

SVS CH Special Mandates Fund

Annual Report

for the year ended 30 September 2020

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Smith and Williamson Fund Report of the Authorised Corporate Director ('ACD')

St Vincent St Fund Administration (trading name of Smith & Williamson Fund Administration Limited), as ACD, presents herewith the Annual Report for SVS CH Special Mandates Fund for the year ended 30 September 2020.

SVS CH Special Mandates Fund ('the Company' or 'the Fund') is an authorised open-ended investment company with variable capital ('ICVC') further to an authorisation order dated 8 November 2007. The Company is incorporated under registration number IC000588. It is a 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 Company has been set up as an umbrella company. Provision exists for an unlimited number of sub-funds to be included within the umbrella and additional sub-funds may be established by the ACD with the agreement of the Depositary and the approval of the FCA. The sub-funds represent segregated portfolios of assets and, accordingly, the assets of a sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (indirectly or directly) the liabilities of claim against, any other person or body, and any other sub-fund and shall not be available for any such purpose.

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

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

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

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

The Company has no Directors other than the ACD.

The base currency of the Company is UK sterling.

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

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

Sub-funds

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

SVS Church House Tenax Absolute Return Strategies Fund	- A Income and A Accumulation shares - B Income and B Accumulation shares - C Income and C Accumulation shares
SVS Church House UK Smaller Companies Fund (previously SVS Church House Deep Value Investment Fund)	- A Accumulation shares - B Accumulation shares

Cross holdings

At the balance sheet date SVS Church House Tenax Absolute Return Strategies Fund held 1,850,000 shares in SVS Church House UK Smaller Companies Fund.

Important Note from the ACD

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

Report of the Authorised Corporate Director (continued)

Changes affecting the Company in the year

KPMG LLP resigned as auditor and Johnston Carmichael LLP were appointed on 6 July 2020.

On 24 August 2020 the SVS CH Special Mandates Fund converted from a non-UCITS retail scheme ('NURS') to a UCITS scheme. The objectives and policies of both sub-funds within the Company were changed on this date. Additionally, SVS Church House Deep Value Investment Fund was renamed SVS Church House UK Smaller Companies Fund. Further details of the objective and policy changes are found at the start of the sub-funds' Investment Manager's reports on pages 18 and 50.

Further information in relation to the Company is illustrated on page 76.

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 ACD, Smith & Williamson Fund Administration Limited.

Brian McLean
Director
Smith & Williamson Fund Administration Limited
29 January 2021

Statement of the Authorised Corporate Director's responsibilities

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

In preparing the financial statements the ACD is responsible for:

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

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




Assessment of Value - SVS Church House Tenax Absolute Return Strategies Fund

In line with the provisions contained within COLL 6.6.20R, the Board of Smith & Williamson Fund Administration Limited ('SWFAL') as Authorised Corporate Director ('ACD'), has carried out an Assessment of Value for SVS Church House Tenax Absolute Return Strategies Fund ('the sub-fund'). Furthermore, the rules require that SWFAL publishes these assessments.

A high-level summary of the outcome of SWFAL's rigorous review of the sub-fund for the year ending 30 September 2020, using the seven criteria set by the FCA is set out below:

	A Shares	B Shares	C Shares
1. Quality of Service			
2. Performance			
3. ACD Costs			
4. Economies of Scale			
5. Comparable Market Rates			
6. Comparable Services			
7. Classes of Shares			
Overall Rating			

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

-  On balance, the Board believes the fund is delivering value to shareholders, with no material issues noted.
-  On balance, the Board believes the fund is delivering value to shareholders, but may require some actions.
-  On balance, the Board believes the fund has not delivered value and remedial action is now being undertaken.

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

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

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

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

The seven criteria are:

- (1) Quality of service - the quality of every aspect of the service provided, including, for example, accounting, administration, customer services and communications;
- (2) Performance - how the fund performed, including whether it met targets and objectives, kept to relevant policy, followed relevant principles, kept to reasonable timescales;
- (3) ACD costs - the fairness and value of the fund's costs, including entry and exit fees, early redemption fees, administration charges;
- (4) Economies of scale - how costs have been or can be reduced as a result of increased Assets under Management ('AUM'), and whether or not those savings have been passed on to investors;
- (5) Comparable market rates - how the costs of the fund compare with others in the marketplace;
- (6) Comparable services - how the charges applied to the fund compare with those of other funds administered by SWFAL;
- (7) Classes of shares - the appropriateness of the classes of shares in the fund for investors.

Assessment of Value - SVS Church House Tenax Absolute Return Strategies Fund (continued)

1. Quality of Service

What was assessed in this section?

Internal Factors

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

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

External Factors

The SWFAL Board assessed the skills, processes, experience, level of breaches and complaints. Also considered were any results from service review meetings as well as the annual due diligence performed by SWFAL on the delegated Investment Manager, Church House Investments Limited, ('Church House').

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

What was the outcome of the assessment?

Internal Factors

The Board recognised that all distribution and settlement monies were paid in a timely manner and that there were no significant findings as a result of the various audits performed on SWFAL during the year. The Board concluded that SWFAL carried out its duties diligently.

External Factors

The Board concluded that the nature, extent and quality of the services provided by the external parties have benefited and should continue to benefit the sub-fund and shareholders.

Were there any follow up actions?

There were no follow-up actions required.

2. Performance

What was assessed in this section?

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

Investment Objectives

The sub-fund aims to provide an absolute return, aiming to achieve positive returns over rolling twelve-month periods at low levels of volatility (meaning changes in value of up to 5% per annum in normal market conditions).

Benchmark

The FCA introduced significant changes in relation to benchmarks in August 2019. As ACD, SWFAL was required to explain in a fund's scheme documentation why a benchmark is being used or alternatively explain how investors should assess performance of a fund in the absence of a benchmark.

The sub-fund's long-standing performance comparator benchmark was 3 Month LIBOR (London Inter-Bank Offer Rate). The FTSE 100 was added as a comparator during August 2019. Both were replaced by asset class benchmarks on 24 August 2020, as detailed below.

As the sub-fund is a multi-asset fund, the ACD now uses different benchmarks for comparison purposes according to the asset classes generally held by the sub-fund, including Government UK Gilt 2 Year Yield in respect of bonds and FTSE 100 TR in respect of equities.

Assessment of Value - SVS Church House Tenax Absolute Return Strategies Fund (continued)

2. Performance (continued)

What was the outcome of the assessment?

The sub-fund was converted from a NURS (non-UCITS regulated scheme) to a UCITS (Undertaking for Collective Investment in Transferable Securities) on 24 August 2020. At this point the language used in the investment objective was altered to better reflect the asset class mix within the sub-fund.

The objective of the sub-fund is to achieve an absolute return with low levels of volatility over twelve month rolling periods and the Board observed that this was met on ten occasions out of twelve and as a result were of the opinion that the objective was being adhered to.

Consideration was given to the sub-fund's relative performance to the benchmarks noted above and the Board was satisfied that it provided value to the shareholders.

The Board found that the sub-fund is investing in the asset classes permitted by the investment policy and that there have been no breaches of the policy in the last 12 months.

Were there any follow up actions?

There were no follow-up actions required.

3. ACD Costs

What was assessed in this section?

The Board reviewed each separate charge to ensure that they were reasonable and reflect the services provided. This includes investment management fees, annual management charge, Depositary/Custodian fees, legal fees and audit fees.

What was the outcome of the assessment?

The Board observed that Church House operate a unique model, one that includes a notional in-house portfolio management fee that sits within the sub-fund's investment management fee. This has the effect of inflating the ongoing charges figure ('OCF') and as a result SWFAL sought to exclude this fee so that the sub-fund could be better compared on a like-for-like basis with other funds displaying similar characteristics. Once this was done the Board were able to conclude that each of the sub-fund's costs were fair, reasonable and provided on a competitive basis.

Were there any follow up actions?

There were no follow-up actions required.

4. Economies of Scale

What was assessed in this section?

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

What was the outcome of the assessment?

As the sub-fund's AUM grows, investors pay proportionally less for the fixed costs of running the sub-fund as SWFAL is able to negotiate better terms with its service providers. Similarly, as SWFAL's business grows and costs are distributed across more investors, the costs to each investor reduces. The Board continues to review the OCF of all funds to ensure they are appropriate.

Owing to the charging structure in place, i.e. fixed Annual Management Charge, there are minimal opportunities for savings going forward should the sub-fund continue to grow in size.

Were there any follow up actions?

There were no follow-up actions required.

5. Comparable Market Rates

What was assessed in this section?

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

The sub-fund's charges, or OCF, was compared against the external 'market rate' of equivalent funds.

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

Assessment of Value - SVS Church House Tenax Absolute Return Strategies Fund (continued)

5. Comparable Market Rates (continued)

What was the outcome of the assessment?

The sub-fund's charges were found to have compared favourably with those of similar externally managed funds.

Were there any follow up actions?

There were no follow-up actions required.

6. Comparable Services

What was assessed in this section?

The Board reviewed the OCF applied to the sub-fund with those of other funds administered by SWFAL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

There were no other SWFAL administered funds displaying the same characteristics as the SVS Church House Tenax Absolute Return Strategies Fund.

Were there any follow up actions?

There were no follow-up actions required.

7. Classes of Shares

What was assessed in this section?

The Board reviewed the sub-fund set up to ensure that where there are multiple share classes, shareholders are in the correct share class given the size of their holding.

What was the outcome of the assessment?

In September 2020, in order to ensure shareholders were invested in the correct share classes, SWFAL conducted a review of named investors on the 'A' share class register. At the time of the review all shareholders were in the appropriate share class.

However, as SWFAL is unaware of the specific investment terms for any shareholder who invests directly through an Independent Financial Advisor or an investment platform SWFAL was unable to determine if there were any other shareholders that would be eligible for a move to the cheaper 'B' share class.

If you are in any doubt as to which class of share you hold and, additionally, if that holding is eligible to be moved to a cheaper share class then please contact your IFA or investment platform.

Were there any follow up actions?

There were no follow-up actions required.

Overall Assessment of Value

The SWFAL Board concluded that the SVS Church House Tenax Absolute Return Strategies Fund had provided value to the shareholders.

Kevin Stopps

Chairman of the Board of Smith & Williamson Fund Administration Limited

29 January 2021

On reviewing this Assessment of Value report, we would welcome invaluable feedback from investors via our short questionnaire which can be found online;

<https://smithandwilliamson.com/en/services/fund-administration/assessment-of-value/>

















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

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




Assessment of Value - SVS Church House UK Smaller Companies Fund

In line with the provisions contained within COLL 6.6.20R, the Board of Smith & Williamson Fund Administration Limited ('SWFAL') as Authorised Corporate Director ('ACD'), has carried out an Assessment of Value for SVS Church House UK Smaller Companies Fund ('the sub-fund'). Furthermore, the rules require that SWFAL publishes these assessments.

A high-level summary of the outcome of SWFAL's rigorous review of the sub-fund for the year ending 30 September 2020, using the seven criteria set by the FCA is set out below:

	A Shares	B Shares
1. Quality of Service		
2. Performance		
3. ACD Costs		
4. Economies of Scale		
5. Comparable Market Rates		
6. Comparable Services		
7. Classes of Shares		
Overall Rating		

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

-  On balance, the Board believes the fund is delivering value to shareholders, with no material issues noted.
-  On balance, the Board believes the fund is delivering value to shareholders, but may require some actions.
-  On balance, the Board believes the fund has not delivered value and remedial action is now being undertaken.

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

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

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

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

The seven criteria are:

- (1) Quality of service - the quality of every aspect of the service provided, including, for example, accounting, administration, customer services and communications;
- (2) Performance - how the fund performed, including whether it met targets and objectives, kept to relevant policy, followed relevant principles, kept to reasonable timescales;
- (3) ACD costs - the fairness and value of the fund's costs, including entry and exit fees, early redemption fees, administration charges;
- (4) Economies of scale - how costs have been or can be reduced as a result of increased Assets under Management ('AUM'), and whether or not those savings have been passed on to investors;
- (5) Comparable market rates - how the costs of the fund compare with others in the marketplace;
- (6) Comparable services - how the charges applied to the fund compare with those of other funds administered by SWFAL;
- (7) Classes of shares - the appropriateness of the classes of shares in the fund for investors.

Assessment of Value - SVS Church House UK Smaller Companies Fund (continued)

1. Quality of Service

What was assessed in this section?

Internal Factors

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

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

External Factors

The SWFAL Board assessed the skills, processes, experience, level of breaches and complaints. Also considered were any results from service review meetings as well as the annual due diligence performed by SWFAL on the delegated Investment Manager, Church House Investments Limited, ('Church House').

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

What was the outcome of the assessment?

Internal Factors

The Board recognised that all distribution and settlement monies were paid in a timely manner and that there were no significant findings as a result of the various audits performed on SWFAL during the year. The Board concluded that SWFAL carried out its duties diligently.

External Factors

The Board concluded that the nature, extent and quality of the services provided by the external parties have benefited and should continue to benefit the sub-fund and shareholders.

Were there any follow up actions?

There were no follow-up actions required.

2. Performance

What was assessed in this section?

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

Investment Objectives

The sub-fund has an objective of long-term capital growth from a concentrated portfolio of equity investments; income distributions (if any) are likely to be low.

Benchmark

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

The benchmarks that have been agreed for the sub-fund are the FTSE All-Share Index and the FTSE Small Cap ex Investment Trusts Index, which are comparators. A 'comparator' benchmark is an index or similar factor against which an investment manager invites investors to compare a fund's performance.

Assessment of Value - SVS Church House UK Smaller Companies Fund (continued)

2. Performance (continued)

What was the outcome of the assessment?

The sub-fund was converted from a NURS (non-UCITS regulated scheme) to a UCITS (Undertaking for Collective Investment in Transferable Securities) on the 24 August 2020. At this point it was renamed from the SVS Church House Deep Value Investment Fund to the SVS Church House UK Smaller Companies Fund and a new investment objective and policy was introduced.

The Board observed that the sub-fund's performance since then was ahead of both its comparators however were of the opinion that it was too early to draw a meaningful conclusion.

