johnson & Johnson	91,162
	<u>7,775,123</u>
	Proceeds
	£
Sales:	
Tritax Eurobox	1,372,932
Illumina	1,000,932
Mobius Investment Trust	904,167
VeriSign	521,158
M3	492,456
Intuit	482,695
	<u>4,774,340</u>

Portfolio statement
as at 30 September 2022

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities 96.66% (93.37%)			
Equities - United Kingdom 9.15% (10.40%)			
Equities - incorporated in the United Kingdom 7.40% (9.10%)			
Materials 2.28% (2.15%)			
Rio Tinto	27,500	<u>1,346,400</u>	<u>2.28</u>
Industrials 2.60% (4.56%)			
RELX	70,000	<u>1,535,761</u>	<u>2.60</u>
Consumer Staples 2.52% (2.39%)			
Unilever	37,500	<u>1,487,495</u>	<u>2.52</u>
Financials 0.00% (0.00%)			
Ceravision*	130,000	-	-
ULTra PRT*	280	-	-
		-	-
Total equities - incorporated in the United Kingdom		<u>4,369,656</u>	<u>7.40</u>
Equities - incorporated outwith the United Kingdom 1.75% (1.30%)			
Financials 1.75% (1.30%)			
Everest Re Group	4,400	<u>1,034,430</u>	<u>1.75</u>
Total equities - United Kingdom		<u>5,404,086</u>	<u>9.15</u>
Equities - Europe 34.94% (29.27%)			
Equities - Denmark 2.47% (3.26%)			
GN Store Nord	35,000	553,343	0.94
Novozymes	20,000	906,451	1.53
Total equities - Denmark		<u>1,459,794</u>	<u>2.47</u>
Equities - France 9.97% (7.77%)			
Hermès International	1,160	1,238,385	2.10
L'Oréal	5,500	1,591,356	2.69
LVMH Moët Hennessy Louis Vuitton	3,750	2,008,118	3.40
Remy Cointreau	7,000	1,049,846	1.78
Total equities - France		<u>5,887,705</u>	<u>9.97</u>
Equities - Germany 1.53% (0.00%)			
Sartorius	3,400	<u>901,097</u>	<u>1.53</u>
Equities - Netherlands 6.05% (5.98%)			
Euronext	21,000	1,181,676	2.00
Ferrari	6,000	1,009,127	1.71
Heineken	17,500	1,379,728	2.34
Total equities - Netherlands		<u>3,570,531</u>	<u>6.05</u>

* Ceravision & ULTra PRT: The fair value pricing committee assesses that it is appropriate to value the shares at nil based on recent information available regarding the low likelihood of realising any investment return.

Portfolio statement (continued)
as at 30 September 2022

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities (continued)			
Equities - Sweden 3.62% (4.20%)			
Industrivarden	45,000	812,228	1.38
Investor	100,000	1,322,877	2.24
Total equities - Sweden		<u>2,135,105</u>	<u>3.62</u>
Equities - Switzerland 11.30% (8.06%)			
Logitech International	15,000	627,304	1.06
Lonza Group	1,500	663,890	1.12
Nestlé	17,500	1,705,483	2.89
Roche Holding	6,250	1,839,589	3.12
Straumann Holding	10,000	835,495	1.42
Swiss Re Group	15,000	998,771	1.69
Total equities - Switzerland		<u>6,670,532</u>	<u>11.30</u>
Total equities - Europe		<u>20,624,764</u>	<u>34.94</u>
Equities - United States 45.81% (44.70%)			
Alphabet 'A'	28,000	2,399,677	4.07
Amazon.com	19,000	1,923,659	3.26
ANSYS	5,000	992,430	1.68
Apple	16,000	1,979,110	3.35
Berkshire Hathaway	5,000	1,196,900	2.03
Gilead Sciences	15,000	828,944	1.40
Intuit	4,000	1,387,869	2.35
Johnson & Johnson	15,250	2,234,153	3.79
Mastercard	7,300	1,861,981	3.15
McDonald's	7,000	1,447,532	2.45
Microsoft	12,500	2,606,938	4.42
Morgan Stanley	23,000	1,627,905	2.76
Nordson	7,000	1,331,085	2.25
Oracle	23,500	1,286,258	2.18
PACCAR	12,500	937,136	1.59
Stryker	9,250	1,680,131	2.85
T Rowe Price Group	14,000	1,316,976	2.23
Total equities - United States		<u>27,038,684</u>	<u>45.81</u>
Equities - Japan 6.76% (9.00%)			
Chugai Pharmaceutical	20,000	447,088	0.76
Nidec	13,000	653,947	1.11
Shin-Etsu Chemical	10,000	884,088	1.50
Sony Group	20,500	1,178,016	2.00
Sumitomo Mitsui Financial Group	33,000	821,840	1.39
Total equities - Japan		<u>3,984,979</u>	<u>6.76</u>
Total equities		<u>57,052,513</u>	<u>96.66</u>

