

SVS Church House Balanced Equity Income Fund

Interim Report

for the six months ended 30 September 2018

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SVS Church House Balanced Equity Income Fund Report of the Manager

St Vincent St Fund Administration (trading name of Smith & Williamson Fund Administration Limited), as Manager, presents herewith the Interim Report for SVS Church House Balanced Equity Income Fund for the six months ended 30 September 2018.

SVS Church House Balanced Equity Income Fund ('the Trust' or 'the Fund') is an authorised unit trust scheme further to an authorisation order dated 22 January 2002 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 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 provide investors with medium to long-term capital growth, with income, through investment in a portfolio of UK equities. The portfolio will be mainly UK equities, selected for their value and income prospects, but a proportion of the portfolio will be invested in index-linked and other fixed interest securities and listed investment companies.

Changes affecting the Fund in the period

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

Further information in relation to the Fund is illustrated on page 17.

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

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

B. McLean

J. Gordon

Directors

Smith & Williamson Fund Administration Limited

29 November 2018

Accounting policies of SVS Church House Balanced Equity Income Fund (unaudited)
for the six months ended 30 September 2018

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 accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2018 and are described in those annual financial statements.

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

SVS Church House Balanced Equity Income Fund

Investment Manager's report

Investment performance

Capital performance*	Six months to 28.09.18	Three years to 28.09.18	Five years to 28.09.18
SVS Church House Balanced Equity Income Fund	8.10%	16.20%	15.90%

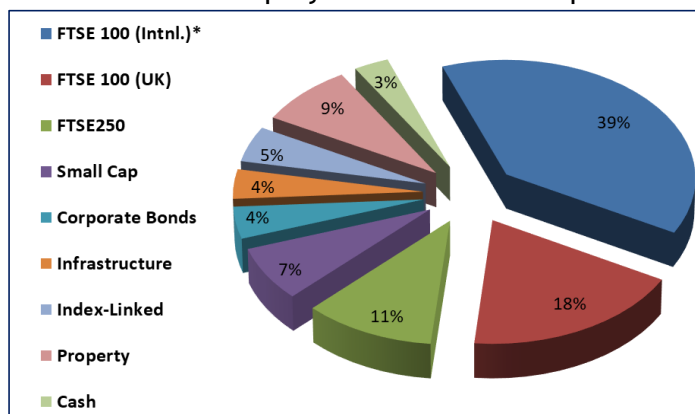
* Percentage change in bid price on a net asset value (nav) to nav basis of A units income to 12pm on 28 September 2018.

Source: Bloomberg and Smith & Williamson Fund Administration Limited.

Investment activities

The pie chart below shows the disposition of the SVS Church House Balanced Equity Income Fund portfolio at the end of the period. There have been a number of transactions but the broad disposition is similar to the position at the end of March:

SVS Church House Balanced Equity Income Fund - Disposition - 28 September 2018



Source: Church House Investments Limited

*FTSE 100 (International) is our definition - those FTSE 100 companies with more than 75% of sales arising overseas.

The Fund year started quietly with just one addition to the holding in the software company, Sage Group, which reported disappointing sales for the first half, knocking their share price and providing us with the opportunity. In May, we sold the holding in UBM, taking the profit after the take-over approach from Informa had driven their stock to all-time high levels and not wishing to take Informa stock in exchange. We added to the small holding in Greggs, as they were hit after release of figures that expressed some caution after a weaker period in February and March (it was cold!). We added further to Micro Focus International, we are building this slowly following their rather cumbersome profit warning in March. We added to the electric utility SSE, which are showing signs of recovery after a poor 2017 and appear to be on track to divest their consumer business.

Top 15 Holdings - 28 September 2018	
Royal Dutch Shell 'B'	4.50%
GlaxoSmithKline	3.58%
HSBC Holdings	3.43%
BP	2.85%
Unilever	2.55%
RELX	2.54%
Craneware	2.46%
Diageo	2.38%
BHP Billiton	2.33%
AstraZeneca	2.22%
Rio Tinto	1.99%
Smith & Nephew	1.95%
Halma	1.88%
National Westminster Bank 1.06175% 15/05/2020	1.86%
Imperial Brands	1.74%

Investment Manager's report (continued)

Investment activities (continued)

June saw a number of small additions to existing holdings: the specialist chemical company Croda International, as their stock dipped, while continuing to build the new holding in Micro Focus International on weakness. We also added to Dairy Crest Group, whose share price has been under pressure, their stock has fallen around 25% over the past year.

In July, we took up the rights to more Phoenix Group Holdings following their takeover of Standard Life Aberdeen's closed life assurance book. We also bought some of the Phoenix Group Holdings 5.75% perpetual and, sticking with the fixed interest portfolio, initiated a new position in National Grid Index Linked 1.25% 06/10/2021. We picked up some more Greggs before their results, which outlined continued confidence in the medium to long-term after a resilient first half performance in a challenging market. New to the portfolio is a holding in Sensyne Health, which we acquired at its initial public offering (IPO) in September. We financed this purchase with a sale of the holding in accesso Technology

The oil majors, BP and Royal Dutch Shell 'B', sapped performance over the early summer and then rallied sharply. In September, we added to the holding in BHP Billiton as they fell sharply with the market early in the month. Latterly, we added a new position in the packaging company, DS Smith, which, after recent falls, offer a growing dividend at a reasonable price in an area that looks set to keep growing. Amongst the smaller companies, we took some profit from Craneware, which had performed exceptionally for us and added to the holding in Clinigen Group; neither really being 'small' companies having market caps either side of £1bn.