The Board found that the sub-fund is investing in the asset classes permitted by the investment policy and that there have been no breaches of the policy to date.

Were there any follow up actions?

There were no follow-up actions required.

3. ACD Costs

What was assessed in this section?

The Board reviewed each separate charge to ensure that they were reasonable and reflect the services provided. This includes investment management fees, annual management charge, Depository/Custodian fees, legal fees and audit fees.

What was the outcome of the assessment?

The Board observed that Church House operate a unique model, one that includes a notional in-house portfolio management fee that sits within the sub-fund's investment management fee. This has the effect of inflating the ongoing charges figure ('OCF') and as a result SWFAL sought to exclude this fee so that the sub-fund could be better compared on a like-for-like basis with other funds displaying similar characteristics. Once this was done the Board were able to conclude that each of the sub-fund's costs were fair, reasonable and provided on a competitive basis.

Were there any follow up actions?

There were no follow-up actions required.

4. Economies of Scale

What was assessed in this section?

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

What was the outcome of the assessment?

As the sub-fund's AUM grows, investors pay proportionally less for the fixed costs of running the sub-fund as SWFAL is able to negotiate better terms with its service providers. Similarly, as SWFAL's business grows and costs are distributed across more investors, the costs to each investor reduces. The Board continues to review the OCF of all funds to ensure they are appropriate.

Due to the charging structure in place, i.e. fixed Annual Management Charge, there are minimal opportunities for savings going forward should the sub-fund grow in size.

Were there any follow up actions?

There were no follow-up actions required.

5. Comparable Market Rates

What was assessed in this section?

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

The sub-fund's charges, or OCF, was compared against the external 'market rate' of equivalent funds.

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

What was the outcome of the assessment?

The sub-fund's charges were found to have compared favourably with those of similar externally managed funds.

Were there any follow up actions?

There were no follow-up actions required.

Assessment of Value - SVS Church House UK Smaller Companies Fund (continued)

6. Comparable Services

What was assessed in this section?

The Board reviewed the OCF applied to the sub-fund with those of other funds administered by SWFAL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

There were no other SWFAL administered funds displaying the same characteristics as the SVS Church House UK Smaller Companies Fund with which to make a comparison.

Were there any follow up actions?

There were no follow-up actions required.

7. Classes of Shares

What was assessed in this section?

The Board reviewed the sub-fund set up to ensure that where there are multiple share classes, shareholders are in the correct share class given the size of their holding.

What was the outcome of the assessment?

In September 2020, in order to ensure unitholders were invested in the correct unit classes, SWFAL conducted a review of named investors on the 'A' share class register. At the time of the review all shareholders were in the appropriate share class.

However, as SWFAL is unaware of the specific investment terms for any share holder who invests directly through an Independent Financial Advisor or an investment platform SWFAL was unable to determine if there were any other shareholders that would be eligible for a move to the cheaper 'B' share class.

If you are in any doubt as to which class of share you hold and, additionally, if that holding is eligible to be moved to a cheaper share class then please contact your IFA or investment platform.

Were there any follow up actions?

There were no follow-up actions required.

Overall Assessment of Value

The SWFAL Board concluded that it was too early to determine if the SVS Church House UK Smaller Companies Fund had been of value to the shareholders.

Kevin Stopps

Chairman of the Board of Smith & Williamson Fund Administration Limited

18 January 2021

On reviewing this Assessment of Value report, we would welcome invaluable feedback from investors via our short questionnaire which can be found online;

<https://smithandwilliamson.com/en/services/fund-administration/assessment-of-value/>

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

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

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

Depositary's responsibilities

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited
29 January 2021

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

Opinion

We have audited the financial statements of the Company for the year ended 30 September 2020 which comprise the Statements of Total Return, Statements of Change in Net Assets Attributable to Shareholders, Balance Sheets, the related Notes to the Financial Statements, including a summary of significant accounting policies and the Distribution Tables for each of the Company's sub-funds. 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 each of the sub-funds at 30 September 2020 and of the net revenue and the net capital gains/losses on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to UK Authorised Funds and the COLL Rules.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 Company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the ACD's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the ACD has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

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

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

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the COLL Regulations

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

- Proper accounting records for each of the sub-funds 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 ACD's report for the year is consistent with the financial statements.

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

Responsibilities of the ACD

As explained more fully in the Statement of the ACD's responsibilities set out on page 4, the ACD 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 ACD 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 ACD is responsible for assessing the Company'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 ACD either intends to liquidate the Company 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the ACD.
- Conclude on the appropriateness of the ACD's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Use of Our Report

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

Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Bishop's Court
29 Albyn Place
Aberdeen AB10 1YL
29 January 2021

Accounting policies of SVS CH Special Mandates Fund

for the year ended 30 September 2020

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

a *Basis of accounting*

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

The ACD has considered the impact of the emergence and spread of Covid-19 and potential implications on future operations of the Company and its sub-funds of reasonably possible downside scenarios. The ACD has considered a detailed assessment of the Company and its sub-funds' 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 sub-funds continue to be open for trading and the ACD is satisfied the sub-funds have 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 2020.

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 2020 with reference to quoted bid prices from reliable external sources.

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

Collective investment schemes within the portfolio are valued at the most recent published price prior to the close of business valuation on 30 September 2020.

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

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

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

c *Foreign exchange*

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

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

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

d *Revenue*

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

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

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

Dividends from unquoted equity shares are recognised when declared.

Zero dividend preference shares carry no entitlement to dividends but give a preferential right to receive a repayment of capital and a premium from the capital reserves of an investment company. Accordingly, the returns are recognised as capital and do not form part of the sub-fund's distribution.

Accounting policies of SVS CH Special Mandates Fund (continued)

for the year ended 30 September 2020

d Revenue (continued)

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

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

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

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

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

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

e Expenses

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

Bank interest paid is charged to revenue.

f Allocation of revenue and expenses to multiple share classes

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

g Taxation

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

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

Deferred taxation is provided in full on timing differences that result in an obligation at 30 September 2020 to pay more or less tax, at a future date, at rates expected to apply when they crystallise based on current rates and tax laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

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

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

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

Accounting policies of SVS CH Special Mandates Fund (continued)

for the year ended 30 September 2020

h Efficient Portfolio Management

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

i Dilution levy

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

j Distribution policies

i Basis of distribution

SVS Church House Tenax Absolute Return Strategies Fund

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

SVS Church House UK Smaller Companies Fund

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

ii Unclaimed distributions

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

iii Revenue

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

iv Expenses

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

v Equalisation

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

SVS Church House Tenax Absolute Return Strategies Fund

Investment Manager's report

Investment objective and policy to 23 August 2020

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

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

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

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

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

Investment objective and policy from 24 August 2020

The sub-fund aims to provide an absolute return, aiming to achieve positive returns over rolling twelve-month periods at low levels of volatility (meaning changes in value of up to 5% per annum in normal market conditions). Capital invested in the sub-fund is at risk and there is no guarantee that a positive return will be achieved over a rolling twelve-month, or any other period.

The sub-fund is actively managed and will gain a diverse exposure to a range of global asset classes.

The sub-fund may at any one time be invested in one or more of the following: fixed interest securities, equities, other collective investment schemes, money market instruments, deposits, and cash and near cash.

The sub-fund may invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD of a sub-fund or one of its associates.

The Investment Manager has no fixed asset allocation for any asset class but will change the asset mix in the sub-fund from time to time, considering market conditions, in a way that, in the Investment Manager's view, is consistent with the sub-fund's aim to maintain a low level of volatility. As such, the sub-fund may hold high proportions in cash and other lower-risk assets such as cash, near cash, money market instruments and deposits.

The Investment Manager is not constrained by any particular asset allocation in respect of geography, industry or sector. The equities in which the sub-fund invests may be from companies anywhere in the world. The fixed interest securities may include floating rate notes, index linked or convertible securities.

Investment performance*

Performance over:	One year	Three years	Five years
SVS Church House Tenax Absolute Return Strategies Fund A Accumulation	+1.0%	+2.3%	+13.3%
SVS Church House Tenax Absolute Return Strategies Fund B Accumulation	+1.3%	+3.3%	+15.0%
Annual Volatility** 'A' shares	5.7%	3.5%	3.1%

*Source: Bloomberg and Smith & Williamson Fund Administration Limited. Based on mid prices at 12pm.

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

Investment Manager's report (continued)

Investment activities*

The first general point that we should make is a reminder that we don't manage the sub-fund on the basis of economic/strategic prognostications for the year/period ahead. Naturally, we study many economic forecasts and analysts from a wide range of sources, many of whom have interesting points to make, but our decisions on investing within the sub-fund are a response to the prices and values that we see in individual assets and classes of assets. That is why we started the year with such high proportions in cash and near-cash (approaching 60% of the sub-fund's portfolio). We had no prescience as to the risks of a pandemic, we simply could not find attractively valued assets and viewed many as over-priced. As an absolute return fund, the sub-fund always returns to cash when we cannot see attractive alternatives.

The table below shows that the changes in allocation to the various asset classes have been less significant this quarter than over the first half. Essentially, the trend has been the same, with a gradual reduction in the lowest-risk assets at the top of the table funding additions to the other classes as we saw opportunities.

August is traditionally the quietest month in the markets, this year it started early. July saw the flow of new issues in the corporate fixed interest markets slow to a trickle, but we still find these markets attractive and added to existing holdings in Legal & General Group and Canadian Pension Plan bonds. We shuffled the pack of equity holdings a shade in response to some sharp moves, while adding quietly to Shaftesbury in the property sector, which remains deeply out of favour. We participated in a 'tap' issue of new stock from HICL Infrastructure (a long-term holding), which was well received, while Hipgnosis Songs went for a 'C' share issue to raise further funds in which we also participated. The table below shows the development of our broad asset mix over the quarter and since January (in that far off pre Covid-19 time).

Allocation to asset classes**

	31-Jan-20	30-Jun-20	30-Sep-20	Since January
Cash	0.7%	1.2%	2.1%	1.4%
Treasury / T-Bill	9.1%	3.2%	0.0%	-9.1%
FRN (AAA)	47.0%	33.6%	31.2%	-15.8%
Floating Rate	5.2%	3.1%	2.9%	-2.2%
Fixed Interest	17.8%	33.1%	35.9%	18.0%
Index-Linked	0.3%	1.2%	1.1%	0.7%
Infrastructure	3.6%	4.9%	5.4%	1.7%
Convert / ZDP	8.4%	9.3%	9.3%	0.9%
Alternative / Hedge	0.0%	0.0%	0.8%	0.8%
Property / Real	1.5%	1.4%	2.1%	0.5%
Equity	6.3%	9.0%	9.3%	3.0%

**Source: Church House Investments Limited.

August was a quiet month for transactions, we completed twelve in the sub-fund, a few more than the nine completed last August, but it was not a month for major shifts. Remaining positive on credit markets, we added to two short-dated holdings in this area from Credit Suisse and InterContinental Hotels Group. But it was not all one-way traffic in the area, we also took profit from our holding in the higher-coupon (and longer-dated) British Telecom 5.75% 07/12/2028 stock. A modest level of activity in the zero-dividend preference ('ZDP') share market allowed us to add to some of the existing ZDP holdings on favourable terms.

The US dollar had been weakening all summer, having fallen more than 5% against the euro since June, but was beginning to look steadier mid-month. The move has also helped sterling to rally strongly from the March lows around \$1.155, touching \$1.32. With the Brexit negotiations looming (and progress sounding to be non-existent), this move looked questionable, and we began to add to our US dollar position.

UK property remains an unloved area for investment at present, with the notable exception of some of the companies focussed on distribution and 'sheds', such as Segro. While accepting that a number of companies are struggling, this is not universal and there is value to be found, particularly in the companies focussed on Central London such as Derwent London, Great Portland Estates and Shaftesbury. We edged the exposure up again to 2.2% of the portfolio, though we also have exposure via convertible securities.

*Source: Bloomberg.

Investment Manager's report (continued)

Investment activities* (continued)

US equity markets continued to lead equity markets in August with the S&P 500 Index making new highs again, but the UK and European markets drifted down, worrying about Covid-19. This presented us with a few opportunities in listed 'closed-end' funds (investment trusts in the UK) at both the smaller companies and international ends of the spectrum and we added to three existing holdings.

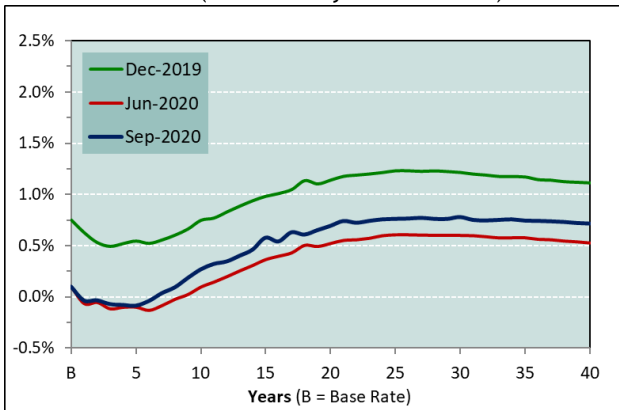
September saw activity levels rising again, along with the set-back for US equities, a recovery for the US dollar and an apparent resurgence of Covid-19 across the UK and Europe. We reduced our AAA floating rate note exposure again with the sale of one of the Royal Bank of Canada issues. Otherwise, we were quiet in the credit markets simply switching between two issues from Credit Suisse for an improvement in return.

Prices for UK-focussed infrastructure assets moved lower during the month, possibly concerned about the impending budget (since cancelled), we added to our exposure to International Public Partnerships and, modestly, to HICL Infrastructure. We also supported another issue from Hipgnosis Songs Fund following an interesting 'capital markets day' that they held during the month. In the equity markets, we are still finding value in some of the closed-end funds, notably the more economically sensitive 'value' funds such as Aberforth Smaller Companies Trust. We added further to these and, again, to the international exposure.