Portfolio statement (continued)

as at 30 September 2022

	Nominal value or holding	Market value £	% of total net assets
Investment			
Closed-Ended Funds - incorporated in the United Kingdom 0.87% (2.66%)			
Caledonia Investments	16,250	511,875	0.87
Portfolio of investments		57,564,388	97.53
Other net assets		1,460,764	2.47
Total net assets		59,025,152	100.00

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

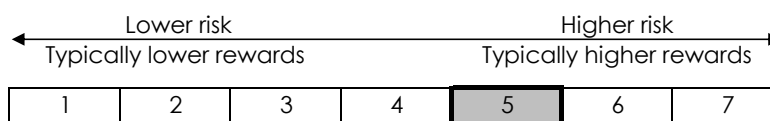
The comparative figures in brackets are as at 30 September 2021.

United Kingdom equities are grouped in accordance with Global Industry Classification Standard ('GICS').

GICS was developed by and is the exclusive property and a service mark of MSCI Inc. ('MSCI') and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ('S&P') and is licensed for use by Evelyn Partners Services Limited (previously Smith & Williamson Services Ltd). Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Risk and reward profile (all unit classes)

This indicator aims to give you a measure of the price movement of the Fund based on past data. It uses historic returns over the last five years. If five years' data is not available, simulated data based on a representative portfolio is used.



Past data may not be a reliable indication of the future risk profile of the Fund. The risk category may change in the future and is not guaranteed. The lowest category does not mean risk free. The value of investments and the income from them may fall as well as rise and you may not get back the amount you originally invested.

This Fund has been measured as 5 because its investments have experienced moderate to high volatility in the past. The Fund's volatility is affected by various risks, including:

- The Fund will be exposed to stock markets and market conditions can change rapidly. Prices can move irrationally and be affected unpredictably by diverse factors, including political and economic events.
- The Fund has exposure to bonds, the prices of which will be impacted by factors including; changes in interest rates, inflation expectations and perceived credit quality.
- When interest rates rise, bond values generally fall. This risk is generally greater for longer term bonds and for bonds with perceived lower credit quality.
- The Fund invests in other currencies. Changes in exchange rates will therefore affect the value of your investment.

Risks which are not adequately captured by the risk indicator include:

- In certain market conditions some assets may be less predictable than usual. This may make it harder to sell at a desired price and/or in a timely manner.
- In extreme market conditions redemptions in the underlying funds or the Fund itself may be deferred or suspended.

A more detailed description of the risks that apply to this Fund can be found in the Fund's prospectus.

For further information please refer to the KIID.

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.