Investment strategy

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

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

Church House Investments Limited

30 October 2018

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Portfolio changes

for the six months ended 30 September 2018

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

	Cost
	£
Purchases:	
Sensyne Health	498,750
Phoenix Group Holdings 5.75% perpetual	460,500
National Grid Index Linked 1.25% 06/10/2021	458,049
SSE	238,612
DS Smith	190,380
Clinigen Group	188,723
BHP Billiton	153,586
Greggs	153,534
Dairy Crest Group	123,263
Croda International	119,834
Micro Focus International	111,791
Aberforth Split Level Income Trust	102,511
Schroders	98,433
Sage Group	64,109
BT Group	54,282
Phoenix Group Holdings	5,706

	Proceeds
	£
Sales:	
accesso Technology Group	531,650
AstraZenca	396,795
UBM	396,131
Craneware	276,943

Portfolio statement

as at 30 September 2018

	Nominal value or holding	Market value £	% of total net assets
Investment			
Debt securities* 10.25% (9.70%)			
Aaa to Aa2 4.12% (4.66%)			
Lloyds Bank 1.12306% 14/01/2019**	£500,000	500,470	0.93
National Westminster Bank 1.06175% 15/05/2020**	£1,000,000	1,001,440	1.86
UK Treasury Index Linked Gilt 4.125% 22/07/2030**	£200,000	717,240	1.33
		<u>2,219,150</u>	<u>4.12</u>
A2 to A3 0.86% (0.97%)			
Anglian Water Services Financing Index Linked 4.125% 28/07/2020**	£250,000	460,277	0.86
Baa1 to Baa2 1.87% (1.15%)			
National Grid Index Linked 1.25% 06/10/2021**	£366,000	457,683	0.85
Southern Water Services Finance Index Linked 3.706% 31/03/2034**	£218,000	548,192	1.02
		<u>1,005,875</u>	<u>1.87</u>
Baa3 and below 3.40% (2.92%)			
Heathrow Funding Index Linked 3.334% 09/12/2039**	£250,000	553,480	1.03
Phoenix Group Holdings 5.75% perpetual**	£500,000	440,000	0.82
PHP Finance Jersey 4.25% 20/05/2019	£400,000	459,956	0.86
Shaftesbury Carnaby 2.487% 30/09/2031	£400,000	372,164	0.69
		<u>1,825,600</u>	<u>3.40</u>
Total debt securities		<u>5,510,902</u>	<u>10.25</u>
Equities 84.92% (87.21%)			
Equities - United Kingdom 84.92% (84.60%)			
Equities - incorporated in the United Kingdom 78.16% (74.30%)			
Oil & Gas 7.35% (6.90%)			
BP	260,000	1,532,180	2.85
Royal Dutch Shell 'B'	90,000	2,420,100	4.50
		<u>3,952,280</u>	<u>7.35</u>
Chemicals 1.21% (0.96%)			
Croda International	12,500	650,000	1.21
Basic Resources 4.32% (3.99%)			
BHP Billiton	75,000	1,253,400	2.33
Rio Tinto	27,500	1,067,000	1.99
		<u>2,320,400</u>	<u>4.32</u>
Industrial Goods & Services 9.08% (8.81%)			
Babcock International Group	90,000	650,700	1.21
BAE Systems	125,000	787,250	1.47
Bunzl	30,000	723,900	1.35
DS Smith	40,000	191,280	0.36

Portfolio statement (continued)

as at 30 September 2018

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities - incorporated in the United Kingdom (continued)			
Industrial Goods & Services (continued)			
Halma	70,000	1,011,500	1.88
Howden Joinery Group	100,000	468,800	0.87
Meggitt	100,000	566,400	1.05
Royal Mail	100,000	477,100	0.89
		<u>4,876,930</u>	<u>9.08</u>
Food & Beverage 4.11% (3.98%)			
Britvic	75,000	586,875	1.09
Dairy Crest Group	75,000	342,900	0.64
Diageo	47,000	1,277,930	2.38
		<u>2,207,705</u>	<u>4.11</u>
Personal & Household Goods 7.43% (7.78%)			
Berkeley Group Holdings	22,000	809,160	1.51
Imperial Brands	35,000	934,850	1.74
Reckitt Benckiser Group	12,500	877,000	1.63
Unilever	32,500	1,370,200	2.55
		<u>3,991,210</u>	<u>7.43</u>
Health Care 9.87% (9.49%)			
AstraZeneca	20,000	1,192,400	2.22
Clinigen Group	70,000	591,850	1.10
GlaxoSmithKline	125,000	1,921,000	3.58
Sensyne Health	285,000	547,200	1.02
Smith & Nephew	75,000	1,049,625	1.95
		<u>5,302,075</u>	<u>9.87</u>
Retail 3.04% (2.80%)			
Greggs	50,000	527,500	0.98
J Sainsbury	200,000	643,200	1.20
Marks & Spencer Group	160,000	461,920	0.86
		<u>1,632,620</u>	<u>3.04</u>
Media 2.54% (0.00%)			
RELX	84,590	1,362,994	2.54
Travel & Leisure 1.59% (1.52%)			
Compass Group	50,000	853,000	1.59
Telecommunications 1.86% (2.17%)			
BT Group	225,000	506,925	0.94
Vodafone Group	300,000	493,500	0.92
		<u>1,000,425</u>	<u>1.86</u>