Investment strategy and outlook*

UK base rates remain stuck at 0.1%, as they have been since mid-March, though the Bank continues to tease us with the possibility of negative interest rates and "the range of actions that could be taken to deliver its objectives". But they do stress that they have no intention to tighten monetary policy (essentially, raise interest rates) until there is "clear evidence that significant progress is being made". As the graph below illustrates, short-term interest rates (out to five years) remain negative, rates for longer periods have edged a shade higher:

UK Interest Rates (the income yield from Gilts) - The Yield Curve



Source: Church House Investments Limited, Bloomberg.

As the US election takes centre stage, the likely result has become much clearer. Joe Biden's 'Blue Wave' appears to be gathering more support and the likelihood of a clear win would remove any justification for his opponent to dispute the final result. Whatever the outcome, this election is doing much (along with the past few years) to demean and dilute the respect previously held for the post of US President. Both sides have similar plans to provide the fiscal support needed by the US economy but, of course, differ on exact size and mode of execution enabling plenty of political bickering to continue.

The European Union ('EU')/UK talks regarding 'the deal' continue to be painful, with no concrete progress; it still seems illogical that tiny industries remain a huge stumbling block but some of these divisions are historic and go back to way before the EU came into existence. As the virus reappears across Europe, it is apparent that complete lockdowns are to be avoided due to the severity of the economic damage that they inflict, but governments are certainly having a hard time getting their measures right or implemented. The number of people not surviving seems a more rational measure to focus on rather than the number that test positive.

*Source: Bloomberg.

Investment Manager's report (continued)

Investment strategy and outlook* (continued)

The damage inflicted first time round shows up clearly in the numbers and, whichever way you look at it, double digit reductions in Gross Domestic Product are dramatic. Forecasts by economists keep being readjusted, we're not sure that they have much value. The Bank's Monetary Policy Committee ('MPC') certainly has a wide range of views and Governor Bailey has been rattling his toolbox again consulting banks on the effect of negative rates, quickly reiterating that he does not intend to actually implement them - we hope he consults building societies too. One MPC member maintains that negative rates have been a positive elsewhere, but we don't think the moribund banking systems of the eurozone and Japan are evidence confirming that view.

*Source: Bloomberg.

Church House Investments Limited

30 October 2020

Summary of portfolio changes

for the year ended 30 September 2020

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

	Cost £
Purchases:	
CPPIB Capital 1.125% 14/12/2029	11,186,824
UK Treasury Bill 0% 03/02/2020	9,982,082
Royal Bank of Canada 0.89239% 30/01/2025	7,001,440
GlaxoSmithKline Capital 1.25% 12/10/2028	6,933,430
Barclays 3.75% 22/11/2030	6,369,230
Yorkshire Building Society 0.643% 21/11/2024	6,000,000
SSE 3.74% Perpetual	5,997,720
Southern Water Services Finance 2.375% 28/05/2028	5,950,800
Barclays 2.375% 06/10/2023	5,936,088
Yorkshire Building Society 0.6533% 19/11/2023	5,030,650
Lloyds Bank 0.86579% 16/05/2024	5,008,600
Lloyds Bank 0.42459% 03/02/2023	5,003,000
National Australia Bank 0.5545% 04/02/2025	5,000,000
Nationwide Building Society 1.09261% 10/01/2025	5,000,000
Santander UK 0.664% 12/11/2024	5,000,000
Landesbank Baden-Wuerttemberg 1.125% 08/12/2025	4,996,250
Landesbank Baden-Wuerttemberg 1.5% 03/02/2025	4,994,800
Heathrow Funding 3.334% 09/12/2039	4,761,949
Legal & General Group 5.625% Perpetual	4,512,000
Canadian Imperial Bank of Commerce 0.5351% 28/10/2022	4,500,000

	Proceeds £
Sales:	
UK Treasury Gilt 2% 22/07/2020	15,000,000
UK Treasury Gilt 4.75% 07/03/2020	14,881,000
Lloyds Bank 1.2807% 16/05/2024	10,998,900
Coventry Building Society 1.31071% 13/11/2023	10,005,000
UK Treasury Bill 0% 28/10/2019	10,000,000
UK Treasury Bill 0% 03/02/2020	10,000,000
National Westminster Bank 1.02813% 15/05/2020	8,004,000
Royal Bank of Canada 0.89239% 30/01/2025	7,020,300
Yorkshire Building Society 0.643% 21/11/2024	5,967,000
Santander UK 0.664% 12/11/2024	5,042,200
International Bank for Reconstruction & Development 0.9501% 04/10/2023	5,000,300
European Investment Bank 1.01538% 17/02/2020	5,000,000
Export Development Canada 1.0207% 29/05/2024	5,000,000
Nationwide Building Society 1.09261% 10/01/2025	5,000,000
Royal Bank of Canada CMS Linked Reverse Convertible Notes 09/04/2020	4,861,900
ABN AMRO Bank NV 1.10488% 29/05/2020	4,200,000
Lloyds Bank 1.3104% 14/01/2022	4,015,200
Lloyds Bank 1.14062% 13/09/2021	4,002,080
Barclays Bank 0.99088% 22/05/2020	4,000,000
J.P. Morgan 2.435% 09/03/2021	3,836,268

Portfolio statement

as at 30 September 2020

Investment	Nominal value or holding	Market value £	% of total net assets
Debt securities* 68.49% (72.41%)			
Aaa to Aa2 33.57% (50.76%)			
Asian Development Bank 0.3066% 12/10/2023**	£9,500,000	9,503,800	1.91
Australia & New Zealand Banking Group 0.73541% 24/01/2022**	£8,000,000	8,050,320	1.62
Bank of Nova Scotia 0.437% 11/06/2021**	£2,000,000	2,001,160	0.40
Barclays Bank 0.5334% 15/05/2023**	£5,300,000	5,329,945	1.07
Canadian Imperial Bank of Commerce 0.52313% 10/01/2022**	£1,721,000	1,725,096	0.35
Canadian Imperial Bank of Commerce 0.5351% 28/10/2022**	£4,500,000	4,524,120	0.91
Clydesdale Bank 0.7515% 22/03/2024**	£3,900,000	3,946,722	0.80
Coventry Building Society 0.57642% 15/01/2025**	£1,500,000	1,509,810	0.30
CPPIB Capital 1.125% 14/12/2029	£11,000,000	11,293,260	2.27
European Investment Bank 0.4012% 29/06/2023**	£10,000,000	10,041,800	2.02
European Investment Bank 0.3919% 12/03/2026**	£10,528,000	10,568,954	2.13
International Bank for Reconstruction & Development 0.2973% 04/10/2023**	£5,000,000	5,000,850	1.01
Landesbank Baden-Wuerttemberg 0.34475% 18/05/2021**	£3,500,000	3,502,275	0.71
Leeds Building Society 0.6764% 15/04/2023**	£6,100,000	6,154,534	1.24
Lloyds Bank 0.42459% 03/02/2023**	£5,000,000	5,013,100	1.01
National Australia Bank 0.5545% 04/02/2025**	£5,000,000	5,029,300	1.01
National Bank of Canada 0.4315% 27/09/2021**	£2,000,000	2,003,760	0.40
National Westminster Bank 0.651452% 22/03/2023**	£4,000,000	4,034,840	0.81
Nationwide Building Society 0.48463% 02/08/2022**	£13,000,000	13,056,290	2.63
Nationwide Building Society 0.80679% 10/01/2024**	£4,000,000	4,060,200	0.82
Royal Bank of Canada 0.630965% 03/10/2024**	£9,000,000	9,071,730	1.83
Santander UK 0.4815% 20/09/2021**	£11,000,000	11,028,160	2.22
Santander UK 0.7838% 12/02/2024**	£3,000,000	3,041,460	0.61
Toronto-Dominion Bank 0.5213% 24/06/2022**	£11,850,000	11,897,044	2.39
TSB Bank 0.9234% 15/02/2024**	£5,000,000	5,083,400	1.02
Yorkshire Building Society 0.6533% 19/11/2023**	£10,250,000	10,350,450	2.08
		<u>166,822,380</u>	<u>33.57</u>
Aa3 to A1 3.60% (3.17%)			
Close Brothers Finance 2.75% 19/10/2026	£2,140,000	2,276,532	0.46
Lloyds Bank Corporate Markets 1.5% 23/06/2023	£3,000,000	3,041,820	0.61
Metropolitan Life Global Funding 1.125% 15/12/2021	£4,500,000	4,535,010	0.91
Nationwide Building Society 1% 24/01/2023	£2,000,000	2,015,400	0.41
Province of Ontario Canada 0.16113% 10/11/2020**	£2,000,000	2,000,000	0.40
Siemens Financieringsmaatschappij 0.875% 05/06/2023	£4,000,000	4,041,960	0.81
		<u>17,910,722</u>	<u>3.60</u>
A2 to A3 10.13% (1.71%)			
AstraZeneca 0.8695% 10/06/2022**	\$1,000,000	778,354	0.16
Aviva 6.125% Perpetual**	£1,000,000	1,074,957	0.22
Aviva 6.625% 03/06/2041**	£1,000,000	1,034,260	0.21
Aviva 4.375% 12/09/2049**	£800,000	887,616	0.18

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

** Denotes a variable interest security.

Portfolio statement (continued)

as at 30 September 2020

Investment	Nominal value or holding	Market value £	% of total net assets
Debt securities* (continued)			
A2 to A3 (continued)			
Aviva 4% 03/06/2055**	£2,000,000	2,101,760	0.42
Aviva 5.125% 04/06/2050**	£250,000	287,810	0.06
BP Capital Markets 3.25% Perpetual**	€5,000,000	4,665,745	0.94
Citigroup 1.678% 15/05/2024**	\$3,000,000	2,375,256	0.48
Diageo Finance 2.875% 27/03/2029	£3,000,000	3,448,950	0.69
Diageo Finance 1.25% 28/03/2033	£2,500,000	2,495,050	0.50
GlaxoSmithKline Capital 1.25% 12/10/2028	£7,000,000	7,104,734	1.43
Goldman Sachs Group 1.45013% 15/11/2021**	\$4,000,000	3,097,822	0.62
Hongkong & Shanghai Banking 0.44813% Perpetual**	\$1,000,000	620,591	0.12
Landesbank Baden-Wuerttemberg 1.5% 03/02/2025	£5,000,000	5,107,250	1.03
Landesbank Baden-Wuerttemberg 1.125% 08/12/2025	£5,000,000	4,975,300	1.00
Legal & General Group 4.5% 01/11/2050**	£3,000,000	3,246,571	0.65
M&G 5.625% 20/10/2051**	£2,000,000	2,325,000	0.47
Volkswagen Financial Services 1.125% 18/09/2023	£2,000,000	1,993,000	0.40
Volkswagen Financial Services 4.25% 09/10/2025	£2,000,000	2,261,390	0.46
Wales & West Utilities Finance 2.496% 22/08/2035	£200,000	428,170	0.09
		<u>50,309,586</u>	<u>10.13</u>
Baa1 to Baa2 6.45% (1.58%)			
Amadeus IT Group 1.5% 09/04/2025	€2,000,000	2,243,948	0.45
BAE Systems 3.4% 15/04/2030	\$1,000,000	863,260	0.17
Barclays 2.375% 06/10/2023**	£5,925,000	6,050,906	1.22
Citigroup 5.875% 01/07/2024	£1,655,000	1,918,550	0.39
CK Hutchison Group Telecom Finance 2% 17/10/2027	£2,000,000	2,060,740	0.42
Credit Suisse Group 2.25% 09/06/2028**	£3,000,000	3,078,390	0.62
E.ON 1% 07/10/2025	€800,000	758,834	0.15
Heathrow Funding 3.334% 09/12/2039**	£2,260,000	5,016,594	1.01
RI Finance Bonds No 3 6.125% 13/11/2028	£650,000	792,212	0.16
Society of Lloyd's 4.875% 07/02/2047**	£3,278,000	3,585,083	0.72
Southern Gas Networks 4.875% 21/12/2020	£3,545,000	3,576,515	0.72
Yorkshire Building Society 3% 18/04/2025**	£2,000,000	2,104,820	0.42
		<u>32,049,852</u>	<u>6.45</u>
Baa3 and below 14.74% (15.19%)			
AP Moller - Maersk 2.33725% 16/03/2021**	\$1,000,000	784,012	0.16
Barclays Bank 10% 21/05/2021	£4,000,000	4,218,640	0.85
Barclays 3.75% 22/11/2030**	£6,400,000	6,657,408	1.34
British Land 2.375% 14/09/2029	£900,000	914,499	0.18
Goldman Sachs Group 2.1% 08/09/2021**	£500,000	504,300	0.10
Grainger 3% 03/07/2030	£2,300,000	2,382,593	0.48
InterContinental Hotels Group 3.75% 14/08/2025	£2,925,000	3,003,969	0.61
John Lewis 6.125% 21/01/2025	£3,772,000	4,009,712	0.81