	A Income			A Accumulation		
	2022	2021	2020	2022	2021	2020
	p	p	p	p	p	p
Change in net assets per unit						
Opening net asset value per unit	397.81	331.85	300.80	412.13	343.23	310.20
Return before operating charges	(28.54)	71.92	36.02	(29.58)	73.97	37.22
Operating charges	(5.21)	(4.84)	(4.02)	(5.41)	(5.07)	(4.19)
Return after operating charges *	(33.75)	67.08	32.00	(34.99)	68.90	33.03
Distributions [^]	(1.02)	(1.12)	(0.95)	(1.04)	(0.90)	(0.89)
Retained distributions on accumulation units [^]	-	-	-	1.04	0.90	0.89
Closing net asset value per unit	363.04	397.81	331.85	377.14	412.13	343.23
* after direct transaction costs of:	0.07	0.06	0.17	0.07	0.06	0.18
Performance						
Return after charges	(8.48%)	20.21%	10.64%	(8.49%)	20.07%	10.65%
Other information						
Closing net asset value (£)	17,083,546	17,691,379	14,323,341	34,924	46,802	248,228
Closing number of units	4,705,743	4,447,191	4,316,231	9,260	11,356	72,320
Operating charges ^{^^}	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%
Direct transaction costs	0.02%	0.02%	0.06%	0.02%	0.02%	0.06%
Published prices						
Highest unit price (p)	432.4	438.8	340.6	447.9	453.8	351.7
Lowest unit price (p)	345.5	322.4	249.1	358.0	333.4	256.9

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

[^] 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 may occur in a year as it is calculated on historical data.

Comparative table (continued)

	B Income			B Accumulation		
	2022 p	2021 p	2020 p	2022 p	2021 p	2020 p
Change in net assets per unit						
Opening net asset value per unit	398.16	332.12	301.05	427.08	353.96	318.62
Return before operating charges	(28.61)	71.98	36.03	(30.75)	76.82	38.37
Operating charges	(3.75)	(3.45)	(2.87)	(4.01)	(3.70)	(3.03)
Return after operating charges*	(32.36)	68.53	33.16	(34.76)	73.12	35.34
Distributions [^]	(2.46)	(2.49)	(2.09)	(2.66)	(2.68)	(2.25)
Retained distributions on accumulation units [^]	-	-	-	2.66	2.68	2.25
Closing net asset value per unit	363.34	398.16	332.12	392.32	427.08	353.96
* after direct transaction costs of:	0.07	0.06	0.17	0.08	0.07	0.17
Performance						
Return after charges	(8.13%)	20.63%	11.01%	(8.14%)	20.66%	11.09%
Other information						
Closing net asset value (£)	33,819,767	36,705,218	32,317,340	8,086,915	8,345,563	4,756,855
Closing number of units	9,308,148	9,218,753	9,730,755	2,061,292	1,954,104	1,343,880
Operating charges ^{^^}	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%
Direct transaction costs	0.02%	0.02%	0.06%	0.02%	0.02%	0.06%
Published prices						
Highest unit price (p)	433.1	439.8	341.4	464.5	469.6	362.6
Lowest unit price (p)	346.2	322.7	249.7	371.9	344.0	264.3

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

[^] 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 may occur in a year as it is calculated on historical data.

Financial statements - IFSL Church House Esk Global Equity Fund

Statement of total return

for the year ended 30 September 2022

	Notes	2022		2021	
		£	£	£	£
Income:					
Net capital (losses) / gains	2		(5,633,996)		10,320,688
Revenue	3	1,130,498		1,052,227	
Expenses	4	<u>(662,653)</u>		<u>(602,504)</u>	
Net revenue before taxation		467,845		449,723	
Taxation	5	<u>(136,173)</u>		<u>(121,174)</u>	
Net revenue after taxation			<u>331,672</u>		<u>328,549</u>
Total return before distributions			(5,302,324)		10,649,237
Distributions	6		(331,710)		(328,545)
Change in net assets attributable to unitholders from investment activities			<u><u>(5,634,034)</u></u>		<u><u>10,320,692</u></u>