Portfolio statement (continued)

as at 30 September 2018

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities - incorporated in the United Kingdom (continued)			
Utilities 2.67% (2.66%)			
Centrica	175,000	270,900	0.50
Ceravision^	750,000	-	-
National Grid	75,000	593,475	1.10
SSE	50,000	573,000	1.07
		<u>1,437,375</u>	<u>2.67</u>
Banks 6.96% (7.98%)			
Barclays	300,000	515,340	0.96
Close Brothers Group	50,000	791,000	1.47
HSBC Holdings	275,000	1,841,950	3.43
Lloyds Banking Group	1,000,000	592,700	1.10
		<u>3,740,990</u>	<u>6.96</u>
Insurance 2.72% (3.06%)			
Aviva	165,000	807,675	1.50
Legal & General Group	250,000	655,500	1.22
		<u>1,463,175</u>	<u>2.72</u>
Real Estate 3.56% (3.75%)			
Civitas Social Housing	445,000	487,275	0.91
Civitas Social Housing 'C'	667,500	662,828	1.23
Triple Point Social Housing REIT	330,111	353,219	0.66
Triple Point Social Housing REIT subscription shares	110,037	4,401	0.01
Tritax Big Box REIT	272,727	401,454	0.75
		<u>1,909,177</u>	<u>3.56</u>
Financial Services 5.12% (3.59%)			
Aberforth Split Level Income Trust	900,000	840,600	1.56
BB Healthcare Trust	400,000	588,000	1.09
HICL Infrastructure	462,613	708,723	1.32
Schroders	20,000	617,800	1.15
		<u>2,755,123</u>	<u>5.12</u>
Technology 4.73% (4.86%)			
Craneware	40,000	1,320,000	2.46
Micro Focus International	30,000	428,400	0.80
Sage Group	135,000	791,640	1.47
		<u>2,540,040</u>	<u>4.73</u>
Total equities - incorporated in the United Kingdom		<u>41,995,519</u>	<u>78.16</u>
Equities - incorporated outwith the United Kingdom 6.76% (10.30%)			
Media 0.00% (0.78%)		-	-

Portfolio statement (continued)

as at 30 September 2018

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities - incorporated outwith the United Kingdom (continued)			
Insurance 1.51% (1.26%)			
Phoenix Group Holdings	120,000	811,200	1.51
Real Estate 3.99% (4.29%)			
MedicX Fund	700,000	572,600	1.07
Standard Life Investment Property Income Trust	1,000,000	900,000	1.67
Target Healthcare REIT	590,909	673,636	1.25
		2,146,236	3.99
Financial Services 1.26% (3.97%)			
GCP Infrastructure Investments	544,122	675,800	1.26
ULTra PRT [^]	2,620	-	-
		675,800	1.26
Total equities - incorporated outwith the United Kingdom		3,633,236	6.76
Total equities - United Kingdom		45,628,755	84.92
Equities - Europe 0.00% (2.61%)		-	-
Equities - Netherlands 0.00% (2.61%)		-	-
Total equities		45,628,755	84.92
Portfolio of investments		51,139,657	95.17
Other net assets		2,593,565	4.83
Total net assets		53,733,222	100.00

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

The comparative figures in brackets are as at 31 March 2018.

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

** Variable interest security.

[^] Ceravision and ULTraPRT: The fair value pricing committee considers it appropriate to include the securities in the portfolio of investments with no value. The value is based on the sufficient doubt over the continued viability of the businesses.

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

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Total purchases in the period: £3,022,063

Total sales in the period: £1,601,519

Risk and reward profile

The risk and reward profile is representative of all unit classes.

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.

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

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

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

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

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

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

Performance information

Number of units in issue	30.09.18	31.03.18	31.03.17	31.03.16
A units income	23,698,750	23,311,256	21,649,676	20,766,970
A units accumulation	1,238,128	1,257,999	1,224,649	1,274,404
B units income	1,195,848	1,081,430	597,242	424,755
B units accumulation	1,231,656	833,538	647,996	504,336
Net Asset Value (NAV)	£	£	£	£
Total NAV of the Fund	53,733,222	47,799,919	45,136,649	38,748,060
NAV attributable to A units income unitholders	44,365,780	40,449,180	39,144,315	33,989,484
NAV attributable to A units accumulation unitholders	3,492,753	3,230,458	3,175,927	2,891,508
NAV attributable to B units income unitholders	2,303,085	1,927,164	1,105,460	709,364
NAV attributable to B units accumulation unitholders	3,571,604	2,193,117	1,710,947	1,157,704
Net asset value per unit (based on bid value) ^	p	p	p	p
A units income	187.2	173.5	180.8	163.7
A units accumulation	282.1	256.8	259.3	226.9
B units income	192.6	178.2	185.1	167.0
B units accumulation	290.0	263.1	264.0	229.6

^ The net asset value per unit excludes the value of the income distributions payable.