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

** Denotes a variable interest security.

Portfolio statement (continued)

as at 30 September 2020

Investment	Nominal value or holding	Market value £	% of total net assets
Debt securities* (continued)			
Baa3 and below (continued)			
Legal & General Group 5.625% Perpetual**	£4,500,000	4,610,700	0.93
Marks & Spencer 4.5% 10/07/2027	£4,000,000	3,955,360	0.80
National Westminster Bank 0.4075% Perpetual**	\$2,000,000	1,361,850	0.27
Natwest Group 3.622% 14/08/2030**	£4,000,000	4,176,709	0.84
NGG Finance 5.625% 18/06/2073**	£1,000,000	1,124,780	0.23
Orange 5.875% Perpetual**	£2,000,000	2,098,440	0.42
Phoenix Group Holdings 5.75% Perpetual **	£2,000,000	1,999,000	0.40
Rothsay Life 6.875% Perpetual**	£2,000,000	2,126,020	0.43
Rothsay Life 5.5% 17/09/2029**	£2,000,000	2,188,440	0.44
Rothsay Life 8% 30/10/2025	£1,285,000	1,596,471	0.32
Shaftesbury Chinatown 2.348% 30/09/2027	£3,000,000	2,951,430	0.59
Southern Water Services Finance 2.375% 28/05/2028	£6,000,000	6,156,900	1.24
SSE 3.74% Perpetual **	£6,000,000	6,129,683	1.23
Tesco Corporate Treasury Services 2.5% 02/05/2025	£3,000,000	3,174,990	0.64
Tesco 1.982% 24/03/2036	£550,000	1,051,160	0.21
Tullow Oil 6.25% 15/04/2022	\$2,000,000	796,720	0.16
Virgin Money UK 4% 25/09/2026**	£1,000,000	1,031,540	0.21
Vodafone Group 4.875% 03/10/2078**	£4,000,000	4,225,000	0.85
		<u>73,230,326</u>	<u>14.74</u>
Total debt securities		<u>340,322,866</u>	<u>68.49</u>
Convertible Bonds 5.17% (5.61%)			
Derwent London Capital No 3 Jersey 1.5% 12/06/2025	£6,000,000	5,667,660	1.14
ELM BV for Swiss 3.25% 13/06/2024	\$3,000,000	2,412,786	0.49
Glencore Funding 0% 27/03/2025	\$4,000,000	2,691,646	0.54
National Grid North America 0.9% 02/11/2020	£5,000,000	4,989,900	1.00
Nexi SpA 1.75% 24/04/2027	€500,000	543,204	0.11
Orange 0.375% 27/06/2021	£5,000,000	4,963,900	1.00
Remgro Jersey 2.625% 22/03/2021	£2,500,000	2,452,750	0.49
TOTAL 0.5% 02/12/2022	\$2,600,000	1,981,374	0.40
Total convertible bonds		<u>25,703,220</u>	<u>5.17</u>
Equities 4.10% (2.96%)			
Equities - United Kingdom 3.41% (2.75%)			
Consumer Discretionary 0.24% (0.00%)			
Compass Group	100,000	1,168,500	0.24
Consumer Staples 0.78% (0.00%)			
Diageo	75,000	1,987,500	0.40
Unilever	40,000	1,910,400	0.38
		<u>3,897,900</u>	<u>0.78</u>

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

** Denotes a variable interest security.

Portfolio statement (continued)

as at 30 September 2020

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities - United Kingdom (continued)			
Health Care 0.34% (0.15%)			
Sensyne Health	600,000	336,000	0.07
Smith & Nephew	90,000	1,364,400	0.27
		<u>1,700,400</u>	<u>0.34</u>
Financials 0.65% (1.47%)			
Arix Bioscience	1,500,000	1,650,000	0.33
Barclays	900,000	878,490	0.18
Standard Chartered	200,000	712,200	0.14
		<u>3,240,690</u>	<u>0.65</u>
Real Estate 1.40% (1.13%)			
Land Securities Group	800,000	4,180,000	0.84
Shaftesbury	175,000	869,750	0.18
Target Healthcare REIT	1,793,887	1,883,581	0.38
		<u>6,933,331</u>	<u>1.40</u>
Total equities - United Kingdom		<u>16,940,821</u>	<u>3.41</u>
Equities - United States 0.69% (0.21%)			
Berkshire Hathaway	15,000	2,470,104	0.50
Morgan Stanley	25,000	934,599	0.19
Total equities - United States		<u>3,404,703</u>	<u>0.69</u>
Equities - Bermuda 0.00% (0.00%)			
Brookfield Infrastructure Partners	3	111	0.00
Equities - Rest of the World 0.00% (0.00%)			
Prime Infrastructure*	10	-	-
Total equities		<u>20,345,635</u>	<u>4.10</u>
Closed-Ended Funds 12.37% (7.68%)			
Closed-Ended Funds - incorporated in the United Kingdom 7.45% (4.53%)			
Aberforth Smaller Companies Trust	250,000	2,085,000	0.42
Aberforth Split Level Income Trust	2,794,945	2,934,692	0.59
Avi Global Trust	265,000	1,961,000	0.39
Caledonia Investments	185,000	4,532,500	0.91
Gresham House Energy Storage Fund	5,919,000	6,629,280	1.33
HICL Infrastructure	2,286,557	3,791,112	0.76
ICG Enterprise Trust	202,500	1,587,600	0.32
Mobius Investment Trust	1,000,000	926,000	0.19
Odyssean Investment Trust	1,100,000	1,067,000	0.22
RIT Capital Partners	167,298	3,098,359	0.62
SDCL Energy Efficiency Income Trust	4,925,754	5,344,443	1.08
Tritax EuroBox	3,500,000	3,073,000	0.62
Total closed-ended funds - incorporated in the United Kingdom		<u>37,029,986</u>	<u>7.45</u>

*Prime Infrastructure: shares are included in the portfolio of investments with no value as the security is not tradable.

Portfolio statement (continued)

as at 30 September 2020

Investment	Nominal value or holding	Market value £	% of total net assets
Closed-Ended Funds (continued)			
Closed-Ended Funds - incorporated outwith the United Kingdom 4.14% (2.76%)			
Acorn Income Fund	720,000	1,080,000	0.22
Duet Real Estate Finance*	350,000	-	-
GCP Infrastructure Investments	3,500,000	4,046,000	0.81
Hipgnosis Songs Fund	3,119,400	3,634,101	0.73
Hipgnosis Songs Fund	500,000	507,500	0.10
International Public Partnerships	1,610,058	2,595,414	0.52
NB Private Equity Partners	215,000	2,076,900	0.42
NB Private Equity Partners Fund 2022 zero dividend preference share	1,183,308	1,348,971	0.27
NB Private Equity Partners Zero Dividend Preference Share 4.25% 30/10/2024	5,030,000	5,281,500	1.06
Terra Catalyst Fund**	193,031	21,940	0.01
Total closed-ended funds - incorporated outwith the United Kingdom		<u>20,592,326</u>	<u>4.14</u>
Overseas Closed-Ended Funds 0.78% (0.39%)			
BBGI SICAV	2,250,000	<u>3,861,000</u>	<u>0.78</u>
Total closed-ended funds		<u>61,483,312</u>	<u>12.37</u>
Preference Shares 0.28% (0.20%)			
Polar Capital Global Healthcare Zero Dividend	1,325,000	<u>1,391,250</u>	<u>0.28</u>
Collective Investment Schemes 4.17% (3.93%)			
UK Authorised Collective Investment Schemes 3.77% (3.44%)			
SVS Church House Esk Global Equity Fund #	2,200,000	7,350,200	1.48
SVS Church House Investment Grade Fixed Interest Fund #	5,500,000	6,484,500	1.31
SVS Church House UK Equity Growth Fund Z Inc #	1,000,000	1,695,000	0.34
SVS Church House UK Equity Growth Fund Z Acc #	403,339	847,819	0.17
SVS Church House UK Smaller Companies Fund #	1,850,000	2,343,950	0.47
Total UK authorised collective investment schemes		<u>18,721,469</u>	<u>3.77</u>
Offshore Collective Investment Schemes 0.40% (0.49%)			
Waverton Investment Funds - Waverton European Capital Growth Fund	1,429,051	1,656,270	0.33
WisdomTree Gilts 10Y 3x Daily Short	10,000	324,600	0.07
Total offshore collective investment schemes		<u>1,980,870</u>	<u>0.40</u>
Total collective investment schemes		<u>20,702,339</u>	<u>4.17</u>

*Duet Real Estate Finance: 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.

**Terra Catalyst Fund: This is a delisted security and is valued by the fair value pricing committee at £0.1564 (2019: £0.2256).

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

Portfolio statement (continued)

as at 30 September 2020

Investment	Nominal value or holding	Market value £	% of total net assets
Structured Products 2.27% (3.75%)			
Goldman Sachs 5Y GBP Capped Floored Floater Note 07/06/2023*	5,000,000	5,181,057	1.04
JP Morgan Structured Products BV 1.2% 18/02/2026	5,000,000	5,248,255	1.06
Royal Bank of Canada 0% 13/12/2021	650,000	869,161	0.17
Total structured products		<u>11,298,473</u>	<u>2.27</u>
Portfolio of investments		481,247,095	96.85
Other net assets		15,639,875	3.15
Total net assets		<u>496,886,970</u>	<u>100.00</u>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. Structured products are priced at fair value by an independent source and are not listed on stock exchanges.

The comparative figures in brackets are as at 30 September 2019.

* Denotes a variable interest security.

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 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

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

The risk and reward indicator table demonstrates where the sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the sub-fund. The shaded area in the table below shows the sub-fund's ranking on the risk and reward indicator.

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

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

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

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

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

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

For further information please refer to the KIID.

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

During the year, the risk and reward indicator increased from 2 to 3.

Comparative table

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

	A Income			A Accumulation		
	2020^^ p	2019 p	2018 p	2020^^ p	2019 p	2018 p
Change in net assets per share						
Opening net asset value per share	150.51	149.47	149.59	155.30	153.56	153.32
Return before operating charges	3.59	3.57	2.21	3.74	3.67	2.26
Operating charges	(2.20)	(1.86)	(1.96)	(2.29)	(1.93)	(2.02)
Return after operating charges *	1.39	1.71	0.25	1.45	1.74	0.24
Distributions^	(0.69)	(0.67)	(0.37)	(0.70)	(0.67)	(0.37)
Retained distributions on accumulation shares^	-	-	-	0.70	0.67	0.37
Closing net asset value per share	151.21	150.51	149.47	156.75	155.30	153.56
* after direct transaction costs of:	0.06	0.04	0.03	0.06	0.04	0.03
Performance						
Return after charges	0.92%	1.14%	0.17%	0.93%	1.13%	0.16%
Other information						
Closing net asset value (£)	11,515,274	10,439,241	8,437,102	21,112,160	24,220,457	26,072,893
Closing number of shares	7,615,208	6,936,012	5,644,774	13,469,076	15,596,045	16,979,377
Operating charges^^^	1.47%*	1.25%	1.32%	1.47%*	1.25%	1.32%
Direct transaction costs	0.04%	0.03%	0.02%	0.04%	0.03%	0.02%
Prices						
Highest share price (p)	153.0	151.6	150.9	157.8	156.1	154.6
Lowest share price (p)	142.4	147.6	148.3	146.9	151.7	152.0

^ Rounded to 2 decimal places.

^^ On 24 August 2020 the objective and policy of the sub-fund was changed. Further details of the objective and policy change are found at the start of the sub-fund's Investment Manager's report on page 20.

^^^ The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share classes may incur in a year as it is calculated on historical data.

* Previously, the OCF included expenses incurred by underlying holdings of collective investment schemes in relation to the Fund (the synthetic OCF). Following guidance issued by the Investment Association on 2 July 2020, the synthetic OCF calculation has been expanded to include investment trusts.

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

Comparative table (continued)

	B Income			B Accumulation		
	2020 ^{^^} p	2019 p	2018 p	2020 ^{^^} p	2019 p	2018 p
Change in net assets per share						
Opening net asset value per share	153.57	152.52	152.65	161.21	158.94	158.23
Return before operating charges	3.56	3.53	2.14	3.76	3.70	2.23
Operating charges	(1.72)	(1.39)	(1.46)	(1.79)	(1.43)	(1.52)
Return after operating charges *	1.84	2.14	0.68	1.97	2.27	0.71
Distributions [^]	(1.13)	(1.09)	(0.81)	(1.20)	(1.16)	(0.84)
Retained distributions on accumulation shares [^]	-	-	-	1.20	1.16	0.84
Closing net asset value per share	154.28	153.57	152.52	163.18	161.21	158.94
* after direct transaction costs of:	0.06	0.04	0.03	0.06	0.04	0.04
Performance						
Return after charges	1.20%	1.40%	0.45%	1.22%	1.43%	0.45%
Other information						
Closing net asset value (£)	20,696,960	21,089,192	29,226,976	32,760,721	34,337,870	40,363,474
Closing number of shares	13,414,950	13,732,369	19,162,697	20,076,108	21,300,277	25,396,082
Operating charges ^{^^^}	1.11%*	0.89%	0.96%	1.11%*	0.89%	0.96%
Direct transaction costs	0.04%	0.03%	0.02%	0.04%	0.03%	0.02%
Prices						
Highest share price (p)	156.2	154.8	154.1	164.3	161.9	159.7
Lowest share price (p)	145.5	150.8	151.5	152.7	157.1	157.1

[^] Rounded to 2 decimal places.

^{^^} On 24 August 2020 the objective and policy of the sub-fund was changed. Further details of the objective and policy change are found at the start of the sub-fund's Investment Manager's report on page 20.

^{^^^} The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share classes may incur in a year as it is calculated on historical data.

* Previously, the OCF included expenses incurred by underlying holdings of collective investment schemes in relation to the Fund (the synthetic OCF). Following guidance issued by the Investment Association on 2 July 2020, the synthetic OCF calculation has been expanded to include investment trusts.

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

Comparative table (continued)

	C Income			C Accumulation		
	2020 ^{^^} p	2019 p	2018 p	2020 ^{^^} p	2019 p	2018 p
Change in net assets per share						
Opening net asset value per share	153.57	152.51	152.64	162.14	159.66	158.76
Return before operating charges	3.52	3.49	2.08	3.74	3.68	2.17
Operating charges	(1.51)	(1.16)	(1.19)	(1.59)	(1.20)	(1.27)
Return after operating charges *	2.01	2.33	0.89	2.15	2.48	0.90
Distributions [^]	(1.30)	(1.27)	(1.02)	(1.37)	(1.35)	(1.03)
Retained distributions on accumulation shares [^]	-	-	-	1.37	1.35	1.03
Closing net asset value per share	154.28	153.57	152.51	164.29	162.14	159.66
* after direct transaction costs of:	0.06	0.04	0.03	0.07	0.04	0.03
Performance						
Return after charges	1.31%	1.53%	0.58%	1.33%	1.55%	0.57%
Other information						
Closing net asset value (£)	50,865,901	40,292,360	23,660,829	359,935,954	279,076,991	118,333,896
Closing number of shares	32,970,253	26,237,070	15,514,724	219,080,168	172,121,838	74,114,023
Operating charges ^{^^^}	0.99%*	0.77%	0.84%	0.99%*	0.77%	0.84%
Direct transaction costs	0.04%	0.03%	0.02%	0.04%	0.03%	0.02%
Prices						
Highest share price (p)	156.3	154.9	154.2	165.4	162.8	160.4
Lowest share price (p)	145.6	150.8	151.4	153.7	157.9	157.7

[^] Rounded to 2 decimal places.