Statement of change in net assets attributable to unitholders

for the year ended 30 September 2022

		2022		2021	
		£	£	£	£
Opening net assets attributable to unitholders			62,788,962		51,645,764
Amounts receivable on issue of units		4,052,018		4,043,546	
Amounts payable on cancellation of units		<u>(2,236,120)</u>		<u>(3,271,751)</u>	
			1,815,898		771,795
Change in net assets attributable to unitholders from investment activities			(5,634,034)		10,320,692
Retained distributions on accumulation units			54,326		50,711
Closing net assets attributable to unitholders			<u><u>59,025,152</u></u>		<u><u>62,788,962</u></u>

Balance sheet
as at 30 September 2022

	Notes	2022 £	2021 £
Assets:			
Fixed assets:			
Investments		57,564,388	60,293,882
Current assets:			
Debtors	7	118,564	162,680
Cash and bank balances	8	1,631,669	2,573,423
Total assets		<u>59,314,621</u>	<u>63,029,985</u>
Liabilities:			
Creditors:			
Distribution payable on income units		(223,083)	(216,249)
Other creditors	9	(66,386)	(24,774)
Total liabilities		<u>(289,469)</u>	<u>(241,023)</u>
Net assets attributable to unitholders		<u><u>59,025,152</u></u>	<u><u>62,788,962</u></u>

Notes to the financial statements
for the year ended 30 September 2022

1. Accounting policies

The accounting policies are disclosed on pages 8 and 9.

2. Net capital (losses) / gains	2022	2021
	£	£
Non-derivative securities - realised gains	853,264	1,465,243
Non-derivative securities - movement in unrealised (losses) / gains	(6,582,318)	8,917,847
Currency gains / (losses)	77,897	(55,420)
Forward currency contracts	(3,132)	-
Capital special dividend	28,438	-
Compensation	334	-
Transaction charges	(8,479)	(6,982)
Total net capital (losses) / gains	<u>(5,633,996)</u>	<u>10,320,688</u>
3. Revenue	2022	2021
	£	£
UK revenue	267,634	306,371
Unfranked revenue	3,308	14,788
Overseas revenue	857,960	730,300
Bank and deposit interest	1,596	768
Total revenue	<u>1,130,498</u>	<u>1,052,227</u>
4. Expenses	2022	2021
	£	£
Payable to the Manager and associates		
Annual management charge*	623,981	562,569
Registration fees	707	677
	<u>624,688</u>	<u>563,246</u>
Payable to the Trustee		
Trustee fees	17,080	18,684
Other expenses:		
Audit fee	7,591	6,626
Non-executive directors' fees	935	1,069
Safe custody fees	4,841	4,232
Bank interest	5,812	6,967
FCA fee	671	538
KIID production fee	1,035	1,142
	<u>20,885</u>	<u>20,574</u>
Total expenses	<u>662,653</u>	<u>602,504</u>

* The annual management charge includes the Manager's periodic charge and the Investment Manager's fee. For the year ended 30 September 2022, the annual management charge for each unit class is as follows:

A Income	1.25%	B Income	0.875%
A Accumulation	1.25%	B Accumulation	0.875%

Notes to the financial statements (continued)

for the year ended 30 September 2022

5. Taxation	2022	2021
	£	£
<i>a. Analysis of the tax charge for the year</i>		
Overseas tax withheld	136,173	121,174
Total taxation (note 5b)	<u>136,173</u>	<u>121,174</u>

b. Factors affecting the tax charge for the year

The tax assessed for the year is higher (2021: higher) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2021: 20%). The differences are explained below:

	2022	2021
	£	£
Net revenue before taxation	<u>467,845</u>	<u>449,723</u>
Corporation tax @ 20%	93,569	89,945
Effects of:		
UK revenue	(53,527)	(61,275)
Overseas revenue	(171,592)	(146,060)
Overseas tax withheld	136,173	121,174
Excess management expenses	131,550	117,390
Total taxation (note 5a)	<u>136,173</u>	<u>121,174</u>

c. Provision for deferred taxation

At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of asset not recognised is £888,283 (2021: £756,733).