A units income and A units accumulation launched on 22 January 2002 at 100.0p per unit.

B units income launched on 23 June 2015 at 175.9p per unit.

B units accumulation launched on 23 June 2015 at 235.0p per unit.

Highest and lowest prices and distributions

Financial year to 31 March		Distribution per unit p	Highest offer price p	Lowest bid price p
2016	A units income	5.975	180.0	152.1
2016	A units accumulation	8.056	240.6	207.7
2016*	B units income	4.774	172.2	155.3
2016*	B units accumulation	6.416	236.7	210.0
2017	A units income	6.137	185.8	158.4
2017	A units accumulation	8.580	262.6	219.6
2017	B units income	6.838	190.5	161.8
2017	B units accumulation	9.486	267.3	222.5
2018	A units income	5.638	190.3	173.3
2018	A units accumulation	8.152	277.7	252.9
2018	B units income	6.389	195.5	178.2
2018	B units accumulation	9.182	284.2	259.0
Financial period to 30 September 2018	A units income	3.416	193.0	171.9
Financial period to 30 September 2018	A units accumulation	5.054	285.6	254.4
Financial period to 30 September 2018	B units income	3.799	198.6	176.5
Financial period to 30 September 2018	B units accumulation	5.621	293.3	260.6

* From 23 June 2015 to 31 March 2016.

Performance information (continued)

Summary of the distributions in the current financial period and prior financial year

A units income			
Payment date	p	Payment date	p
30.11.18	3.416	30.11.17	3.182
		31.05.18	2.456
A units accumulation			
Allocation date	p	Allocation date	p
30.11.18	5.054	30.11.17	4.565
		31.05.18	3.587
B units income			
Payment date	p	Payment date	p
30.11.18	3.799	30.11.17	3.573
		31.05.18	2.816
B units accumulation			
Allocation date	p	Allocation date	p
30.11.18	5.621	30.11.17	5.080
		31.05.18	4.102

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

Ongoing charges figure

The ongoing charges figure ('OCF') provides investors with a clearer picture of the total annual costs in running a collective investment scheme. The ongoing charges figure consists principally of the 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.

A units income	30.09.18 [^]	31.03.18
Annual management charge	1.50%	1.50%
Other expenses	0.06%	0.05%
Ongoing charges figure	<u>1.56%</u>	<u>1.55%</u>
A units accumulation	30.09.18 [^]	31.03.18
Annual management charge	1.50%	1.50%
Other expenses	0.06%	0.05%
Ongoing charges figure	<u>1.56%</u>	<u>1.55%</u>
B units income	30.09.18 [^]	31.03.18
Annual management charge	0.88%	0.88%
Other expenses	0.06%	0.05%
Ongoing charges figure	<u>0.94%</u>	<u>0.93%</u>
B units accumulation	30.09.18 [^]	31.03.18
Annual management charge	0.88%	0.88%
Other expenses	0.06%	0.05%
Ongoing charges figure	<u>0.94%</u>	<u>0.93%</u>

[^] Annualised based on the expenses incurred during the period 1 April 2018 to 30 September 2018.

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

Financial statements - SVS Church House Balanced Equity Income Fund (unaudited)

Statement of total return (unaudited)

for the six months ended 30 September 2018

	1 April 2018 to 30 September 2018		1 April 2017 to 30 September 2017	
	£	£	£	£
Income:				
Net capital gains		3,968,820		616,546
Revenue	1,162,228		1,001,012	
Expenses	<u>(388,225)</u>		<u>(353,603)</u>	
Net revenue before taxation	774,003		647,409	
Taxation	<u>(3,400)</u>		<u>(3,209)</u>	
Net revenue after taxation		<u>770,603</u>		<u>644,200</u>
Total return before distributions		4,739,423		1,260,746
Distributions		(964,153)		(821,116)
Change in net assets attributable to unitholders from investment activities		<u>3,775,270</u>		<u>439,630</u>

Statement of change in net assets attributable to unitholders (unaudited)

for the six months ended 30 September 2018

	1 April 2018 to 30 September 2018		1 April 2017 to 30 September 2017	
	£	£	£	£
Opening net assets attributable to unitholders		47,799,919 *		45,136,649
Amounts receivable on issue of units	2,906,642		3,047,709	
Amounts payable on cancellation of units	<u>(880,415)</u>		<u>(737,667)</u>	
		2,026,227		2,310,042
Change in net assets attributable to unitholders from investment activities		3,775,270		439,630
Retained distributions on accumulation units		131,806		94,353
Closing net assets attributable to unitholders		<u>53,733,222</u>		<u>47,980,674 *</u>

* The opening net assets in the current period do not equal the closing net assets in the comparative period as they are not consecutive periods.

Balance sheet (unaudited)

as at 30 September 2018

	30 September 2018	31 March 2018
	£	£
Assets:		
Fixed assets:		
Investments	51,139,657	46,323,865
Current assets:		
Debtors	1,127,435	362,944
Cash and bank balances	2,620,892	1,867,454
Total assets	<u>54,887,984</u>	<u>48,554,263</u>
Liabilities:		
Creditors:		
Distribution payable	(854,980)	(602,978)
Other creditors	(299,782)	(151,366)
Total liabilities	<u>(1,154,762)</u>	<u>(754,344)</u>
Net assets attributable to unitholders	<u>53,733,222</u>	<u>47,799,919</u>

Notes to the financial statements

for the year ended 30 September 2018

1. Accounting policies

The accounting policies are disclosed on pages X to X.