^{^^} On 24 August 2020 the objective and policy of the sub-fund was changed. Further details of the objective and policy change are found at the start of the sub-fund's Investment Manager's report on page 20.

^{^^^} The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share classes may incur in a year as it is calculated on historical data.

* Previously, the OCF included expenses incurred by underlying holdings of collective investment schemes in relation to the Fund (the synthetic OCF). Following guidance issued by the Investment Association on 2 July 2020, the synthetic OCF calculation has been expanded to include investment trusts.

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

Financial statements - SVS Church House Tenax Absolute Return Strategies Fund

Statement of total return

for the year ended 30 September 2020

	Notes	2020		2019	
		£	£	£	£
Income:					
Net capital gains	2		2,568,114		2,626,271
Revenue	3	7,867,411		5,654,318	
Expenses	4	<u>(3,697,050)</u>		<u>(2,703,130)</u>	
Net revenue before taxation		4,170,361		2,951,188	
Taxation	5	<u>(513,080)</u>		<u>(395,695)</u>	
Net revenue after taxation			<u>3,657,281</u>		<u>2,555,493</u>
Total return before distributions			6,225,395		5,181,764
Distributions	6		(3,657,708)		(2,554,849)
Change in net assets attributable to shareholders from investment activities			<u><u>2,567,687</u></u>		<u><u>2,626,915</u></u>

Statement of change in net assets attributable to shareholders

for the year ended 30 September 2020

	2020		2019	
	£	£	£	£
Opening net assets attributable to shareholders		409,456,111		246,095,170
Amounts receivable on issue of shares	170,060,618		224,280,992	
Amounts payable on cancellation of shares	<u>(88,420,188)</u>		<u>(65,979,912)</u>	
		81,640,430		158,301,080
Change in net assets attributable to shareholders from investment activities		2,567,687		2,626,915
Retained distributions on accumulation shares		3,222,742		2,432,946
Closing net assets attributable to shareholders		<u><u>496,886,970</u></u>		<u><u>409,456,111</u></u>

Balance sheet

as at 30 September 2020

	Notes	2020 £	2019 £
Assets:			
Fixed assets:			
Investments		481,247,095	395,288,153
Current assets:			
Debtors	7	6,907,728	19,543,184
Cash and bank balances	8	14,523,287	5,007,273
Total assets		<u>502,678,110</u>	<u>419,838,610</u>
Liabilities:			
Creditors:			
Distribution payable		(353,000)	(290,404)
Other creditors	9	(5,438,140)	(10,092,095)
Total liabilities		<u>(5,791,140)</u>	<u>(10,382,499)</u>
Net assets attributable to shareholders		<u><u>496,886,970</u></u>	<u><u>409,456,111</u></u>

Notes to the financial statements

for the year ended 30 September 2020

1. Accounting policies

The accounting policies are disclosed on pages 17 to 19.

2. Net capital gains

	2020	2019
	£	£
Non-derivative securities - realised gains	343,854	878,450
Non-derivative securities - movement in unrealised gains	1,239,262	2,458,385
Derivative contracts - realised losses	(104,817)	-
Derivative contracts - movement in unrealised gains / (losses)	1,149,530	(717,250)
Currency (losses) / gains	(51,955)	14,396
Transaction charges	(7,760)	(7,710)
Total net capital gains	<u>2,568,114</u>	<u>2,626,271</u>

3. Revenue

	2020	2019
	£	£
UK revenue	1,060,052	555,905
Unfranked revenue	333,737	316,690
Overseas revenue	583,322	436,196
Interest on debt securities	5,887,373	4,324,497
Bank and deposit interest	2,927	21,030
Total revenue	<u>7,867,411</u>	<u>5,654,318</u>

4. Expenses

	2020	2019
	£	£
Payable to the ACD and associates		
Annual management charge	3,495,908	2,553,679
Registration fees	2,778	2,483
	<u>3,498,686</u>	<u>2,556,162</u>
Payable to the Depositary		
Depositary fees	115,564	84,231
Other expenses:		
Audit fee	6,186	6,810
Non-executive directors' fees	618	647
Safe custody fees	28,738	21,901
Bank interest	9,049	7,653
FCA fee	4,494	2,433
KIID production fee	1,713	1,713
Platform charges	29,272	21,580
Publication fee	2,730	-
	<u>82,800</u>	<u>62,737</u>
Total expenses	<u>3,697,050</u>	<u>2,703,130</u>

Notes to the financial statements (continued)

for the year ended 30 September 2020

5. Taxation	2020	2019
	£	£
<i>a. Analysis of the tax charge for the year</i>		
UK corporation tax	505,397	391,817
Overseas tax withheld	4,098	3,878
Adjustment in respect of prior years	3,585	-
Total taxation (note 5b)	<u>513,080</u>	<u>395,695</u>

b. Factors affecting the tax charge for the year

The tax assessed for the year is lower (2019: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2019: 20%). The differences are explained below:

	2020	2019
	£	£
Net revenue before taxation	<u>4,170,361</u>	<u>2,951,188</u>
Corporation tax @ 20%	834,072	590,238
Effects of:		
UK revenue	(212,010)	(111,181)
Overseas revenue	(116,665)	(87,240)
Overseas tax withheld	4,098	3,878
Adjustment in respect of prior years	3,585	-
Total taxation (note 5a)	<u>513,080</u>	<u>395,695</u>

6. Distributions

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

	2020	2019
	£	£
Interim income distribution	246,866	204,881
Interim accumulation distribution	1,375,551	992,802
Final income distribution	353,000	290,404
Final accumulation distribution	<u>1,847,191</u>	<u>1,440,144</u>
	3,822,608	2,928,231
Equalisation:		
Amounts deducted on cancellation of shares	186,954	167,339
Amounts added on issue of shares	(347,460)	(532,827)
Net equalisation on conversions	(4,394)	(7,894)
Total net distributions	<u>3,657,708</u>	<u>2,554,849</u>

Reconciliation between net revenue and distributions:	2020	2019
	£	£
Net revenue after taxation per Statement of total return	3,657,281	2,555,493
Undistributed revenue brought forward	1,364	720
Undistributed revenue carried forward	(937)	(1,364)
Distributions	<u>3,657,708</u>	<u>2,554,849</u>

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

Notes to the financial statements (continued)

for the year ended 30 September 2020

7. Debtors	2020	2019
	£	£
Amounts receivable on issue of shares	4,255,478	7,490,906
Sales awaiting settlement	-	10,209,819
Accrued revenue	2,628,666	1,822,284
Recoverable overseas withholding tax	20,253	19,747
Prepaid expenses	3,331	428
Total debtors	<u>6,907,728</u>	<u>19,543,184</u>
8. Cash and bank balances	2020	2019
	£	£
Total cash and bank balances	<u>14,523,287</u>	<u>5,007,273</u>
9. Other creditors	2020	2019
	£	£
Amounts payable on cancellation of shares	149,189	411,712
Purchases awaiting settlement	4,996,250	9,000,000
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	<u>-</u>	<u>270,270</u>
Other expenses:		
Safe custody fees	5,198	3,875
Audit fee	6,426	6,570
Non-executive directors' fees	255	249
FCA fee	-	1,383
Publication fee	1,170	6,103
Platform charges	7,302	-
Transaction charges	170	117
	<u>20,521</u>	<u>18,297</u>
Total accrued expenses	<u>20,521</u>	<u>288,567</u>
Corporation tax payable	<u>272,180</u>	<u>391,816</u>
Total other creditors	<u>5,438,140</u>	<u>10,092,095</u>

10. Commitments and contingent liabilities

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

11. Share classes

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

	A Income
Opening shares in issue	6,936,012
Total shares issued in the year	1,181,486
Total shares cancelled in the year	(416,778)
Total shares converted in the year	(85,512)
Closing shares in issue	<u>7,615,208</u>

Notes to the financial statements (continued)

for the year ended 30 September 2020

11. Share classes (continued)

	A Accumulation
Opening shares in issue	15,596,045
Total shares issued in the year	1,797,995
Total shares cancelled in the year	(1,437,044)
Total shares converted in the year	(2,487,920)
Closing shares in issue	<u>13,469,076</u>
	B Income
Opening shares in issue	13,732,369
Total shares issued in the year	1,353,838
Total shares cancelled in the year	(1,865,668)
Total shares converted in the year	194,411
Closing shares in issue	<u>13,414,950</u>
	B Accumulation
Opening shares in issue	21,300,277
Total shares issued in the year	4,009,816
Total shares cancelled in the year	(7,376,494)
Total shares converted in the year	2,142,509
Closing shares in issue	<u>20,076,108</u>
	C Income
Opening shares in issue	26,237,070
Total shares issued in the year	11,573,528
Total shares cancelled in the year	(4,785,546)
Total shares converted in the year	(54,799)
Closing shares in issue	<u>32,970,253</u>
	C Accumulation
Opening shares in issue	172,121,838
Total shares issued in the year	85,880,700
Total shares cancelled in the year	(39,116,485)
Total shares converted in the year	194,115
Closing shares in issue	<u>219,080,168</u>

For the year ended 30 September 2020, the annual management charge is as follows:

A Income	1.21%
A Accumulation	1.21%
B Income	0.85%
B Accumulation	0.85%
C Income	0.73%
C Accumulation	0.73%

The annual management charge includes the ACD's periodic charge and the Investment Management fees.

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

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

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

Notes to the financial statements (continued)

for the year ended 30 September 2020

12. Related party transactions

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

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

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

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

	2020 Holding	2019 Holding
Security		
SVS Church House Esk Global Equity Fund	2,200,000	1,850,000
SVS Church House Investment Grade Fixed Interest Fund	5,500,000	5,100,000
SVS Church House UK Equity Growth Fund Z Inc	1,000,000	-
SVS Church House UK Equity Growth Fund Z Acc	403,339	-
SVS Church House UK Smaller Companies Fund	1,850,000	1,790,000

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Income share has increased from 151.21p to 156.43p, the A Accumulation share has increased from 156.75p to 162.14p, the net asset value per B Income share has increased from 154.28p to 159.74p, the B Accumulation share has increased from 163.18p to 168.96p, the net asset value per C Income share has increased from 154.28p to 159.80p and the C Accumulation share has increased from 164.29p to 170.16p as at 26 January 2021. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

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

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

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

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

	Purchases before transaction costs		Commission		Taxes		Financial transaction tax		Purchases after transaction costs
2020	£	£	%	£	%	£	%	£	
Equities	51,533,258	22,967	0.04%	151,542	0.29%	-	-	51,707,767	
Bonds	202,999,590	-	-	1	0.00%	-	-	202,999,591	
Collective Investment Schemes*	3,983,260	-	-	-	-	-	-	3,983,260	
Total	258,516,108	22,967	0.04%	151,543	0.29%	-	-	258,690,618	

* No direct transaction costs were incurred in these transactions.

Notes to the financial statements (continued)

for the year ended 30 September 2020

14. Transaction costs (continued)

a Direct transaction costs (continued)

2019	Purchases before transaction costs	Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£
Equities	27,252,185	10,256	0.04%	61,177	0.22%	3,079	0.01%	27,326,697
Bonds	279,335,959	9	0.00%	2,912	0.00%	-	-	279,338,880
Collective Investment Schemes*	3,546,425	-	-	-	-	-	-	3,546,425
Structured Products*	10,000,000	-	-	-	-	-	-	10,000,000
Total	320,134,569	10,265	0.04%	64,089	0.22%	3,079	0.01%	320,212,002

Capital events amount of £nil (2019: £292,033) is excluded from the total purchases as there were no direct transaction costs charged in these transactions.

2020	Sales before transaction costs	Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£
Equities	9,303,993	(8,405)	0.09%	(2)	0.00%	-	-	9,295,586
Bonds*	160,146,847	-	-	-	-	-	-	160,146,847
Structured Products*	5,115,795	-	-	-	-	-	-	5,115,795
Total	174,566,635	(8,405)	0.09%	(2)	-	-	-	174,558,228

2019	Sales before transaction costs	Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£
Equities	11,187,308	(6,147)	0.06%	(354)	0.00%	-	-	11,180,807
Bonds	152,115,096	(1)	0.00%	-	-	-	-	152,115,095
Collective Investment Schemes*	1,115,846	-	-	-	-	-	-	1,115,846
Structured Products*	2,000,000	-	-	-	-	-	-	2,000,000
Total	166,418,250	(6,148)	0.06%	(354)	0.00%	-	-	166,411,748

* No direct transaction costs were incurred in these transactions.

Capital events amount of £nil (2019: £2,613) is excluded from the total sales as there were no direct transaction costs charged in these transactions.

Summary of direct transaction costs

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

2020	£	% of average net asset value
Commission	31,372	0.01%
Taxes	151,545	0.03%

Notes to the financial statements (continued)

for the year ended 30 September 2020

14. Transaction costs (continued)

a Direct transaction costs (continued)

2019	£	% of average net asset value
Commission	16,413	0.01%
Taxes	64,443	0.02%
Financial transaction tax	3,079	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 0.52% (2019: 0.31%).

15. Risk management policies

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

a Market risk

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

(i) Other price risk

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

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

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

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

At 30 September 2020, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £5,196,127 (2019: £3,022,756).

(ii) Currency risk

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

Notes to the financial statements (continued)

for the year ended 30 September 2020

15. Risk management policies (continued)

a Market risk (continued)

(ii) Currency risk (continued)

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

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
	£	£	£
2020			
Danish krone	-	1,755	1,755
Euro	9,766,836	78,756	9,845,592
US dollar	22,104,931	107,645	22,212,576
Total foreign currency exposure	<u>31,871,767</u>	<u>188,156</u>	<u>32,059,923</u>
	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
	£	£	£
2019			
Danish krone	-	1,706	1,706
Euro	-	18,041	18,041
US dollar	14,324,696	8,522	14,333,218
Total foreign currency exposure	<u>14,324,696</u>	<u>28,269</u>	<u>14,352,965</u>

At 30 September 2020, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £1,602,996 (2019: £717,648).