6. Distributions

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

	2022	2021
	£	£
Interim income distribution	54,293	63,304
Interim accumulation distribution	12,283	12,158
Final income distribution	223,083	216,249
Final accumulation distribution	42,043	38,553
	<u>331,702</u>	<u>330,264</u>
Equalisation:		
Amounts deducted on cancellation of units	3,126	3,997
Amounts added on issue of units	(3,124)	(4,896)
Net equalisation on conversions	6	(820)
Total net distributions	<u>331,710</u>	<u>328,545</u>
Reconciliation between net revenue and distributions:		
Net revenue after taxation per Statement of total return	331,672	328,549
Undistributed revenue brought forward	90	86
Undistributed revenue carried forward	(52)	(90)
Distributions	<u>331,710</u>	<u>328,545</u>

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

Notes to the financial statements (continued)

for the year ended 30 September 2022

7. Debtors	2022	2021
	£	£
Amounts receivable on issue of units	20,645	87,324
Accrued revenue	61,459	38,150
Recoverable overseas withholding tax	35,915	36,920
Prepaid expenses	545	286
Total debtors	<u>118,564</u>	<u>162,680</u>
8. Cash and bank balances	2022	2021
	£	£
Total cash and bank balances	<u>1,631,669</u>	<u>2,573,423</u>
9. Other creditors	2022	2021
	£	£
Amounts payable on cancellation of units	6,000	16,607
Accrued expenses:		
Payable to the Manager and associates		
Annual management charge	<u>50,621</u>	<u>-</u>
Other expenses:		
Safe custody fees	823	776
Audit fee	7,591	6,626
Non-executive directors' fees	1,324	390
FCA fee	-	333
Transaction charges	27	42
	<u>9,765</u>	<u>8,167</u>
Total accrued expenses	<u>60,386</u>	<u>8,167</u>
Total other creditors	<u>66,386</u>	<u>24,774</u>

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:

	A Income
Opening units in issue	4,447,191
Total units issued in the year	468,762
Total units cancelled in the year	(190,659)
Total units converted in the year	(19,551)
Closing units in issue	<u>4,705,743</u>
	A Accumulation
Opening units in issue	11,356
Total units issued in the year	919
Total units cancelled in the year	(3,015)
Closing units in issue	<u>9,260</u>

Notes to the financial statements (continued)

for the year ended 30 September 2022

11. Unit classes (continued)

	B Income
Opening units in issue	9,218,753
Total units issued in the year	218,002
Total units cancelled in the year	(152,370)
Total units converted in the year	23,763
Closing units in issue	<u>9,308,148</u>

	B Accumulation
Opening units in issue	1,954,104
Total units issued in the year	316,519
Total units cancelled in the year	(205,387)
Total units converted in the year	(3,944)
Closing units in issue	<u>2,061,292</u>

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

St Vincent St Fund Administration (a trading name of Evelyn Partners Fund Solutions Limited (previously Smith & Williamson Fund Administration Limited)), as former Manager was a related party due to its ability to act in respect of the operations of the Fund during the year ended 30 September 2022.

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. The amount due to the Manager and its associates at the balance sheet date is disclosed in note 9.

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Income unit has increased from 363.0p to 394.6p, the A Accumulation unit has increased from 377.1p to 409.8p, the B Income unit has increased from 363.3p to 395.4p and the B Accumulation unit has increased from 392.3p to 426.9p as at 24 January 2023. 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.

Notes to the financial statements (continued)

for the year ended 30 September 2022

14. Transaction costs (continued)

a Direct transaction costs (continued)

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

	Purchases before transaction costs		Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£	
2022									
Equities	7,767,383	4,710	0.06%	1,050	0.01%	1,980	0.03%	7,775,123	
2021									
Equities	6,262,559	4,609	0.07%	1	0.00%	-	-	6,267,169	

Capital events amount of £nil (2021: £513,659) is excluded from the total purchases as there were no direct transaction costs charged in these transactions.