2. Net capital gains	2018	2017
	£	£
Non-derivative securities - realised gains	433,590	-
Non-derivative securities - movement in unrealised gains	3,536,993	-
Derivative contracts - realised losses	-	-
Derivative contracts - movement in unrealised losses	-	-
Currency losses	-	-
Forward currency contracts	-	-
Capital special dividend	-	-
Rebates from collective investment schemes	-	-
Transaction charges	(1,764)	-
Total net capital gains	<u>3,968,819</u>	<u>-</u>

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

3. Revenue	2018	2017
	£	£
Franked revenue	877,851	-
Unfranked revenue	76,430	-
Overseas revenue	140,279	-
Interest on debt securities	67,370	-
Bank and deposit interest	298	-
Option premiums	-	-
Time deposit interest	-	-
Stock dividends	-	-
Underwriting commission	-	-
Rebates from collective investment schemes	-	-
Total revenue	<u>1,162,228</u>	<u>-</u>

4. Expenses	2018	2017
	£	£
Payable to the Manager and associates		
Annual management charge	374,876	-
Annual management charge rebate	-	-
Manager's periodic charge	-	-
Investment management fees	-	-
Performance fee	-	-
Registration fees	140	-
	<u>375,016</u>	<u>-</u>
Payable to the Trustee		
Trustee fees	<u>8,554</u>	<u>-</u>
Other expenses:		
Audit fee	3,090	-

Safe custody fees	968	-
Bank charges	-	-
Revenue collection expenses	-	-
Bank interest	-	-
FCA fee	25	-
KIID production fee	571	-
Platform charges	-	-
Set up fee	-	-
Publication fee	-	-
Administration fee	-	-
Legal fee	-	-
	<u>4,654</u>	<u>-</u>
Total expenses	<u>388,224</u>	<u>-</u>

5. Taxation	2018	2017
	£	£
<i>a. Analysis of the tax charge for the period</i>		
UK corporation tax	-	-
Overseas tax withheld	3,400	-
Irrecoverable income tax	-	-
Total current taxation (note 5b)	3,400	-
Deferred tax - origination and reversal of timing differences (note 5c)	-	-
Total taxation (note 5b)	<u>3,400</u>	<u>-</u>

b. Factors affecting the tax charge for the period

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

	2018	2017
	£	£
Net revenue before taxation	<u>774,003</u>	<u>-</u>
Corporation tax @ 20%	154,801	-
Effects of:		
Franked revenue	(175,570)	-
Overseas revenue	-	-
Overseas tax withheld	-	-
Overseas tax expensed	-	-
Reclaimable overseas tax written off	-	-
Expenses not deductible for tax purposes	-	-
Expenses charged to capital	-	-
Excess management expenses	-	-
Utilisation of excess management expenses	-	-
Offshore income gains	-	-
Adjustment in respect of prior years	-	-
Movement in short term timing differences	-	-
Deferred tax asset not recognised	-	-
Other deferred tax movements	-	-
Income tax recoverable	-	-

Stock dividends	-	-
Total taxation (note 5a)	(20,769)	-

<i>c. Provision for deferred taxation</i>	2018	2017
	£	£
Opening provision	-	-
Deferred tax charge (note 5a)	-	-
Closing provision	-	-

Or deferred tax asset disclosure

At the period 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 £xxxxxx (20xx: £xxxxx).

The prior year excess management expense has been restated in respect of/due to.....

6. Distributions

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

	2018	2017
	£	£
Quarter 1 income distribution	-	-
Quarter 1 accumulation distribution	-	-
Interim income distribution	854,980	-
Interim accumulation distribution	131,806	-
Quarter 3 income distribution	-	-
Quarter 3 accumulation distribution	-	-
Final income distribution	-	-
Final accumulation distribution	-	-
Tax payable on interest distributions	-	-
	986,786	-
Equalisation:		
Amounts deducted on cancellation of units	8,051	-
Amounts added on issue of units	(30,623)	-
Net equalisation on conversions	(61)	-
Total net distributions	964,153	-

Reconciliation between net revenue and distributions:	2018	2017
	£	£
Net revenue after taxation per Statement of total return	770,603	644,200
Undistributed revenue brought forward	135	-
Revenue shortfall transferred from capital	-	-
Expenses paid from capital	194,112	-
Marginal tax relief	(569)	-
Tax effect of rebates to capital	-	-
Tax effect of offshore income gains in capital	-	-
Revenue shortfall to be transferred from capital	-	-
Undistributed revenue carried forward	(128)	-
Distributions	964,153	644,200