(iii) Interest rate risk

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

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

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

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

At 30 September 2020, if interest rates increased or decreased by 25 basis points, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £2,553,451 (2019: £921,195).

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

Notes to the financial statements (continued)

for the year ended 30 September 2020

15. Risk management policies (continued)

a Market risk (continued)

(iii) Interest rate risk (continued)

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

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2020	£	£	£	£	£	£
Danish krone	-	-	-	1,755	-	1,755
Euro	6,220,850	-	3,545,986	78,756	-	9,845,592
UK sterling	242,407,700	-	120,104,032	108,106,455	(5,791,140)	464,827,047
US dollar	9,954,331	-	6,054,140	6,204,105	-	22,212,576
	<u>258,582,881</u>	<u>-</u>	<u>129,704,158</u>	<u>114,391,071</u>	<u>(5,791,140)</u>	<u>496,886,970</u>
2019	£	£	£	£	£	£
Danish krone	-	-	-	1,706	-	1,706
Euro	-	-	-	18,041	-	18,041
UK sterling	234,378,901	-	86,708,501	84,398,243	(10,382,499)	395,103,146
US dollar	3,541,910	-	9,802,638	988,670	-	14,333,218
	<u>237,920,811</u>	<u>-</u>	<u>96,511,139</u>	<u>85,406,660</u>	<u>(10,382,499)</u>	<u>409,456,111</u>

b Credit risk

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

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

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

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

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

c Liquidity risk

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

Notes to the financial statements (continued)

for the year ended 30 September 2020

15. Risk management policies (continued)

c Liquidity risk (continued)

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

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

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

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

All of the financial liabilities are payable on demand.

d Fair value of financial assets and financial liabilities

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

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

	Investment assets	Investment liabilities
Basis of valuation	2020	2020
	£	£
Quoted prices	85,179,127	-
Observable market data	384,747,555	-
Unobservable data*	11,320,413	-
	<u>481,247,095</u>	<u>-</u>
	Investment assets	Investment liabilities
Basis of valuation	2019	2019
	£	£
Quoted prices	86,673,060	-
Observable market data	293,209,142	-
Unobservable data*	15,405,951	-
	<u>395,288,153</u>	<u>-</u>

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

Notes to the financial statements (continued)

for the year ended 30 September 2020

15. Risk management policies (continued)

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

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

Prime Infrastructure: shares are included in the portfolio of investments with no value as the security is not tradable.

Duet Real Estate Finance: 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.

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

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:

	2020	2019
	% of the total net asset value	% of the total net asset value
Infrastructure	-	-
Duet Real Estate Finance	-	-
Terra Catalyst Fund	0.01%	0.01%
Total	<u>0.01%</u>	<u>0.01%</u>

f Derivatives

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

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

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

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

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

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

(i) Counterparties

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

Notes to the financial statements (continued)

for the year ended 30 September 2020

15. Risk management policies (continued)

f Derivatives (continued)

(i) Counterparties (continued)

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

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

(ii) Leverage

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.

As at the balance sheet date, the leverage was 108.75%.

(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 the global exposure is as follows:

	Gross exposure value £	% of the total net asset value
Investment		
Structured Products		
Goldman Sachs 5Y GBP Capped Floored Floater Note 07/06/2023*	5,186,935	1.04%
JP Morgan Structured Products BV 1.2% 18/02/2026	5,299,625	1.06%
Royal Bank of Canada 0% 13/12/2021	871,560	0.17%
Convertible bonds		
Derwent London Capital No 3 Jersey Ltd 1.5% 12/06/2025	31,050,431	6.26%
ELM BV for Swiss Re Ltd 3.25% 13/06/2024	463,560	0.09%
Glencore Funding LLC 0% 27/03/2025	133,695	0.03%
National Grid North America Inc 0.9% 02/11/2020	112,246	0.02%
Nexi SpA 1.75% 24/04/2027	240,912	0.05%
Orange SA 0.375% 27/06/2021	3,372	0.00%
Remgro Jersey GBP Ltd 2.625% 22/03/2021	3,267	0.00%
TOTAL SE 0.5% 02/12/2022	126,559	0.03%

There have been no collateral arrangements in the year.

Distribution table*for the year ended 30 September 2020***Distributions on A Income in pence per share**

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.20	group 1	interim	0.278	-	0.278	0.290
31.05.20	group 2	interim	0.091	0.187	0.278	0.290
30.11.20	group 1	final	0.410	-	0.410	0.379
30.11.20	group 2	final	0.247	0.163	0.410	0.379

Distributions on A Accumulation in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.20	group 1	interim	0.282	-	0.282	0.290
31.05.20	group 2	interim	0.034	0.248	0.282	0.290
30.11.20	group 1	final	0.419	-	0.419	0.382
30.11.20	group 2	final	0.248	0.171	0.419	0.382

Equalisation

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

Accumulation distributions

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

Interim distributions:

- Group 1 Shares purchased before 1 October 2019
Group 2 Shares purchased 1 October 2019 to 31 March 2020

Final distributions:

- Group 1 Shares purchased before 1 April 2020
Group 2 Shares purchased 1 April 2020 to 30 September 2020

Distribution table (continued)*for the year ended 30 September 2020***Distributions on B Income in pence per share**

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.20	group 1	interim	0.497	-	0.497	0.488
31.05.20	group 2	interim	0.258	0.239	0.497	0.488
30.11.20	group 1	final	0.634	-	0.634	0.605
30.11.20	group 2	final	0.368	0.266	0.634	0.605

Distributions on B Accumulation in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.20	group 1	interim	0.530	-	0.530	0.527
31.05.20	group 2	interim	0.324	0.206	0.530	0.527
30.11.20	group 1	final	0.670	-	0.670	0.631
30.11.20	group 2	final	0.262	0.408	0.670	0.631

Equalisation

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

Accumulation distributions

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

Interim distributions:

- Group 1 Shares purchased before 1 October 2019
- Group 2 Shares purchased 1 October 2019 to 31 March 2020

Final distributions:

- Group 1 Shares purchased before 1 April 2020
- Group 2 Shares purchased 1 April 2020 to 30 September 2020

Distribution table (continued)

for the year ended 30 September 2020

Distributions on C Income in pence per share

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.20	group 1	interim	0.577	-	0.577	0.584
31.05.20	group 2	interim	0.303	0.274	0.577	0.584
30.11.20	group 1	final	0.718	-	0.718	0.690
30.11.20	group 2	final	0.340	0.378	0.718	0.690

Distributions on C Accumulation in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.20	group 1	interim	0.616	-	0.616	0.629
31.05.20	group 2	interim	0.229	0.387	0.616	0.629
30.11.20	group 1	final	0.756	-	0.756	0.724
30.11.20	group 2	final	0.454	0.302	0.756	0.724

Equalisation

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

Accumulation distributions

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

Interim distributions:

- Group 1 Shares purchased before 1 October 2019
 Group 2 Shares purchased 1 October 2019 to 31 March 2020

Final distributions:

- Group 1 Shares purchased before 1 April 2020
 Group 2 Shares purchased 1 April 2020 to 30 September 2020

SVS Church House UK Smaller Companies Fund

Investment Manager's report

Investment objective and policy to 23 August 2020

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

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

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

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

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

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

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

Investment objective and policy - from 24 August 2020

The aim of the sub-fund is to provide capital growth over the long term (at least five years).

The sub-fund is actively managed and the Manager does not track, and is not constrained by, any benchmark index.

At least 80% of the sub-fund's assets are invested in shares of UK smaller companies. UK companies are those incorporated or domiciled in the UK and smaller companies are defined by the Investment Manager as those with a market capitalisation of less than £2 billion at the time of purchase. The sub-fund may invest in any industry or sector.

Up to 20% of the sub-fund may be invested in other assets: the shares of companies with a market capitalisation of £2 billion or more, the shares of overseas companies (developed markets only), fixed interest securities, money market instruments and cash.

Investment performance*

Performance:	One year	Three years	Five years
SVS Church House UK Smaller Companies Fund A Accumulation (previously SVS Church House Deep Value Investments until 24 August 2020)	-11.7%	-16.4%	20.6%

* Source: Bloomberg and Smith & Williamson Fund Administration Limited. Based on mid prices at 12pm.

Investment activities*

These comments refer to the latter six months of the sub-fund's year as we reported on the first six months in April. This six months also cover the period of the 'soft closure' of the sub-fund in March to the formal adoption of the new investment objectives and policy (as above) on 24th August, on which date the sub-fund also converted to a UCITS structure.

* Source: Smith & Williamson Fund Administration Limited.

Investment Manager's report (continued)

Investment activities* (continued)

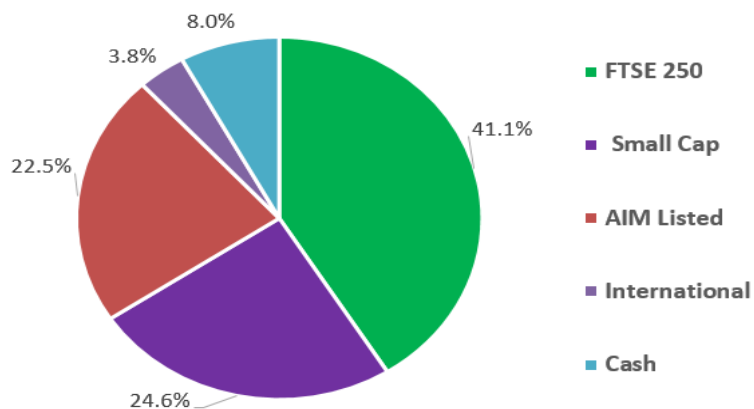
After the collapse in stock markets in March in the wake of the Covid-19 pandemic, our greatest concern was to avoid the sub-fund being caught in a 'liquidity trap' in the very smallest of quoted companies, whilst maintaining the exposure to participate in any recovery. Accordingly, we sold and reduced the holdings in the smallest companies first, switching principally to companies in the market capitalisation range £250 million to £2 billion, still small, but significantly more liquid. Here there was plenty of value to be found after the February/March rout. Over the six month period, the average market capitalisation of holdings in the portfolio rose from £222 million to £890 million and the number of holdings with market capitalisations of less than £100 million fell from 16 to 6.

Top 15 Holdings - 30 September 2020	
Aberforth Smaller Companies Trust	4.62%
Diploma	4.46%
Bellway	3.72%
Brewin Dolphin Holdings	3.69%
Judges Scientific	3.56%
Cranswick	3.44%
Liontrust Asset Management	3.39%
Ideagen	3.34%
BP Marsh & Partners	3.33%
Enteq Upstream	3.23%
Trainline	3.06%
Somero Enterprises	2.69%
TT Electronics	2.64%
Clinigen Group	2.58%
AG Barr	2.57%

New holdings in the industrial sectors include TT Electronics, Strix Group and Diploma while Hargreaves Services and Hydrogen Group have gone. Among the consumer discretionary sectors, we added further to the house-builder Bellway and a new holding in the same area, Redrow, Greggs and Trainline are new holdings here too as is Young & Co's Brewery. Gone is the holding in H&T Group. In financials we have introduced the insurance company Beazley while reducing exposure to BP Marsh & Partners. Close Brothers Group and Liontrust Asset Management are also new to this area while Record has been reduced. This process has been accelerated post adoption of the new investment policy in late August. The table shows the top fifteen holdings at the end of September, which includes several other new holdings not mentioned above: Cranswick, the meat producer and supplier, AG Barr, the soft drinks manufacturer, noted for IRN-BRU and Clinigen Group a specialist pharmaceuticals company.

* Source: Smith & Williamson Fund Administration Limited.

SVS Church House UK Smaller Companies Fund - Disposition 30 September 2020



Source: Church House Investment Management.

Investment strategy and outlook

In our report for autumn last year, we observed that we must be reaching a peak in uncertainty. Facing, as we were, a difficult UK Election, with the possibility of a Labour administration under Jeremy Corbyn, the final months of Brexit negotiations and the US trade war with China.

Well, that peak feels like something of a hillock at the moment. This autumn, Brexit is back, the US Presidential Election looms, the European Union recovery plan is stalled, as is the American recovery plan. In many countries, we have a second wave of Covid-19, a pandemic which has already triggered a deep and rapid global recession. As one of our economists puts it: into the autumn fog...

Investment Manager's report (continued)

Investment strategy and outlook (continued)

The UK and European economic recoveries are at a delicate point. The resurgence of Covid-19 is giving consumers a reason to back-off their spending, though the industrial recovery appears to be on track. We hope that the clamp-down measures are not so harsh as to choke off the recovery, a fine balancing act is required at the moment while we await a vaccine.

At least the US Presidential race appears to be becoming clearer, with Joe Biden moving ahead in the polls, despite US stock markets appearing to go President Trump's way. A disastrous record on Covid-19, his handling of the 'black lives matter' movement, a failure to condemn far right extremist groups, revelations on his tax affairs etc., thankfully, appear to be out-weighing any feelings of prosperity. Markets, along with most observers, are most concerned with the prospect of a close result, which could become extremely acrimonious (probably litigious) and threaten actual civil unrest.

Concerted central bank action continues to support economies and investment markets and their actions have probably insured that a nasty pandemic-induced recession does not turn into a full-blown financial and economic crisis. There is reason to feel optimistic about the investment outlook as we approach 2021 and an economic recovery and, while the climate is not easy for investors, it is also presenting us with opportunities. Access to company managements has improved markedly and the tone of meetings that we have with them is not remotely in the same pessimistic vein as is the diet we are fed by the media.

Church House Investments Limited
30 October 2020

Summary of portfolio changes

for the year ended 30 September 2020

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

	Cost
	£
Purchases:	
Aberforth Smaller Companies Trust	549,410
Brewin Dolphin Holdings	356,774
Cranswick	332,332
Hunting	331,761
Diploma	313,877
Bellway	313,385
Judges Scientific	308,245
Liontrust Asset Management	298,917
Young & Co's Brewery	296,317
Ideagen	292,805
Trainline	292,156
Greggs	275,906
Bioventix	245,472
Shaftesbury	230,406
AG Barr	229,681
Close Brothers Group	226,771
Tritax EuroBox	215,144
ICG Enterprise Trust	213,355
IntegraFin Holdings	213,125
Big Yellow Group	210,895
	Proceeds
	£
Sales:	
UK Treasury Gilt 2% 22/07/2020	2,415,336
IndigoVision Group	1,051,765
Cenkos Securities	915,770
Land Securities Group	677,740
Xaar	647,255
Record	597,643
Hydrogen Group	492,056
Thalassa Holdings	370,378
H&T Group	327,832
Hargreaves Services	320,838
Great Portland Estates	225,504
MTI Wireless Edge	217,037
BP Marsh & Partners	199,818
British Land	197,912
Richardson Electronics	141,658
Walker Crips Group	131,595
Lamprell	75,254
Smartspace Software	28,682
Stanley Gibbons Group	22,499
Gulf Marine Services	14,953

Portfolio statement

as at 30 September 2020

Investment	Nominal value or holding	Market value £	% of total net assets
Debt securities 0.00% (20.40%)		-	-
Equities 83.32% (74.23%)			
Equities - United Kingdom 79.39% (70.61%)			
Equities - incorporated in the United Kingdom 77.34% (64.13%)			
Energy 6.81% (13.06%)			
Enteq Upstream	2,355,000	306,150	3.23
Hunting	113,400	146,059	1.54
Plexus Holdings	2,150,000	193,500	2.04
		<u>645,709</u>	<u>6.81</u>
Industrials 12.19% (10.03%)			
Diploma	19,250	422,730	4.46
Gattaca	365,000	193,450	2.04
Havelock Europa^	1,125,000	-	-
Judges Scientific	7,000	337,400	3.56
Porvair	40,000	201,600	2.13
		<u>1,155,180</u>	<u>12.19</u>
Consumer Discretionary 13.12% (0.00%)			
Bellway	15,000	352,650	3.72
Greggs	17,500	205,450	2.17
Redrow	40,000	161,440	1.70
Trainline	80,000	290,080	3.06
Young & Co's Brewery	27,500	233,750	2.47
		<u>1,243,370</u>	<u>13.12</u>
Consumer Staples 8.33% (0.00%)			
AG Barr	50,000	243,500	2.57
Cranswick	9,000	326,160	3.44
Fevertree Drinks	9,500	220,020	2.32
		<u>789,680</u>	<u>8.33</u>
Health Care 6.71% (0.00%)			
Bioventix	6,000	240,000	2.53
Clinigen Group	35,000	245,000	2.58
Craneware	10,000	152,000	1.60
		<u>637,000</u>	<u>6.71</u>

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

Portfolio statement (continued)

as at 30 September 2020

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities - incorporated in the United Kingdom (continued)			
Financials 18.58% (22.90%)			
Arix Bioscience	20,305	22,336	0.24
Beazley	45,000	137,340	1.45
BP Marsh & Partners	143,270	315,194	3.33
Brewin Dolphin Holdings	150,000	349,500	3.69
Close Brothers Group	23,000	234,830	2.48
IntegraFin Holdings	42,500	215,475	2.27
Liontrust Asset Management	26,000	321,100	3.39
Record	400,000	164,000	1.73
		<u>1,759,775</u>	<u>18.58</u>
Information Technology 7.14% (9.59%)			
dotdigital group	8,800	12,408	0.13
Ideagen	165,000	316,800	3.34
Keywords Studios	4,500	97,920	1.03
TT Electronics	125,000	250,000	2.64
		<u>677,128</u>	<u>7.14</u>
Real Estate 4.46% (8.55%)			
Big Yellow Group	21,500	223,600	2.36
Shaftesbury	40,000	198,800	2.10
		<u>422,400</u>	<u>4.46</u>
Total equities - incorporated in the United Kingdom		<u>7,330,242</u>	<u>77.34</u>
Equities - incorporated outwith the United Kingdom 2.05% (6.48%)			
Energy 0.00% (6.06%)		-	-
Industrials 0.00% (0.17%)		-	-
Consumer Discretionary 0.00% (0.25%)		-	-
Information Technology 2.05% (0.00%)			
Strix Group	80,000	194,000	2.05
Total equities - incorporated outwith the United Kingdom		<u>194,000</u>	<u>2.05</u>
Total equities - United Kingdom		<u>7,524,242</u>	<u>79.39</u>
Equities - Israel 1.24% (2.04%)			
MTI Wireless Edge	250,000	117,500	1.24
Equities - United States 2.69% (1.58%)			
Somero Enterprises	100,000	255,000	2.69
Total equities		<u>7,896,742</u>	<u>83.32</u>

Portfolio statement (continued)

as at 30 September 2020

	Nominal value or holding	Market value £	% of total net assets
Investment			
Closed-Ended Funds - United Kingdom 9.20% (0.00%)			
Aberforth Smaller Companies Trust	52,500	437,850	4.62
ICG Enterprise Trust	27,500	215,600	2.27
Tritax EuroBox	250,000	219,500	2.31
Total closed-ended funds - United Kingdom		<u>872,950</u>	<u>9.20</u>
Portfolio of investments		8,769,692	92.52
Other net assets		709,412	7.48
Total net assets		<u>9,479,104</u>	<u>100.00</u>

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

The comparative figures in brackets are as at 30 September 2019.

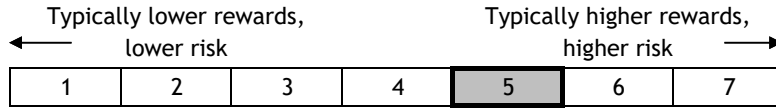
United Kingdom equities are grouped in accordance with Global Industry Classification Standard ('GICS').

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Risk and reward profile

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

The risk and reward indicator table demonstrates where the sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the sub-fund. The shaded area in the table below shows the sub-fund's ranking on the risk and reward indicator.



The sub-fund is in a higher category because the price of its investments have risen or fallen frequently and more dramatically than some other types of investment. 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.

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

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

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

The sub-fund is entitled to use derivative instruments for Efficient Portfolio Management. Derivatives may not achieve their intended purpose. Their prices may move up or down significantly over relatively short periods of time which may result in losses greater than the amount paid. This could adversely impact the value of the sub-fund. The organisation from which the Fund buys a derivative may fail to carry out its obligations, which could also cause losses to the sub-fund.

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

Where the sub-fund invests in less liquid investments, which may at times be hard to sell, there is a risk that there may be a delay in the investments being sold or the price at which they are sold may adversely affect the value of the sub-fund. In the event that there was insufficient liquidity in the sub-fund to meet requested redemption it may be necessary to suspend dealings in shares in the sub-fund. Investors may experience a delay or receive less than expected when selling their investment.

For further information please refer to the KIID.

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

During the year, the risk and reward indicator increased from 4 to 5.

Comparative table

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

	A Accumulation			B Accumulation		
	2020^^ p	2019 p	2018 p	2020^^ p	2019 p	2018 p
Change in net assets per share						
Opening net asset value per share	138.08	151.92	145.92	140.73	154.24	147.58
Return before operating charges	(12.66)	(11.81)	8.10	(12.90)	(12.00)	8.21
Operating charges	(2.18)	(2.03)	(2.10)	(1.74)	(1.51)	(1.55)
Return after operating charges *	(14.84)	(13.84)	6.00	(14.64)	(13.51)	6.66
Distributions^	(0.19)	(0.53)	(0.61)	(0.70)	(1.11)	(1.21)
Retained distributions on accumulation shares^	0.19	0.53	0.61	0.70	1.11	1.21
Closing net asset value per share	123.24	138.08	151.92	126.09	140.73	154.24
* after direct transaction costs of:	0.50	0.06	0.22	0.50	0.06	0.22
Performance						
Return after charges	(10.75%)	(9.11%)	4.11%	(10.40%)	(8.76%)	4.51%
Other information						
Closing net asset value (£)	4,389,197	6,622,873	7,559,321	5,089,907	5,281,197	4,914,010
Closing number of shares	3,561,367	4,796,294	4,975,771	4,036,838	3,752,679	3,185,863
Operating charges^^^	1.67%*	1.42%	1.42%	1.30%*	1.05%	1.05%
Direct transaction costs	0.37%	0.04%	0.15%	0.37%	0.04%	0.15%
Prices						
Highest share price (p)	143.0	154.2	156.1	145.7	156.5	158.4
Lowest share price (p)	102.0	134.6	141.1	104.2	137.2	142.8

^ Rounded to 2 decimal places.

^^ On 24 August 2020 the objective and policy of the sub-fund was changed. Further details of the objective and policy change are found at the start of the sub-fund's Investment Manager's report on page 52.

^^^ The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share classes may incur in a year as it is calculated on historical data.

* Previously, the OCF included expenses incurred by underlying holdings of collective investment schemes in relation to the Fund (the synthetic OCF). Following guidance issued by the Investment Association on 2 July 2020, the synthetic OCF calculation has been expanded to include investment trusts.

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

Financial statements - SVS Church House UK Smaller Companies Fund

Statement of total return

for the year ended 30 September 2020

	Notes	2020		2019	
		£	£	£	£
Income:					
Net capital losses	2		(1,275,384)		(1,207,770)
Revenue	3	174,336		218,617	
Expenses	4	<u>(129,972)</u>		<u>(149,896)</u>	
Net revenue before taxation		44,364		68,721	
Taxation	5	<u>(6,035)</u>		<u>(2,577)</u>	
Net revenue after taxation			<u>38,329</u>		<u>66,144</u>
Total return before distributions			(1,237,055)		(1,141,626)
Distributions	6		(38,312)		(66,165)
Change in net assets attributable to shareholders from investment activities			<u>(1,275,367)</u>		<u>(1,207,791)</u>

Statement of change in net assets attributable to shareholders

for the year ended 30 September 2020

	2020		2019	
	£	£	£	£
Opening net assets attributable to shareholders		11,904,070		12,473,331
Amounts receivable on issue of shares	842,888		1,263,225	
Amounts payable on cancellation of shares	<u>(2,044,354)</u>		<u>(691,266)</u>	
		(1,201,466)		571,959
Dilution levy		15,510		-
Change in net assets attributable to shareholders from investment activities		(1,275,367)		(1,207,791)
Retained distributions on accumulation shares		36,357		66,571
Closing net assets attributable to shareholders		<u>9,479,104</u>		<u>11,904,070</u>

Balance sheet

as at 30 September 2020

	Notes	2020 £	2019 £
Assets:			
Fixed assets:			
Investments		8,769,692	11,264,544
Current assets:			
Debtors	7	20,980	42,100
Cash and bank balances	8	927,087	703,419
Total assets		<u>9,717,759</u>	<u>12,010,063</u>
Liabilities:			
Creditors:			
Other creditors	9	(238,655)	(105,993)
Total liabilities		<u>(238,655)</u>	<u>(105,993)</u>
Net assets attributable to shareholders		<u><u>9,479,104</u></u>	<u><u>11,904,070</u></u>

Notes to the financial statements

for the year ended 30 September 2020

1. Accounting policies

The accounting policies are disclosed on pages 17 to 19.

2. Net capital losses

	2020	2019
	£	£
Non-derivative securities - realised gains	454,293	736,710
Non-derivative securities - movement in unrealised losses	(1,723,988)	(1,941,538)
Currency losses	(2,457)	(352)
Transaction charges	(3,232)	(2,590)
Total net capital losses	<u>(1,275,384)</u>	<u>(1,207,770)</u>

3. Revenue

	2020	2019
	£	£
UK revenue	108,614	139,188
Unfranked revenue	18,541	45,942
Overseas revenue	39,809	16,626
Interest on debt securities	7,065	16,458
Bank and deposit interest	307	403
Total revenue	<u>174,336</u>	<u>218,617</u>

4. Expenses

	2020	2019
	£	£
Payable to the ACD and associates		
Annual management charge	109,570	131,941
Registration fees	345	359
	<u>109,915</u>	<u>132,300</u>
Payable to the Depositary		
Depositary fees	<u>9,006</u>	<u>9,000</u>
Other expenses:		
Audit fee	5,940	6,330
Non-executive directors' fees	618	647
Safe custody fees	277	368
FCA fee	193	168
KIID production fee	1,142	1,142
Platform charges	151	(59)
Publication fee	2,730	-
	<u>11,051</u>	<u>8,596</u>
Total expenses	<u>129,972</u>	<u>149,896</u>

5. Taxation

	2020	2019
	£	£
<i>a. Analysis of the tax charge for the year</i>		
Overseas tax withheld	6,035	2,577
Total taxation (note 5b)	<u>6,035</u>	<u>2,577</u>

Notes to the financial statements (continued)

for the year ended 30 September 2020

5. Taxation (continued)

b. Factors affecting the tax charge for the year

The tax assessed for the year is lower (2019: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2019: 20%). The differences are explained below:

	2020 £	2019 £
Net revenue before taxation	<u>44,364</u>	<u>68,721</u>
Corporation tax @ 20%	8,873	13,744
Effects of:		
UK revenue	(21,723)	(27,838)
Overseas revenue	(7,962)	(3,324)
Overseas tax withheld	6,035	2,577
Excess management expenses	<u>20,812</u>	<u>17,418</u>
Total taxation (note 5a)	<u>6,035</u>	<u>2,577</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 £195,001 (2019: £174,189).