	Sales before transaction costs		Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£	
2022									
Equities	4,778,015	(3,647)	0.08%	(28)	0.00%	-	-	4,774,340	
2021									
Equities	7,267,281	(5,071)	0.07%	(52)	0.00%	-	-	7,262,158	

Capital events amount of £1,225 (2021: £2,874) is excluded from the total sales as there were no direct transaction costs charged in these transactions.

Summary of direct transaction costs

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

	£	% of average net asset value
2022		
Commission	8,357	0.02%
Taxes	1,078	0.00%
Financial transaction tax	1,980	0.00%

Notes to the financial statements (continued)

for the year ended 30 September 2022

14. Transaction costs (continued)

a Direct transaction costs (continued)

Summary of direct transaction costs (continued)

2021	£	% of average net asset value
Commission	9,680	0.02%
Taxes	53	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 0.16% (2021: 0.14%).

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 30 September 2022, 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 £2,878,219 (2021: £3,014,694).

(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.

Notes to the financial statements (continued)

for the year ended 30 September 2022

15. Risk management policies (continued)

a Market risk (continued)

(ii) Currency risk (continued)

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

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
	£	£	£
2022			
Danish krone	1,459,794	18,350	1,478,144
Euro	13,500,064	33,000	13,533,064
Japanese yen	4,082,418	39,283	4,121,701
Swedish krona	2,135,105	1,771	2,136,876
Swiss franc	6,930,447	(226)	6,930,221
US dollar	28,561,203	4,895	28,566,098
Total foreign currency exposure	<u>56,669,031</u>	<u>97,073</u>	<u>56,766,104</u>
	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
	£	£	£
2021			
Danish krone	2,046,421	15,854	2,062,275
Euro	13,511,024	18,992	13,530,016
Japanese yen	5,857,833	34,388	5,892,221
Swedish krona	2,640,152	1,772	2,641,924
Swiss franc	5,072,783	-	5,072,783
US dollar	29,831,753	3,660	29,835,413
Total foreign currency exposure	<u>58,959,966</u>	<u>74,666</u>	<u>59,034,632</u>

At 30 September 2022, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to unitholders of the Fund would increase or decrease by approximately £2,838,305 (2021: £2,951,732).

(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. The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. In the event of a change in interest rates, there would be no material impact upon the net assets of the Fund.

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

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

There is no exposure to interest bearing securities at the balance sheet date.

Notes to the financial statements (continued)

for the year ended 30 September 2022

15. Risk management policies (continued)

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.

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.

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.

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.

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

The 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.

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the Fund to meet large redemptions, 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	Investment liabilities
	2022	2022
	£	£
Quoted prices	57,564,388	-
Observable market data	-	-
Unobservable data*	-	-
	<u>57,564,388</u>	<u>-</u>

*The following securities are valued in the portfolio of investments using valuation techniques:

Ceravision & ULTra PRT: The fair value pricing committee assesses that it is appropriate to value the shares at nil based on recent information available regarding the low likelihood of realising any investment return.

Notes to the financial statements (continued)

for the year ended 30 September 2022

15. Risk management policies (continued)

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

Basis of valuation	Investment assets	Investment liabilities
	2021	2021
	£	£
Quoted prices	60,293,882	-
Observable market data	-	-
Unobservable data*	-	-
	<u>60,293,882</u>	<u>-</u>

*The following securities were valued in the portfolio of investments using valuation techniques:

Ceravision & ULtra PRT: The fair value pricing committee assessed that it was appropriate to value the shares at nil based on information available regarding the low likelihood of realising any investment return.

Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the Manager has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The Manager of the Fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions used are under continuous review by the Manager with particular attention paid to the carrying value of the investments.

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:

	2022	2021
	% of the total net asset value	% of the total net asset value
<i>Ceravision</i>	-	-
<i>ULtra PRT</i>	-	-
Total	<u>-</u>	<u>-</u>

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.

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

During the year there were no derivative transactions.