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

7. Debtors	2018	2017
------------	------	------

	£	£
Amounts receivable on issue of units	193,436	-
Sales awaiting settlement	798,000	-
Currency trades outstanding	-	-
Accrued revenue	128,620	-
Underwriting commission	-	-
Recoverable overseas withholding tax	6,400	-
Prepaid expenses	311	-
Recoverable income tax	668	-
Equalisation on conversions	-	-
Accrued rebates from collective investment schemes	-	-
	<u>1,127,435</u>	<u>-</u>
Payable from the Manager and associates		
Management charge rebate	-	-
Any other expense due from the Manager	-	-
	<u>-</u>	<u>-</u>
Total debtors	<u>1,127,435</u>	<u>-</u>
8. Cash and bank balances	2018	2017
	£	£
Bank balances	2,620,892	-
Cash on deposit	-	-
Certificates of deposit	-	-
Amounts held at futures clearing houses and brokers	-	-
Cash and bank balances	<u>2,620,892</u>	<u>-</u>
Bank overdraft	-	-
Total cash and bank balances	<u>2,620,892</u>	<u>-</u>
9. Other creditors	2018	2017
	£	£
Amounts payable on cancellation of units	42,396	-
Purchases awaiting settlement	190,380	-
Currency trades outstanding	-	-
Accrued expenses:		
Payable to the Manager and associates		
Manager's periodic charge	31,710	-
Annual management charge	31,710	-
Investment management fees	-	-
Performance fee	-	-
Registration fees	2	-
	<u>63,422</u>	<u>-</u>
Other expenses:		
Trustee fees	98	-
Safe custody fees	332	-
Audit fee	3,090	-
FCA fee	-	-

KIID production fee	-	-
Publication fee	-	-
Platform charges	-	-
Set up fee	-	-
Legal fee	-	-
Overdraft interest	-	-
Bank charges	-	-
Transaction charges	64	-
	<u>3,584</u>	<u>-</u>
Total accrued expenses	<u>67,006</u>	<u>-</u>
Corporation tax payable	-	-
Income tax payable	-	-
Deferred tax	-	-
Total other creditors	<u>299,782</u>	<u>-</u>

10. Commitments and contingent liabilities

	2018 £	2017 £
	-	-
	-	-
Total commitments and contingent liabilities	<u>-</u>	<u>-</u>

NB. If there are no commitments and contingent liabilities remove the table above and include the following include
At the balance sheet date there are no commitments or contingent liabilities.

11. Unit classes

The Fund currently has XXX unit classes: XXXXXX, XXXXXX and XXXXXX.

The Fund currently has two types of units: income and accumulation.

The following reflects the change in units in issue for each unit class in the year:

	{SHARE CLASS}
Opening units in issue	-
Total units issued in the period	-
Total units cancelled in the period	-
Total units converted in the period	-
Closing units in issue	<u>-</u>

	{SHARE CLASS}
Opening units in issue	-
Total units issued in the period	-
Total units cancelled in the period	-
Total units converted in the period	-
Closing units in issue	<u>-</u>

	{SHARE CLASS}
Opening units in issue	-
Total units issued in the period	-
Total units cancelled in the period	-
Total units converted in the period	-
Closing units in issue	<u>-</u>

	{SHARE CLASS}
Opening units in issue	-
Total units issued in the period	-
Total units cancelled in the period	-
Total units converted in the period	-
Closing units in issue	-

follows:

Class name:	X.XX%
Class name:	X.XX%

For the year ended 30 September 2018, the annual management charge [after rebates] is 1.5%.

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

The Investment Manager's fee excludes any holdings within the portfolio of investments that are managed by the Investment Manager, **Schroder & Co Limited**.

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 [Statement of change in unitholders' funds if equity 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.

Amounts payable to the Manager and its associates are disclosed in note 4. The amounts due from/to the Manager and its associates at the balance sheet date are disclosed in notes 7 and 9.

The Investment Manager, Smith & Williamson Investment Management LLP is a related party to the Manager as they are within the same corporate body.

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

Security	2018 Holding	2017 Holding
----------	-----------------	-----------------

A director of the Manager, the Investment Manager or a corporate body within the same group as the Manager or Investment Manager with a holding in excess of 20% of the value of the Fund may have significant influence over the financial and operating policies of the Fund and as such are deemed to be related parties.

NOTE - this would include shares/units in S&W nominee company name or Investment Manager nominee name

Name	2018 %age	2017 %age
------	--------------	--------------

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

Parties with an interest in excess of 20% of the Fund are as follows:

Name	2018 %age	2017 %age
------	--------------	--------------

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per income unit has increased / decreased from xxxp to xxxp and the accumulation unit has increased / decreased from xxxp to xxxp as at {DATE}. 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:
No commission or taxes were incurred in the purchase and sale of investments.

	Purchases before transaction costs		Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£		£	%	£	%	£	%	£
2018									
Equities	3,030,644		-	-	-	-	-	-	3,030,644
Bonds	(8,581)		-	-	-	-	-	-	(8,581)
Collective Investment Schemes	-		-	-	-	-	-	-	-
Exchange Traded Commodities	-		-	-	-	-	-	-	-
Structured Products	-		-	-	-	-	-	-	-
Total	3,022,063		-	-	-	-	-	-	3,022,063

* No direct transaction costs were incurred in these transactions.

	Purchases before transaction costs		Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£		£	%	£	%	£	%	£
2017									
Equities	-		-	-	-	-	-	-	-
Bonds	-		-	-	-	-	-	-	-
Collective Investment Schemes	-		-	-	-	-	-	-	-
Exchange Traded Commodities	-		-	-	-	-	-	-	-
Structured Products	-		-	-	-	-	-	-	-
Total	-		-	-	-	-	-	-	-

* No direct transaction costs were incurred in these transactions.