6. Distributions

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

	2020 £	2019 £
Interim accumulation distribution	26,536	15,450
Final accumulation distribution	<u>9,821</u>	<u>51,121</u>
	36,357	66,571
Equalisation:		
Amounts deducted on cancellation of shares	3,164	478
Amounts added on issue of shares	(975)	(878)
Net equalisation on conversions	<u>(234)</u>	<u>(6)</u>
Total net distributions	<u>38,312</u>	<u>66,165</u>
Reconciliation between net revenue and distributions:	2020	2019
	£	£
Net revenue after taxation per Statement of total return	38,329	66,144
Undistributed revenue brought forward	30	51
Undistributed revenue carried forward	<u>(47)</u>	<u>(30)</u>
Distributions	<u>38,312</u>	<u>66,165</u>

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

7. Debtors

	2020 £	2019 £
Amounts receivable on issue of shares	3,836	4,068
Accrued revenue	16,754	37,746
Prepaid expenses	<u>390</u>	<u>286</u>
Total debtors	<u>20,980</u>	<u>42,100</u>

Notes to the financial statements (continued)

for the year ended 30 September 2020

8. Cash and bank balances	2020	2019
	£	£
Total cash and bank balances	<u>927,087</u>	<u>703,419</u>
9. Other creditors	2020	2019
	£	£
Amounts payable on cancellation of shares	2,745	-
Purchases awaiting settlement	228,045	88,441
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	<u>-</u>	<u>10,771</u>
Other expenses:		
Safe custody fees	38	56
Audit fee	5,940	6,330
Non-executive directors' fees	255	249
FCA fee	-	36
Publication fee	1,170	-
Platform charges	27	75
Transaction charges	435	35
	<u>7,865</u>	<u>6,781</u>
Total accrued expenses	<u>7,865</u>	<u>17,552</u>
Total other creditors	<u>238,655</u>	<u>105,993</u>

10. Commitments and contingent liabilities

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

11. Share classes

The following reflects the change in shares in the year:

	A Accumulation
Opening shares in issue	4,796,294
Total shares issued in the year	136,303
Total shares cancelled in the year	(580,415)
Total shares converted in the year	(790,815)
Closing shares in issue	<u>3,561,367</u>
	B Accumulation
Opening shares in issue	3,752,679
Total shares issued in the year	515,438
Total shares cancelled in the year	(1,007,022)
Total shares converted in the year	775,743
Closing shares in issue	<u>4,036,838</u>

For the year ended 30 September 2020, the annual management charge is as follows:

A Accumulation	1.25%
B Accumulation	0.88%

The annual management charge includes the ACD's periodic charge and the Investment Management fees.

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

Notes to the financial statements (continued)

for the year ended 30 September 2020

11. Share classes (continued)

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

12. Related party transactions

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

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

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

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Accumulation share has increased from 123.24p to 147.52p and the B Accumulation share has increased from 126.09p to 151.08p as at 26 January 2021. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

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

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

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

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

	Purchases before transaction costs		Commission		Taxes		Purchases after transaction costs
	£		£	%	£	%	£
2020							
Equities	7,853,418		5,843	0.07%	27,230	0.35%	7,886,491
Total	7,853,418		5,843	0.07%	27,230	0.35%	7,886,491
	Purchases before transaction costs		Commission		Taxes		Purchases after transaction costs
	£		£	%	£	%	£
2019							
Equities	2,789,282		1,791	0.06%	3,062	0.11%	2,794,135
Bonds*	2,588,468		-	-	-	-	2,588,468
Total	5,377,750		1,791	0.06%	3,062	0.11%	5,382,603

* No direct transaction costs were incurred in these transactions.

Notes to the financial statements (continued)

for the year ended 30 September 2020

14. Transaction costs (continued)

a Direct transaction costs (continued)

	Sales before transaction costs		Commission		Taxes		Sales after transaction costs
	£	£	%	£	%	£	
2020							
Equities	6,687,611	(5,428)	0.08%	(6)	0.00%	6,682,177	
Bonds*	2,415,336	-	-	-	-	2,415,336	
Total	9,102,947	(5,428)	0.08%	(6)	0.00%	9,097,513	
<hr/>							
	Sales before transaction costs		Commission		Taxes		Sales after transaction costs
	£	£	%	£	%	£	
2019							
Equities	476,172	(164)	0.03%	-	-	476,008	
Bonds*	2,656,946	-	-	-	-	2,656,946	
Total	3,133,118	(164)	0.03%	-	-	3,132,954	

* No direct transaction costs were incurred in these transactions.

Capital events amount of £nil (2019: £1,707,546) is excluded from the total sales as there were no direct transaction costs charged in these transactions.

Summary of direct transaction costs

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

	£	% of average net asset value
2020		
Commission	11,271	0.11%
Taxes	27,236	0.26%
<hr/>		
2019		
Commission	1,955	0.02%
Taxes	3,062	0.02%

b Average portfolio dealing spread

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

The average portfolio dealing spread of the investments at the balance sheet date was 1.97% (2019: 2.80%).

Notes to the financial statements (continued)

for the year ended 30 September 2020

15. Risk management policies

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

a Market risk

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

(i) Other price risk

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

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

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

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

At 30 September 2020, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £438,485 (2019: £441,835).

(ii) Currency risk

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

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

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

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2020	£	£	£
US dollar	-	16,240	16,240
Total foreign currency exposure	-	16,240	16,240

Notes to the financial statements (continued)

for the year ended 30 September 2020

15. Risk management policies (continued)

a Market risk (continued)

(ii) Currency risk (continued)

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
	£	£	£
2019			
US dollar	188,271	-	188,271
Total foreign currency exposure	188,271	-	188,271

At 30 September 2020, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £812 (2019: £9,414).

(iii) Interest rate risk

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

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

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

At 30 September 2020, if interest rates increased or decreased by 25 basis points, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £nil (2019: £4,873).

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

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

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
	£	£	£	£	£	£
2020						
UK sterling	927,087	-	-	8,774,432	(238,655)	9,462,864
US dollar	-	-	-	16,240	-	16,240
	927,087	-	-	8,790,672	(238,655)	9,479,104

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
	£	£	£	£	£	£
2019						
UK sterling	703,419	-	2,427,840	8,690,533	(105,993)	11,715,799
US dollar	-	-	-	188,271	-	188,271
	703,419	-	2,427,840	8,878,804	(105,993)	11,904,070

Notes to the financial statements (continued)

for the year ended 30 September 2020

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

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

c Liquidity risk

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

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

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

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

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

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

All of the financial liabilities are payable on demand.

d Fair value of financial assets and financial liabilities

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

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

Notes to the financial statements (continued)

for the year ended 30 September 2020

15. Risk management policies (continued)

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

Basis of valuation	Investment assets	Investment liabilities
	2020	2020
	£	£
Quoted prices	8,769,692	-
Observable market data	-	-
Unobservable data [^]	-	-
	<u>8,769,692</u>	<u>-</u>
Basis of valuation	Investment assets	Investment liabilities
	2019	2019
	£	£
Quoted prices	11,244,863	-
Observable market data	-	-
Unobservable data ^{^^}	19,681	-
	<u>11,264,544</u>	<u>-</u>

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

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

^{^^} *Redt Energy*: The fair value pricing committee assesses it is appropriate to include the security in the portfolio of investments at 1.075p (the last traded price on 25 July 2019) as this security has been temporarily suspended since 25 July 2019. The suspension was lifted on 16 March 2020 and the holding was sold on 18 March 2020.

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:

	2020	2019
	% of the total net asset value	% of the total net asset value
Havelock Europa	-	-
Redt Energy	-	0.17%
Total	<u>-</u>	<u>0.17%</u>

f Derivatives

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

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

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

During the year there were no derivative transactions.

Notes to the financial statements (continued)

for the year ended 30 September 2020

15. Risk management policies (continued)

f Derivatives (continued)

(i) Counterparties

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

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

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

(ii) Leverage

There have been no leveraging arrangements in the year.

(iii) Global exposure

Global exposure is a measure designed to limit the leverage generated by a 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 2020

Distributions on A Accumulation in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.20	group 1	interim	0.187	-	0.187	0.057
31.05.20	group 2	interim	0.000	0.187	0.187	0.057
30.11.20	group 1	final	0.006	-	0.006	0.472
30.11.20	group 2	final	0.006	-	0.006	0.472

Distributions on B Accumulation in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.20	group 1	interim	0.457	-	0.457	0.347
31.05.20	group 2	interim	0.004	0.453	0.457	0.347
30.11.20	group 1	final	0.238	-	0.238	0.759
30.11.20	group 2	final	0.121	0.117	0.238	0.759

Equalisation

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

Accumulation distributions

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

Interim distributions:

- Group 1 Shares purchased before 1 October 2019
- Group 2 Shares purchased 1 October 2019 to 31 March 2020

Final distributions:

- Group 1 Shares purchased before 1 April 2020
- Group 2 Shares purchased 1 April 2020 to 30 September 2020

Remuneration

Remuneration code disclosure

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

Remuneration committee

The remuneration committee report contained in pages 46-49 of the Smith & Williamson Report and Financial Statements for the year ended 30 April 2020 (available <https://smithandwilliamson.com/en/about-us/financial-reports/>) includes details on the remuneration policy. The remuneration committee comprises five non-executive directors and is governed by formal terms of reference, which are reviewed and agreed by the board. The committee met seven times during 2019-20.

Remuneration policy

The main principles of the remuneration policy are:

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

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

Remuneration systems

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

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

When setting variable remuneration for the executive directors, the committee considers overall business profit for the group and divisions, achievement of both financial and non-financial objectives (including adherence to the principles of treating customers fairly, conduct risk, compliance and regulatory rules), personal performance and any other relevant policy of the board in respect of the year ended 30 April 2020. The committee agrees the individual allocation of variable remuneration and the proportion of that variable remuneration to be awarded as restricted shares.

Aggregate quantitative information

The total amount of remuneration paid by Smith & Williamson Fund Administration Limited (SWFAL) is nil as SWFAL has no employees. However, a number of employees have remuneration costs recharged to SWFAL and the annualised remuneration for these 70 employees is £3,099,931 of which £2,863,541 is fixed remuneration. This is based on the annualised salary and benefits for those identified as working in SWFAL as at 30 April 2020. Any variable remuneration is awarded for the year ending 30 April 2020. This information excludes any senior management or other Material Risk Takers (MRTs) whose remuneration information is detailed on the next page.

Remuneration (continued)

Aggregate quantitative information (continued)

Smith & Williamson reviews its MRTs at least annually. These individuals are employed by and provide services to other companies in the Smith & Williamson group. It is difficult to apportion remuneration for these individuals in respect of their duties to SWFAL. For this reason, the aggregate total remuneration awarded for the financial year 2019-20 for senior management and other MRTs detailed below has not been apportioned.

Table to show the aggregate remuneration split by Senior Management and other MRTs for SWFAL	Financial Year ending 30 April 2020				
	Fixed £'000	Variable		Total £'000	No. MRTs
		Cash £'000	Equity £'000		
Senior Management	1,846	2,411	-	4,257	9
Other MRTs	1,222	928	-	2,150	9
Total	3,068	3,339	-	6,407	18

Investment Manager

The ACD delegates the management of the Company's portfolio of investments to Church House Investments Limited and pays to Church House Investments Limited, out of the ACD's annual management charge, a monthly fee calculated on the total value of the 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 semi-annually on 30 November (final) and 31 May (interim). In the event of a distribution, shareholders will receive a tax voucher.

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

Buying and selling shares

The property of the sub-funds are valued at 12 noon on 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 ACD and the Depositary, and prices of shares are calculated as at that time. Share dealing is on a forward basis i.e. investors can buy and sell shares at the next valuation point following receipt of the order.

	Minimum initial investment and minimum holding value	Minimum subsequent investment
SVS Church House Tenax Absolute Return Strategies Fund:		
<i>Share classes available for investment</i>		
A Income and A Accumulation shares	£5,000	£5,000
B Income and B Accumulation shares	£100,000	£100,000
C Income and C Accumulation shares	£1,000,000	£1,000,000
SVS Church House UK Smaller Companies Fund		
<i>Share classes available for investment</i>		
A Accumulation shares	£5,000	£1,000
B Accumulation shares	£100,000	£100,000

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

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

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

Benchmark

SVS Church House Tenax Absolute Return Strategies Fund:

As the sub-fund is a multi-asset fund, there is no one benchmark or index used by the ACD which fully represents a comparison of the performance of the sub-fund as a whole.

The ACD may use different benchmarks for comparison purposes according to the asset classes generally held by the sub-fund at the relevant time or for the relevant period, including GOV UK Gilt 2 Year Yield in respect of bonds and FTSE 100 TR in respect of equities.

Investors may request further information on these asset level benchmarks but the ACD does not use them to compare performance of the sub-fund as a whole.

The benchmarks are not targets for the sub-fund, nor is the sub-fund constrained by the benchmarks.

Further information (continued)

Benchmark (continued)

SVS Church House UK Smaller Companies Fund:

Shareholders may compare the performance of the sub-fund against the FTSE All-Share Index and the FTSE Small Cap ex Investment Trusts Index.

Comparison of the sub-fund's performance against these comparator benchmarks will give shareholders an indication of how the sub-fund is performing.

The ACD has selected these comparator benchmarks as the ACD believes they best reflect the asset allocation of the sub-fund.

The benchmarks are not targets for the sub-fund, nor is the sub-fund constrained by the benchmarks.

The benchmarks produced the following performance[^] over the year from 1 October 2019 to 30 September 2020:

FTSE All-Share Index	-16.59%
FTSE Small Cap ex Investment Trusts Index	-12.72%
SVS Church House UK Smaller Companies Fund A Accumulation shares	-11.69%
SVS Church House UK Smaller Companies Fund B Accumulation shares	-11.40%

[^]Source: Morningstar, based on Cumulative Total Returns. On 24 August 2020 the sub-fund changed its investment objective and policy and the performance before this date was achieved under circumstances that no longer apply.

Appointments

ACD and Registered office

Smith & Williamson Fund Administration Limited
25 Moorgate
London EC2R 6AY
Telephone: 020 7131 4000
Authorised and regulated by the Financial Conduct Authority

Administrator and Registrar

Smith & Williamson Fund Administration Limited
206 St. Vincent Street
Glasgow G2 5SG
Telephone: 0141 222 1151 (Registration)
0141 222 1150 (Dealing)
Authorised and regulated by the Financial Conduct Authority

Directors of the ACD

Brian McLean
David Cobb
James Gordon
Kevin Stopps

Independent Non-Executive Directors of the ACD

Dean Buckley
Linda Robinson
Victoria Muir

Non-Executive Directors of the ACD

Paul Wyse

Investment Manager

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

Depository

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

Auditor

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