Notes to the financial statements (continued)

for the year ended 30 September 2022

15. Risk management policies (continued)

f Derivatives (continued)

(i) Counterparties

Transactions in securities give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. This risk is mitigated by the 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 an 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 30 September 2022

Distributions on A Income units in pence per unit

Payment date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.22	group 1	interim	-	-	-	0.023
31.05.22	group 2	interim	-	-	-	0.023
30.11.22	group 1	final	1.016	-	1.016	1.094
30.11.22	group 2	final	0.353	0.663	1.016	1.094

Distributions on A Accumulation units in pence per unit

Allocation date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.22	group 1	interim	-	-	-	0.053
31.05.22	group 2	interim	-	-	-	0.053
30.11.22	group 1	final	1.037	-	1.037	0.846
30.11.22	group 2	final	1.037	-	1.037	0.846

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.

Interim distributions:

- Group 1 Units purchased before 1 October 2021
- Group 2 Units purchased 1 October 2021 to 31 March 2022

Final distributions:

- Group 1 Units purchased before 1 April 2022
- Group 2 Units purchased 1 April 2022 to 30 September 2022

Distribution table (continued)
for the year ended 30 September 2022

Distributions on B Income units in pence per unit

Payment date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.22	group 1	interim	0.579	-	0.579	0.670
31.05.22	group 2	interim	0.576	0.003	0.579	0.670
30.11.22	group 1	final	1.883	-	1.883	1.818
30.11.22	group 2	final	0.854	1.029	1.883	1.818

Distributions on B Accumulation units in pence per unit

Allocation date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.22	group 1	interim	0.620	-	0.620	0.715
31.05.22	group 2	interim	0.570	0.050	0.620	0.715
30.11.22	group 1	final	2.035	-	2.035	1.968
30.11.22	group 2	final	1.053	0.982	2.035	1.968

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.

Interim distributions:

Group 1 Units purchased before 1 October 2021
Group 2 Units purchased 1 October 2021 to 31 March 2022

Final distributions:

Group 1 Units purchased before 1 April 2022
Group 2 Units purchased 1 April 2022 to 30 September 2022

Remuneration

Remuneration code disclosure

The remuneration committee is responsible for setting the remuneration policy for all partners, directors and employees within Evelyn Partners Group Limited (previously Tilney Smith & Williamson Group) including individuals designated as Material Risk Takers (MRTs) 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 the Tilney Smith & Williamson Report and Financial Statements includes details on the remuneration policy. The remuneration committee comprises four non-executive directors¹ and is governed by formal terms of reference, which are reviewed and agreed by the board. The committee met eight times during 2021.

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. The committee agrees the individual allocation of variable remuneration and the proportion of that variable remuneration to be awarded as restricted shares.

¹ Please note that the data provided for the independent non-executive directors is as at 31 December 2021. The data provided is for independent non-executive directors only.

Remuneration (continued)

Aggregate quantitative information

The total amount of remuneration paid by Evelyn Partners Fund Solutions Limited ('EPFL')(previously Smith & Williamson Fund Administration Limited) is nil as EPFL has no employees. However, a number of employees have remuneration costs recharged to EPFL and the annualised remuneration for these 60 employees is £2.6million of which £2.5million is fixed remuneration. This is based on the annualised salary and benefits for those identified as working in EPFL as at 31 December 2021. Any variable remuneration is awarded for the period 1 May 2021 to 31 December 2021. This information excludes any senior management or other MRTs whose remuneration information is detailed below.

Evelyn Partners (previously Tilney Smith & Williamson Limited) reviews its MRTs at least annually. These individuals are employed by and provide services to other companies in the Evelyn Partners Group (previously Tilney Smith & Williamson Limited). It is difficult to apportion remuneration for these individuals in respect of their duties to EPFL. For this reason, the aggregate total remuneration awarded for the period 1 May 2021 to 31 December 2021 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 EPFL	For the period 1 May 2021 to 31 December 2021				
	Fixed £'000	Cash £'000	Equity £'000	Total £'000	No. MRTs
Senior Management	3,098	1,670	11	4,779	15
Other MRTs	404	218	-	622	3
Total	3,502	1,888	11	5,401	18

Investment Manager

The Manager delegates the management of the Fund's portfolio of assets 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 the month end. Church House Investments Limited are compliant with the Capital Requirements Directive regarding remuneration and therefore Church House Investments Limited staff are covered by remuneration regulatory requirements.

Further information

Distributions and reporting dates

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

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

Buying and selling units

The property of the Fund is valued at 12 noon on Monday to Friday where these days are Business Days, excluding the last trading day before 25 December or any day on which the Manager has notified the Trustee that it is not open for normal business or otherwise agreed between the Manager and the Trust, and prices of units 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.

A Income and Accumulation units

The minimum initial investment in this unit class is £50,000. The minimum subsequent investment is £25,000. The Manager reserves the right to terminate holdings where the value is less than £50,000.

B Income and Accumulation units

The minimum initial investment in this unit class is £100,000. The minimum subsequent investment is £100,000. The Manager reserves the right to terminate holdings where the value is less than £100,000.

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 5.5% of the value of each unit. The Manager may waive or discount the preliminary charge at its discretion.

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 0808 178 9321.

Benchmark

Unitholders may compare the performance of the Fund against the IA Global Sector.

Comparison of the Fund's performance against this benchmark will give unitholders an indication of how the Fund is performing against other similar funds in this peer group sector. The Manager has selected this comparator benchmark as the Manager believes it best reflects the asset allocation of the Fund.

The benchmark is not a target for the Fund, nor is the Fund constrained by the benchmark.

The Fund produced the following performance[^] per unit class over the year from 1 October 2021 to 30 September 2022, based on cumulative returns:

A Income	-8.46%
A Accumulation	-8.48%
B Income	-8.11%
B Accumulation	-8.13%

[^] Source: FE fundinfo

Appointments

Manager and Registered office - to 30 September 2022

St Vincent St Fund Administration (a trading name of Evelyn Partners Fund Solutions Limited)
(previously Smith & Williamson Fund Administration Limited))

45 Gresham Street

London, EC2V 7BG

Telephone: 0207 131 4000

Authorised and regulated by the Financial Conduct Authority

Manager and Registered office - from 1 October 2022

Investment Fund Services Limited

Marlborough House

59 Chorley New Road

Bolton, BL1 4QP

Authorised and regulated by the Financial Conduct Authority

Administrator and Registrar - to 30 September 2022

St Vincent St Fund Administration (a trading name of Evelyn Partners Fund Solutions Limited)
(previously 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

Administrator and Registrar - from 1 October 2022

Investment Fund Services Limited

Marlborough House

59 Chorley New Road

Bolton, BL1 4QP

Authorised and regulated by the Financial Conduct Authority

Directors of the Manager - to 30 September 2022

Andrew Baddeley

Brian McLean

James Gordon - resigned 29 July 2022

Mayank Prakash – appointed 16 March 2022

Neil Coxhead - appointed 12 July 2022

Independent Non-Executive Directors of the Manager - to 30 September 2022

Dean Buckley

Linda Robinson

Victoria Muir

Sally Macdonald - appointed 1 June 2022

Non-Executive Directors of the Manager - to 30 September 2022

Kevin Stopps - resigned 1 October 2021

Paul Wyse

Appointments (continued)

Directors of the Manager - from 1 October 2022

Allan Hamer
Helen Derbyshire
Helen Redmond
Sally Heston

Non-Executive Directors of the Manager - from 1 October 2022

Andrew Staley

Independent Non-Executive Directors of the Manager - from 1 October 2022

Guy Sears
Sarah Peaston

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

Auditor¹

Johnston Carmichael LLP
Bishop's Court
29 Albyn Place
Aberdeen, AB10 1YL

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh, EH3 8EX

¹ The auditor of the Trust will change from Johnston Carmichael LLP to Ernst & Young LLP following the publication date of the accounts.