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

2018	In specie purchases before transaction costs	Commission		Taxes		Financial transaction tax		In specie purchases after transaction costs
	£	£	%	£	%	£	%	£
Equities	-	-	-	-	-	-	-	-
Bonds	-	-	-	-	-	-	-	-
Collective Investment Schemes	-	-	-	-	-	-	-	-
Exchange Traded Commodities	-	-	-	-	-	-	-	-
Structured Products	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

* No direct transaction costs were incurred in these transactions.

2017	In specie purchases before transaction costs	Commission		Taxes		Financial transaction tax		In specie purchases after transaction costs
	£	£	%	£	%	£	%	£
Equities	-	-	-	-	-	-	-	-
Bonds	-	-	-	-	-	-	-	-
Collective Investment Schemes	-	-	-	-	-	-	-	-
Exchange Traded Commodities	-	-	-	-	-	-	-	-
Structured Products	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

* No direct transaction costs were incurred in these transactions.

2018	Sales before transaction costs	Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£
Equities	1,601,519	-	-	-	-	-	-	1,601,519
Bonds	-	-	-	-	-	-	-	-
Collective Investment Schemes	-	-	-	-	-	-	-	-
Exchange Traded Commodities*	-	-	-	-	-	-	-	-
Structured Products	-	-	-	-	-	-	-	-
Total	1,601,519	-	-	-	-	-	-	1,601,519

* No direct transaction costs were incurred in these transactions.

2017	Sales before transaction costs	Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£

Equities	-	-	-	-	-	-	-	-
Bonds	-	-	-	-	-	-	-	-
Collective Investment Schemes	-	-	-	-	-	-	-	-
Exchange Traded Commodities	-	-	-	-	-	-	-	-
Structured Products	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

* No direct transaction costs were incurred in these transactions.

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

Summary of direct transaction costs

No direct transaction costs were incurred in the purchase and sale of investments.

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

	2018	% of average net asset value	2017	% of average net asset value
	£		£	
Commission	-	#DIV/0!	-	0.00%
Taxes	-	#DIV/0!	-	0.00%
Financial transaction tax	-	#DIV/0!	-	0.00%
Direct transaction costs - derivatives	-		-	

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 X.XX% (2017: X.XX%).

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.

The main elements of a portfolio of investments exposed to this risk are equities and collective investment schemes.

The main elements of a portfolio of investments exposed to this risk are equities and collective investment schemes. As the Fund had no exposure to these investment, there is no exposure to other price risk within the Fund.

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 2018, 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 £X (2017: £Y).

(ii) Currency risk

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

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

Forward currency contracts are used to help the Fund achieve its investment objective as stated in the Prospectus. The Manager monitors the exposure to these contracts to ensure they are in keeping with the investment objective.

The Fund had no significant exposure to foreign currency in the year.

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
2018	£	£	£
Australian dollar	-	-	-
Canadian dollar	-	-	-
Danish Krone	-	-	-
Euro	-	-	-
Hong Kong dollar	-	-	-
Japanese yen	-	-	-
Korean won	-	-	-
New Zealand dollar	-	-	-
Norwegian krone	-	-	-
Singapore dollar	-	-	-
Swedish krona	-	-	-
Swiss franc	-	-	-
US dollar	-	-	-
Total foreign currency exposure	-	-	-

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2017	£	£	£
Australian dollar	-	-	-
Canadian dollar	-	-	-
Danish Krone	-	-	-

Euro	-	-	-
Hong Kong dollar	-	-	-
Japanese yen	-	-	-
Korean won	-	-	-
New Zealand dollar	-	-	-
Norwegian krone	-	-	-
Singapore dollar	-	-	-
Swedish krona	-	-	-
Swiss franc	-	-	-
US dollar	-	-	-
Total foreign currency exposure	-	-	-

At 30 September 2018, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to unitholders of the Fund would increase or decrease by approximately £0 (2017: £Y). [Forward currency contracts are used to manage the portfolio exposure to currency movements.]

(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.

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

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

At 30 September 2018, if interest rates increased or decreased by 25 basis points, with all other variables remaining constant, then the net assets attributable to unitholders of the Fund would increase or decrease by approximately £X (2017: £Y).

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.

Derivative contracts have been utilised in the period to hedge the exposure to interest rate risk.

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

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

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2018	£	£	£	£	£	£
Australian dollar	-	-	-	-	-	-
Canadian dollar	-	-	-	-	-	-
Danish krone	-	-	-	-	-	-
Euro	-	-	-	-	-	-

Hong Kong dollar	-	-	-	-	-	-
Japanese yen	-	-	-	-	-	-
dollar	-	-	-	-	-	-
Norwegian krone	-	-	-	-	-	-
Singapore dollar	-	-	-	-	-	-
Swedish krona	-	-	-	-	-	-
Swiss franc	-	-	-	-	-	-
UK sterling	-	-	-	-	-	-
US dollar	-	-	-	-	-	-
	-	-	-	-	-	-

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2017	£	£	£	£	£	£
Australian dollar	-	-	-	-	-	-
Canadian dollar	-	-	-	-	-	-
Danish krone	-	-	-	-	-	-
Euro	-	-	-	-	-	-
Hong Kong dollar	-	-	-	-	-	-
Japanese yen	-	-	-	-	-	-
dollar	-	-	-	-	-	-
Norwegian krone	-	-	-	-	-	-
Singapore dollar	-	-	-	-	-	-
Swedish krona	-	-	-	-	-	-
Swiss franc	-	-	-	-	-	-
UK sterling	-	-	-	-	-	-
US dollar	-	-	-	-	-	-
	-	-	-	-	-	-

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 are 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.

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.

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

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 (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. **In the case of forward foreign currency contracts these are payable in less than one year.**

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.

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.

Valuation technique	Investment assets	Investment liabilities
	2018	2018
	£	£
Quoted prices	-	-
Observable market data	-	-
Unobservable data	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

Valuation technique	Investment assets	Investment liabilities
	2017	2017
	£	£
Quoted prices	-	-
Observable market data	-	-
Unobservable data	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

-	-
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No securities in the portfolio of investments are valued using valuation techniques.

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

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

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

Security name: eg The fair value pricing committee determined a share price of £xxx was appropriate based on/reflecting... and then give the reason why

Security name: eg The fair value pricing committee determined that it is appropriate to include the security in the portfolio of investments with no value as the security is in liquidation, with little prospect of a distribution to shareholders.

e Assets subject to special arrangements arising from their illiquid nature

There are no assets held in the portfolio of investments which are subject to special arrangements arising from their illiquid nature.

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

	2018	2017
	% of the total net asset value	% of the total net asset value
Stock	0.00%	0.00%
Stock	0.00%	0.00%
Stock	0.00%	0.00%
Total	0.00%	0.00%

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

In the year the Fund had exposure to derivatives embedded in structured products. On a daily basis, exposure is calculated in UK sterling using the commitment method with netting applied where appropriate. The total global exposure figure is divided by the net asset value of the 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.

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

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

During the year there were no derivative transactions.

(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. The following is an analysis by counterparty of the value of securities/cash subject to a repurchase agreement at the balance sheet date:

Counterparty	Collateral held	Value £
		-

(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.

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

There have been no [significant] leveraging arrangements in the year.

As at the balance sheet date, the leverage was 100.xx%.

As at the balance sheet date, the leverage was 00.xx%.

(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.

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

	Gross exposure value £	% of the total net asset value
Investment		
Structured Products		
XXXXXXXXXXXX	-	0.00%
XXXXXXXXXXXX	-	0.00%
XXXXXXXXXXXX	-	0.00%
Futures		
XXXXXXXXXXXX	-	0.00%
Options		
XXXXXXXXXXXX	-	0.00%
Forward Currency Contracts		
Value of short position - Australian dollar	-	0.00%
Value of short position - Canadian dollar	-	0.00%
Value of short position - Danish Krone	-	0.00%
Value of short position - euro	-	0.00%
Value of short position - Hong Kong dollar	-	0.00%

Value of short position - Japanese yen	-	0.00%
Value of short position - Korean won	-	0.00%
Value of short position - New Zealand dollar	-	0.00%
Value of short position - Norwegian krone	-	0.00%
Value of short position - Singapore dollar	-	0.00%
Value of short position - Swedish krona	-	0.00%
Value of short position - Swiss franc	-	0.00%
Value of long position - Australian dollar	-	0.00%
Value of long position - Canadian dollar	-	0.00%
Value of long position - Danish Krone	-	0.00%
Value of long position - euro	-	0.00%
Value of long position - Hong Kong dollar	-	0.00%
Value of long position - Japanese yen	-	0.00%
Value of long position - Korean won	-	0.00%
Value of long position - New Zealand dollar	-	0.00%
Value of long position - Norwegian krone	-	0.00%
Value of long position - Singapore dollar	-	0.00%
Value of long position - Swedish krona	-	0.00%
Value of long position - Swiss franc	-	0.00%

There have been no collateral arrangements in the year.

The counterparty, collateral amount and type held by the sub-fund as at the 31 May 2018 is detailed in the table below.

Derivative type	Counterparty	Collateral classification	Market value £	Collateral value £
xxxx	xxxx	xxxx	-	-

Further information

Distributions and reporting dates

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

XD dates:	1 April	final
	1 October	interim
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. The price 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 units income and A units accumulation

The minimum initial investment 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.

B units income and B units accumulation

The minimum initial investment 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.

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

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

Appointments

Manager and Registered office

St Vincent St Fund Administration (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 (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
Grant Hotson
James Gordon
Kevin Stopps
Paul Wyse
Giles Murphy - resigned 30 May 2018
Jocelyn Dalrymple - resigned 30 May 2018
Peter Maher - resigned 30 May 2018
Susan Shaw - resigned 30 May 2018
Tas Quayum - resigned 30 May 2018

Non-Executive Directors of the Manager

Dean Buckley - appointed 29 August 2018
Linda Robinson - appointed 29 August 2018
Victoria Muir - appointed 29 August 2018

Investment Manager

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

Trustee

NatWest Trustee & Depositary Services Limited
2nd Floor
Drummond House
1 Redheughs Avenue
Edinburgh EH12 9RH
Authorised and regulated by the Financial Conduct Authority

Auditor

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG