SVS Church House Balanced Equity Income Fund

Annual Report

for the year ended 31 March 2021

Contents

SVS Church House Balanced Equity Income Fund

Report of the Manager

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

SVS Church House Balanced Equity Income Fund ('the Trust' or 'the Fund') is an authorised unit trust scheme further to an authorisation order dated 22 January 2002 and is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL'), as published by the Financial Conduct Authority ('FCA').

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

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

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

The base currency of the Fund is UK sterling.

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

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

Investment objective and policy - from 10 July 2020

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

The Fund is actively managed. At least 70% of the Fund's assets are invested in shares of UK companies (those incorporated or domiciled in the UK). The focus of the Fund is on larger capitalisation companies, which the Manager defines as those with a market capitalisation of at least £1bn at the time of purchase. Up to 30% of the Fund may be invested in other assets: the shares of companies with a smaller capitalisation, sterling denominated fixed interest securities (including floating rate notes, index linked or convertible fixed interest securities), money market instruments and cash.

Investment objective and policy - to 9 July 2020

The objective of the Fund is to provide investors with medium to long-term capital growth, with income, through investment in a portfolio of UK equities. The portfolio will be mainly UK equities, selected for their value and income prospects, but a proportion of the portfolio will be invested in index-linked and other fixed interest securities and listed investment companies.

Important Note from the Manager

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

Report of the Manager (continued)

Changes affecting the Fund in the year

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

On 10 July 2020 the objective wording of the Fund was updated.

Further information in relation to the Fund is illustrated on page 41.

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

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

Statement of the Manager's responsibilities

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

In preparing the financial statements the Manager is responsible for:

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

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

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

Assessment of Value - SVS Church House Balanced Equity Income Fund

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

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

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

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

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

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

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

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

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

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

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

The seven criteria are:

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

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

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

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

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

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

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

Assessment of Value - SVS Church House Balanced Equity Income Fund (continued)

1. Quality of Service

What was assessed in this section?

Internal Factors

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

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

External Factors

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

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

What was the outcome of the assessment?

Internal Factors

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

External Factors

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

Were there any follow up actions?

There were no follow-up actions required.

2. Performance

What was assessed in this section?

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

Investment Objectives

The aim of the Trust is to provide income and capital growth over the long term (at least five years).

Benchmarks

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

The benchmarks for the Trust are the FTSE 350 Higher Yield Index and the IA Mixed Investment 40%-85% Shares sector, which are both comparators. A 'comparator' benchmark is an index or similar factor against which an investment manager invites investors to compare a Trust's performance. Details of how the Trust has performed against its comparator benchmarks over various timescales can be found on the next page.

Assessment of Value - SVS Church House Balanced Equity Income Fund (continued)

2. Performance (continued)

Benchmarks (continued)

Cumulative Performance (%) Cumulative Performance as at 28 February 2021

	Currency	1 Year	3 Years	5 Years	28/02/2011 to 28/02/2021
FTSE 350 Higher Yield Index	GBP	0.41	(4.07)	25.36	56.60
IA Mixed Investment 40%-85% Shares sector	GBP	10.74	16.23	45.23	82.87
SVS Church House Balanced Equity Income Fund A accum	GBX	1.95	5.77	24.22	69.21
SVS Church House Balanced Equity Income Fund B Accum	GBX	2.63	7.83	28.25	76.79

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

Performance shown is representative of all unit classes.

Performance is calculated net of fees.

Past performance is not a guide to future performance.

What was the outcome of the assessment?

The Board noted the existence of the Trust's two comparator benchmarks and in particular the considerable divergence between them both over the periods under observation.

Consideration was initially given to the Trust's performance against the IA Mixed Investment 40%-85% Shares sector benchmark where it was clear that returns had significantly underperformed those of the benchmark, particularly over the 3 and 5 year periods. However, further analysis undertaken by SWFAL evidenced that the constituent funds within that sector typically have a relatively high weighting to overseas equity markets, particularly the US, and therefore a lower weighting to the UK equity market. By contrast, the Trust has in excess of 70% in UK equities and cannot invest in overseas equities.

Next, the Board observed that the Trust had performed well against the FTSE 350 Higher Yield Index, over the periods under observation, however they were mindful that the Trust had significant exposure to asset classes not represented within the index.

Instead, SWFAL sought to establish a composite index that accounted for the Trust's holdings in, amongst other things, infrastructure and fixed interest securities. On completion of this exercise, it was evident to the Board that there was a far greater correlation between the Trust and the in-house composite than there was between the Trust and either of the two comparator benchmarks. This gave the Board the confidence that the Trust was performing well when compared against a more representative index and further allowed them to come to the conclusion that it was meeting its objective of combined income and capital growth.

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

Were there any follow up actions?

There were no follow-up actions required.

3. AFM Costs

What was assessed in this section?

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

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

What was the outcome of the assessment?

The Board observed that Church House do not charge a separate in-house portfolio management fee or internal platform fee for clients invested in their own trusts. Instead, the cost of these services is included within the trusts themselves which SWFAL have then taken into consideration when comparing the A class on a like-for-like basis with other similarly run funds. On completion of this, it was the Board's opinion that the costs associated with both the A and B class were fair, reasonable and provided on a competitive basis.

Were there any follow up actions?

There were no follow-up actions required.

Assessment of Value - SVS Church House Balanced Equity Income Fund (continued)

4. Economies of Scale

What was assessed in this section?

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

What was the outcome of the assessment?

Both the A class and B class have a fixed AMC with an embedded AFM tier within them, meaning that if the Trust was to grow, the result would be that the delegated investment manager would receive a greater proportion of the Trust's OCF. This mechanism therefore prevents investors from participating in any possible savings that could be achieved if the Trust was to grow in the future.

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

This section has therefore been marked as Amber in respect of both the A and B class.

Were there any follow up actions?

SWFAL will enter into discussion with Church House with a view to establishing a more satisfactory outcome for investors.

5. Comparable Market Rates

What was assessed in this section?

The OCF is 1.75%[1] for the 'A' unit class, 1.13%[1] for the 'B' unit class.

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

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

What was the outcome of the assessment?

Once an allowance had been made for the fact that Church House do not charge a separate in-house portfolio management fee or internal platform fee for clients invested in their own trusts, the analysis showed that the cost of the A units was in line with the externally managed peer group. The Board also gave consideration to a recent regulatory change in cost disclosures that requires the underlying cost of holding closed ended investment vehicles be added to the Trust's overall cost. This has been accounted for within the A units but it was inconclusive as to whether the funds in the Trust's peer group had adopted a similar stance.

That being the case, the Board were comfortable that the A units were priced at a level not out of line with similar externally managed funds.

The B units, on the other hand, are not offered to Church House's in-house clients and as such do not attract the same portfolio management fee that the As do. No adjustment is therefore made when comparing them against similarly externally managed funds. Again, SWFAL found these to be in line with the Trust's peer group and with the added uncertainty surrounding whether funds in the marketplace had accounted for the cost of holding closed ended vehicles, the Board were comfortable that the B class were aligned with equivalent externally managed funds.

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

Were there any follow up actions?

There was no further action required.

[1] Figures at interim report 30 September 2020. A change in cost disclosure now requires that the underlying cost of holding closed ended investment vehicles be included within the overall cost of holding the Fund which will impact the OCF.

Assessment of Value - SVS Church House Balanced Equity Income Fund (continued)

6. Comparable Services

What was assessed in this section?

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

What was the outcome of the assessment?

There were too few SWFAL administered funds displaying similar characteristics against which to make a meaningful comparison.

Were there any follow up actions?

There were no follow-up actions required.

7. Classes of Units

What was assessed in this section?

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

What was the outcome of the assessment?

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

Were there any follow up actions?

There were no follow-up actions required.

Overall Assessment of Value

The SWFAL Board concluded that, notwithstanding the issue surrounding the fee structure on both the A and B class, SVS Church House Balanced Equity Income Fund had nevertheless provided value to unitholders.

Dean Buckley

Chairman of the Board of Smith & Williamson Fund Administration Limited

30 July 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 Trustee to the unitholders of SVS Church House Balanced Equity Income Fund

Trustee's responsibilities

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

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

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

The Trustee must ensure that:

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

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

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

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

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

NatWest Trustee and Depositary Services Limited
30 July 2021

Independent Auditor's report to the unitholders of SVS Church House Balanced Equity Income Fund ('the Trust')

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Manager

As explained more fully in the Statement of the Manager's responsibilities set out on page 4, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Independent Auditor's report to the unitholders of SVS Church House Balanced Equity Income Fund (continued)

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

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

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

Use of the audit report

This report is made solely to the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes Sourcebook published by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Trust's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's unitholders as a body for our audit work, for this report, or for the opinions we have formed.

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

Accounting policies of SVS Church House Balanced Equity Income Fund

for the year ended 31 March 2021

a *Basis of accounting*

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

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

b *Valuation of investments*

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

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

Investments are stated at their fair value at the balance sheet date. In determining fair value, the valuation point is global close of business on 31 March 2021 with reference to quoted bid prices from reliable external sources.

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

c *Foreign exchange*

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

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

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

d *Revenue*

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

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

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

Dividends from unquoted equity shares are recognised when declared.

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

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

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

e *Expenses*

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

Bank interest paid is charged to revenue.

f *Allocation of revenue and expenses to multiple unit classes*

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

g *Taxation*

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

Deferred taxation is provided in full on timing differences that result in an obligation at 31 March 2021 to pay more or less tax, at a future date, at rates expected to apply when they crystallise based on current rates and tax laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

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

h *Efficient Portfolio Management*

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

i *Dilution levy*

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

j *Distribution policies*

i *Basis of distribution*

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

ts. *Unclaimed distributions*

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

iii *Revenue*

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

iv *Expenses*

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

v *Equalisation*

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

Investment Manager's report

Investment performance

Capital performance*	1 year	3 years	5 years
SVS Church House Balanced Equity Income Fund	15.7%	2.4%	8.5%

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

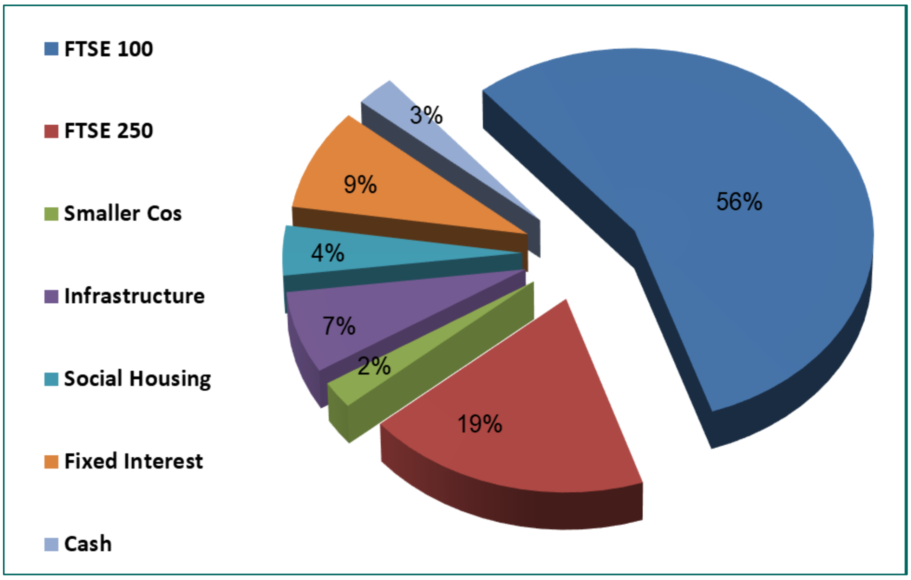
Source: Bloomberg.

Investment activities

We reported in October on activity over the first half of the year so these comments cover the latter six months of the Fund's year. The major pharmaceuticals, GlaxoSmithKline and AstraZeneca, have been a drag on the portfolio over the last quarter of 2020. Despite maintaining their dividend, GlaxoSmithKline has been dull all year, we know the company is to split in two over the next couple of years, which could be an opportunity to 'rebase' (cut) the overall payment. AstraZeneca had a good year until December's bid for the US Company Alexion Pharmaceuticals, worth around $39 billion and partially in new AstraZeneca shares, weighed on their share price. Elsewhere, we have been using recent strength to rationalise some of the holdings, gone are Babcock International Group, BP, HSBC Holdings, Imperial Brands and J Sainsbury.

On the opposite tack, we have been adding to a number of the core long-term holdings such as Compass Group, Croda International, Diageo, RELX and Schroders, while building-up the mid-cap exposure. Here we added to Britvic and introduced new holdings in Bellway, the housebuilder, Cranswick, the food producer, and Rathbone Brothers, the wealth manager. In contrast, we aim to reduce exposure to smaller companies. Following the sale of HSBC Holdings, we added to the holdings in Barclays and Close Brothers Group. Continuing with the rationalising, we sold SSE in favour of a doubling of the National Grid holding and similarly, sold Legal & General Group to double the Aviva holding.

Into the Fund's fourth quarter, the portfolio continued with the pattern of the final quarter of 2020, reducing the number of smaller companies and oil stocks while building-up exposure to our core holdings. This was the disposition at the end of the quarter:



The rally in oil companies picked-up through February and early March, we used this to sell out of the holding in Royal Dutch Shell 'B', leaving the portfolio with no exposure to the sector. The smaller company holdings that we have sold were Clinigen Group, Craneware and Standard Life Investment Property Income Trust. Mostly, we were building-up existing holdings, amongst the staple goods and pharmaceutical companies we added to: AstraZeneca, Reckitt Benckiser Group, Smith & Nephew, Cranswick and Unilever. In other sectors, we added to Bunzl, DS Smith and RELX. The total number of holdings in the portfolio is down to fifty five now.

Investment Manager's report (continued)

Investment activities (continued)

We continued to add to the holding in Barclays and in other financials, we added to Phoenix Group Holdings and Rathbone Brothers. After an encouraging meeting with the chief executive officer of Target Healthcare REIT, we added further to this holding, which now appears in the top fifteen, financing this with the sale of the small holding in Triple Point Energy Efficiency Infrastructure. We rate BBGI SICAV as the highest quality of the infrastructure companies and have added here (also now in the top fifteen) at the expense of HICL Infrastructure. We have not been adding to fixed interest, which will shrink further with the maturity of the National Grid 1.25% 06/10/2021 in October.

Top 15 holdings - 31 March 2021	
AstraZeneca	4.11%
Unilever	3.29%
Barclays	3.01%
Diageo	2.90%
RELX	2.73%
Croda International	2.73%
Halma	2.69%
Aviva	2.65%
GlaxoSmithKline	2.61%
Barclays 3.75% 22/11/2030	2.60%
Schroders	2.55%
BBGI SICAV	2.51%
Target Healthcare REIT	2.47%
Reckitt Benckiser Group	2.37%
Compass Group	2.37%

Investment strategy and outlook

One year on and the picture is looking so much better. Our economy is picking-up well, thanks to the success of the vaccine roll-out and asset markets are buoyant.

The real story of the first quarter of 2021 has been the rise in (longer-term) interest rates. The UK economy is picking-up well, thanks to the success of the vaccine roll-out and asset markets are buoyant. Europe shouldn't be far behind with an economic recovery despite their rather dismal showing on vaccinations. America has managed to accelerate its roll-out most effectively and is (generally) making good progress.

The first quarter of 2021 has been positive for stock markets, but really quite choppy. While the headline indices are ahead, there has been a lot of unseemly pushing and shoving among the various sectors. US technology stocks have not led the markets this time, it has been the turn of the more cyclical and (formerly) depressed areas to shine. We have seen shenanigans in a number of American smaller companies (and some quite large European companies), driven by social media, the blow-up of a 'Family Office' (hedge fund), seriously damaging a number of banks, notably Credit Suisse, and the demise of Greensill Capital, to the embarrassment of a former Prime Minister. Meanwhile, China has commenced a serious rein-in of its technology companies. Definitely time for everyone to get out and back to work.

The real reason behind the choppiness, and the most important market event of this first quarter, is that rise in longer-term interest rates, which, though overdue, appeared to come as a shock. Base rates are firmly anchored at next-to-nothing by the Bank of England and the world's other leading central banks but, as economies recover, expectations will grow for increases to come and, along with it, a possible increase in inflation.

Church House Investments Limited
30 April 2021

Summary of portfolio changes

for the year ended 31 March 2021

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

Purchases:	Cost £
Barclays 3.75% 22/11/2030	1,504,665
AstraZeneca	1,120,406
Barclays	1,043,185
Rathbone Brothers	1,019,032
Cranswick	902,436
Hipgnosis Songs Fund	880,211
Unilever	734,287
Bellway	721,622
National Grid	702,320
Land Securities Group	684,064
Target Healthcare REIT	680,208
Aviva	653,339
Reckitt Benckiser Group	642,580
UK Treasury Index Linked 4.125% 22/07/2030	571,290
BAE Systems	567,263
BBGI SICAV	501,801
Triple Point Energy Efficiency Infrastructure	500,000
SSE 3.74% perpetual	499,810
BT Group	468,944
Compass Group	425,456

Sales:	Proceeds £
Lloyds Bank 0.5486% 13/09/2021	1,501,500
Royal Dutch Shell 'B'	1,221,866
BHP Group	1,157,714
HSBC Holdings	1,101,666
Royal Bank of Canada 0.65122% 03/10/2024	1,010,900
Standard Life Investment Property Income Trust	798,849
Craneware	753,856
SSE	698,390
BP	663,600
Legal & General Group	638,295
Clinigen Group	580,393
Imperial Brands	555,822
HICL Infrastructure	507,691
Triple Point Social Housing REIT	482,548
J Sainsbury	482,296
Anglian Water Services Financing 4.125% 28/07/2020	439,578
Vodafone Group	381,074
Lloyds Banking Group	378,124
Meggitt	364,069
Greggs	330,667

Portfolio statement

as at 31 March 2021

Investment	Nominal value or holding	Market value £	% of total net assets
Debt Securities* 9.05% (11.66%)			
Aaa to Aa2 0.00% (6.55%)		-	-
Aa3 to A1 2.10% (0.00%)			
UK Treasury Index Linked 4.125% 22/07/2030**	£350,000	1,297,732	2.10
A2 to A3 0.97% (2.13%)			
Southern Water Services Finance 3.706% 31/03/2034**	£218,000	598,499	0.97
Baa1 to Baa2 0.76% (0.94%)			
National Grid 1.25% 06/10/2021**	£366,000	466,141	0.76
Baa3 and below 5.22% (2.04%)			
Barclays 3.75% 22/11/2030**	£1,500,000	1,606,860	2.60
Heathrow Funding 3.334% 09/12/2039**	£250,000	567,136	0.92
Phoenix Group Holdings 5.75% perpetual**	£500,000	525,450	0.85
SSE 3.74% perpetual**	£500,000	525,000	0.85
		3,224,446	5.22
Total debt securities		5,586,818	9.05
Equities - United Kingdom 77.43% (77.47%)			
Equities - incorporated in the United Kingdom 77.43% (75.60%)			
Energy 0.00% (4.29%)		-	-
Materials 6.79% (7.08%)			
BHP Group	12,500	261,750	0.42
Croda International	26,500	1,682,220	2.73
DS Smith	210,000	855,960	1.39
Rio Tinto	25,000	1,387,500	2.25
		4,187,430	6.79
Industrials 8.93% (9.03%)			
BAE Systems	240,000	1,211,520	1.96
Bunzl	55,000	1,277,650	2.07
Howden Joinery Group	100,000	733,000	1.19
RELX	92,500	1,682,575	2.73
Rentokil Initial	125,000	605,500	0.98
		5,510,245	8.93
Consumer Discretionary 7.06% (4.94%)			
Bellway	25,000	850,750	1.38
Berkeley Group Holdings	20,769	921,521	1.49
Compass Group	100,000	1,461,500	2.37
Greggs	50,000	1,122,000	1.82
		4,355,771	7.06

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

** Variable interest security.

Portfolio statement (continued)
as at 31 March 2021

Investment	Nominal value or holding	Market value £	% of total net assets
Equities - incorporated in the United Kingdom (continued)			
Consumer Staples 12.12% (10.29%)			
Britvic	150,000	1,254,750	2.03
Cranswick	26,000	945,360	1.53
Diageo	60,000	1,793,700	2.90
Reckitt Benckiser Group	22,500	1,462,050	2.37
Unilever	50,000	2,028,000	3.29
		7,483,860	12.12
Health Care 10.30% (11.81%)			
AstraZeneca	35,000	2,536,450	4.11
GlaxoSmithKline	125,000	1,609,750	2.61
Sensyne Health	450,000	765,000	1.24
Smith & Nephew	105,000	1,446,900	2.34
		6,358,100	10.30
Financials 14.28% (10.51%)			
Aviva	400,000	1,632,800	2.65
Barclays	1,000,000	1,859,200	3.01
Close Brothers Group	90,000	1,395,900	2.26
Phoenix Group Holdings	165,000	1,211,100	1.96
Rathbone Brothers	65,000	1,144,000	1.85
Schroders	45,000	1,575,000	2.55
		8,818,000	14.28
Information Technology 4.67% (5.18%)			
Halma	70,000	1,661,800	2.69
Sage Group	200,000	1,225,200	1.98
		2,887,000	4.67
Communication Services 1.76% (1.41%)			
BT Group	700,000	1,083,600	1.76
Utilities 2.17% (2.76%)			
National Grid	155,000	1,339,200	2.17
Noisivarec*	750,000	-	-
ULTra PRT*	2,620	-	-
		1,339,200	2.17
Real Estate 9.35% (8.30%)			
Civitas Social Housing	1,047,211	1,128,893	1.83
Land Securities Group	100,090	690,721	1.12
Primary Health Properties	700,000	1,037,400	1.68
Shaftesbury	115,535	741,157	1.20
Target Healthcare REIT	1,350,000	1,525,500	2.47
Tritax Big Box REIT	360,000	646,200	1.05
		5,769,871	9.35
Total equities - incorporated in the United Kingdom		47,793,077	77.43

*ULTra PRT and Noisivarec: The fair value pricing committee considers it appropriate to include the securities in the portfolio of investments with no value. The value is based on the sufficient doubt over the continued viability of the businesses.

Portfolio statement (continued)
as at 31 March 2021

Investment	Nominal value or holding	Market value £	% of total net assets
Equities - United Kingdom (continued)			
Equities - incorporated outwith the United Kingdom 0.00% (1.87%)			
Real Estate 0.00% (1.87%)		-	-
Total equities - United Kingdom		47,793,077	77.43
Closed-Ended Funds 10.78% (9.37%)			
Closed-Ended Funds - United Kingdom 8.27% (7.42%)			
Closed-Ended Funds - incorporated in the United Kingdom 5.43% (5.59%)			
Aberforth Split Level Income Trust	900,000	639,000	1.04
BB Healthcare Trust	400,000	754,000	1.22
HICL Infrastructure	200,000	329,600	0.53
SDCL Energy Efficiency Income Trust	1,000,000	1,120,000	1.81
Triple Point Energy Efficiency Infrastructure	500,000	510,000	0.83
Total closed-ended funds - incorporated in the United Kingdom		3,352,600	5.43
Closed-Ended Funds - incorporated outwith the United Kingdom 2.84% (1.83%)			
GCP Infrastructure Investments	800,000	817,600	1.32
Hipgnosis Songs Fund	750,000	937,500	1.52
Total closed-ended funds - incorporated outwith the United Kingdom		1,755,100	2.84
Total closed-ended funds - United Kingdom		5,107,700	8.27
Closed-Ended Funds - Luxembourg 2.51% (1.95%)			
BBGI SICAV	900,000	1,549,800	2.51
Total closed-ended funds		6,657,500	10.78
Portfolio of investments		60,037,395	97.26
Other net assets		1,690,071	2.74
Total net assets		61,727,466	100.00

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

The comparative figures in brackets are as at 31 March 2020.

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

Risk and reward profile

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

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

The Fund is in a 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.

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

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

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

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

For further information please refer to the KIID.

For full details on risk factors for the Fund, please refer to the Prospectus.

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

Comparative table

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

	A units income			A units accumulation		
	2021	2020	2019	2021	2020	2019
	p	p	p	p	p	p
Change in net assets per unit						
Opening net asset value per unit	154.88	186.64	173.52	244.54	285.07	256.79
Return before operating charges	30.11	(23.03)	21.94	48.04	(36.00)	32.57
Operating charges	(2.83)	(2.93)	(2.86)	(4.52)	(4.53)	(4.29)
Return after operating charges *	27.28	(25.96)	19.08	43.52	(40.53)	28.28
Distributions^	(4.26)	(5.80)	(5.96)	(6.77)	(8.91)	(8.89)
Retained distributions on accumulation units^	-	-	-	6.77	8.91	8.89
Closing net asset value per unit	177.90	154.88	186.64	288.06	244.54	285.07
* after direct transaction costs of:	0.26	0.06	0.09	0.41	0.10	0.14
Performance						
Return after charges	17.61%	(13.91%)	11.00%	17.80%	(14.22%)	11.01%
Other information						
Closing net asset value (£)	44,527,512	40,061,217	46,039,191	3,203,881	2,865,236	3,456,223
Closing number of units	25,030,101	25,865,641	24,667,595	1,112,245	1,171,661	1,212,420
Operating charges^^	1.71%	1.56%	1.56%	1.71%	1.56%	1.56%
Direct transaction costs	0.16%	0.03%	0.05%	0.16%	0.03%	0.05%
Prices						
Highest unit price (p)	180.1	197.3	193.0	288.5	306.8	288.2
Lowest unit price (p)	148.3	136.6	171.5	234.2	212.4	254.4

^ Rounded to 2 decimal places.

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

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 closed ended vehicles such as 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 units income			B units accumulation		
	2021	2020	2019	2021	2020	2019
	p	p	p	p	p	p
Change in net assets per unit						
Opening net asset value per unit	160.11	192.32	178.21	253.81	293.98	263.11
Return before operating charges	31.17	(23.84)	22.58	50.01	(37.38)	33.45
Operating charges	(1.86)	(1.81)	(1.76)	(2.94)	(2.79)	(2.58)
Return after operating charges*	29.31	(25.65)	20.82	47.07	(40.17)	30.87
Distributions^	(4.86)	(6.56)	(6.71)	(7.78)	(10.11)	(10.01)
Retained distributions on accumulation units^	-	-	-	7.78	10.11	10.01
Closing net asset value per unit	184.56	160.11	192.32	300.88	253.81	293.98
* after direct transaction costs of:	0.33	0.06	0.09	0.45	0.10	0.14
Performance						
Return after charges	18.31%	(13.34%)	11.68%	18.55%	(13.66%)	11.73%
Other information						
Closing net asset value (£)	7,315,254	2,124,111	2,287,726	6,680,819	4,275,970	4,348,746
Closing number of units	3,963,564	1,326,671	1,189,512	2,220,461	1,684,725	1,479,287
Operating charges^^	1.09%	0.94%	0.94%	1.09%	0.94%	0.94%
Direct transaction costs	0.16%	0.03%	0.05%	0.16%	0.03%	0.05%
Prices						
Highest unit price (p)	187.1	204.0	198.6	301.4	318.0	297.1
Lowest unit price (p)	153.3	141.4	176.5	243.1	220.4	260.6

^ Rounded to 2 decimal places.

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

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 closed ended vehicles such as investment trusts.

Please be advised that the investment objective and policy of the Fund was amended on 10 July 2020, which is disclosed within the Report of the Manager on page 2.

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 Balanced Equity Income Fund

Statement of total return
for the year ended 31 March 2021

	Notes	2021		2020	
		£	£	£	£
Income:					
Net capital gains / (losses)	2		7,915,266		(9,681,379)
Revenue	3	1,815,220		2,228,566	
Expenses	4	(782,484)		(853,719)	
Net revenue before taxation		1,032,736		1,374,847	
Taxation	5	-		-	
Net revenue after taxation			1,032,736		1,374,847
Total return before distributions			8,948,002		(8,306,532)
Distributions	6		(1,419,273)		(1,800,116)
Change in net assets attributable to unitholders from investment activities			7,528,729		(10,106,648)

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

	2021		2020	
	£	£	£	£
Opening net assets attributable to unitholders		49,326,534		56,131,886
Amounts receivable on issue of units	7,274,986		5,355,540	
Amounts payable on cancellation of units	(2,642,127)		(2,326,899)	
		4,632,859		3,028,641
Change in net assets attributable to unitholders from investment activities		7,528,729		(10,106,648)
Retained distributions on accumulation units		239,344		272,655
Closing net assets attributable to unitholders		61,727,466		49,326,534

Balance sheet
as at 31 March 2021

	Notes	2021	2020
		£	£
Assets:			
Fixed assets:			
Investments		60,037,395	48,587,631
Current assets:			
Debtors	7	429,326	203,611
Cash and bank balances	8	1,842,342	1,248,650
Total assets		62,309,063	50,039,892
Liabilities:			
Creditors:			
Distribution payable		(567,238)	(644,379)
Other creditors	9	(14,359)	(68,979)
Total liabilities		(581,597)	(713,358)
Net assets attributable to unitholders		61,727,466	49,326,534

Notes to the financial statements

for the year ended 31 March 2021

1. Accounting policies

   The accounting policies are disclosed on pages 14 and 15.

2. Net capital gains / (losses)	2021	2020
	£	£
Non-derivative securities - realised losses	(3,087,282)	(69,972)
Non-derivative securities - movement in unrealised gains / (losses)	11,007,158	(9,607,983)
Transaction charges	(4,610)	(3,424)
Total net capital gains / (losses)	7,915,266	(9,681,379)

3. Revenue	2021	2020
	£	£
UK revenue	1,299,851	1,789,373
Unfranked revenue	225,599	216,104
Overseas revenue	119,106	91,505
Interest on debt securities	170,567	129,559
Bank and deposit interest	97	2,025
Total revenue	1,815,220	2,228,566

4. Expenses	2021	2020
	£	£
Payable to the Manager and associates		
Annual management charge	745,949	822,025
Registration fees	354	322
	746,303	822,347
Payable to the Trustee		
Trustee fees	17,679	18,866
Other expenses:		
Audit fee	12,030	6,570
Non-executive directors' fees	626	596
Safe custody fees	1,922	2,027
FCA fee	832	611
KIID production fee	1,142	1,142
Publication fee	1,950	1,560
	18,502	12,506
Total expenses	782,484	853,719

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

5. Taxation (continued)

b. Factors affecting the tax charge for the year

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

	2021	2020
	£	£
Net revenue before taxation	1,032,736	1,374,847
Corporation tax @ 20%	206,547	274,969
Effects of:		
UK revenue	(259,970)	(357,875)
Overseas revenue	(23,821)	(18,301)
Excess management expenses	77,244	101,207
Total taxation (note 5a)	-	-

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 £1,265,076 (2020: £1,187,832).

6. Distributions

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

	2021	2020
	£	£
Interim income distribution	649,573	907,007
Interim accumulation distribution	125,850	158,448
Final income distribution	567,238	644,379
Final accumulation distribution	113,494	114,207
	1,456,155	1,824,041
Equalisation:		
Amounts deducted on cancellation of units	15,400	18,059
Amounts added on issue of units	(48,781)	(41,995)
Net equalisation on conversions	(3,501)	11
Total net distributions	1,419,273	1,800,116

Reconciliation between net revenue and distributions:

	2021	2020
The Net revenue after taxation per Statement of total return	1,032,736	1,374,847
Undistributed revenue brought forward	216	173
Expenses paid from capital	391,242	426,860
Marginal tax relief	(4,731)	(2,023)
Revenue shortfall to be transferred from capital	-	475
Undistributed revenue carried forward	(190)	(216)
Distributions	1,419,273	1,800,116

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

7. Debtors

	2021	2020
	£	£
Amounts receivable on issue of units	154,462	16,625
Accrued revenue	274,864	185,279
Recoverable overseas withholding tax	-	1,707
Total debtors	429,326	203,611

8. Cash and bank balances

	2021	2020
	£	£
Total cash and bank balances	1,842,342	1,248,650

9. Other creditors

	2021	2020
	£	£
Amounts payable on cancellation of units	3,551	61,164
Other expenses:		
Safe custody fees	181	335
Audit fee	9,300	6,570
Non-executive directors' fees	561	547
KIID production fee	286	286
Publication fee	390	-
Transaction charges	90	77
Total accrued expenses	10,808	7,815
Total other creditors	14,359	68,979

10. Commitments and contingent liabilities

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

11. Unit classes

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

	A units income
Opening units in issue	25,865,641
Total units issued in the year	2,635,535
Total units cancelled in the year	(1,198,681)
Total units converted in the year	(2,272,394)
Closing units in issue	25,030,101

	A units accumulation
Opening units in issue	1,171,661
Total units issued in the year	34,141
Total units cancelled in the year	(64,667)
Total units converted in the year	(28,890)
Closing units in issue	1,112,245

11. Unit classes (continued)

	B units income
Opening units in issue	1,326,671
Total units issued in the year	618,206
Total units cancelled in the year	(93,406)
Total units converted in the year	2,112,093
Closing units in issue	3,963,564

	B units accumulation
Opening units in issue	1,684,725
\	573,700
Total units cancelled in the year	(116,149)
Total units converted in the year	78,185
Closing units in issue	2,220,461

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

A units income	1.50%
A units accumulation	1.50%
B units income	0.88%
B units accumulation	0.88%

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

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

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

12. Related party transactions

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

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

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

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A income unit has increased from 177.9p to 190.6p, the A accumulation unit has increased from 288.1p to 308.6p, the I income unit has increased from 184.6p to 198.1p and the I accumulation unit has increased from 300.9p to 322.9p as at 28 July 2021. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

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

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

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

Notes to the financial statements (continued)

for the year ended 31 March 2021

14. Transaction costs (continued)

a Direct transaction costs (continued)

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

2021	Purchases before transaction costs	Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£
Equities	15,941,492	10,734	0.07%	66,186	0.41%	1,005	0.01%	16,019,417
Bonds*	2,575,765	-	-	-	-	-	-	2,575,765
Total	18,517,257	10,734	0.07%	66,186	0.41%	1,005	0.01%	18,595,182

2020	Purchases before transaction costs	Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£
Equities	4,211,525	3,091	0.07%	15,884	0.38%	-	-	4,230,500
Bonds*	2,507,290	-	-	-	-	-	-	2,507,290
Total	6,718,815	3,091	0.07%	15,884	0.38%	-	-	6,737,790

Capital events amount of £46,279 (2020: £59,200) is excluded from the total purchases as there were no direct transaction costs charged in these transactions.

2021	Sales before transaction costs	Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£
Equities	12,179,882	(8,113)	0.07%	(28)	0.00%	-	-	12,171,741
Bonds*	2,951,978	-	-	-	-	-	-	2,951,978
Total	15,131,860	(8,113)	0.07%	(28)	0.00%	-	-	15,123,719

2020	Sales before transaction costs	Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£
Equities	531,788	(474)	0.09%	(2)	0.00%	-	-	531,312
Bonds*	1,393,804	-	-	-	-	-	-	1,393,804
Total	1,925,592	(474)	0.09%	(2)	0.00%	-	-	1,925,116

* No direct transaction costs were incurred in these transactions.

Capital events amount of £6,356 (2020: £600,405) is excluded from the total sales as there were no direct transaction costs charged in these transactions.

14. Transaction costs (continued)

a Direct transaction costs (continued)

Summary of direct transaction costs

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

2021	£	% of average net asset value
Commission	18,847	0.04%
Taxes	66,214	0.12%
Financial transaction tax	1,005	0.00%

2020	£	% of average net asset value
Commission	3,565	0.00%
Taxes	15,886	0.03%

b Average portfolio dealing spread

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

The average portfolio dealing spread of the investments at the balance sheet date was 0.26% (2020: 0.48%).

15. Risk management policies

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

a Market risk

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

(i) Other price risk

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

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

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

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

At 31 March 2021, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders of the Fund would increase or decrease by approximately £2,722,529 (2020: £2,429,382).

15. Risk management policies (continued)

a Market risk (continued)

(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 Fund had no significant exposure to foreign currency in the year or the prior year.

(iii) Interest rate risk

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

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

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

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

In the event of a change in interest rates, there would be no material impact upon the net assets of the Fund.

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

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

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
2021	£	£	£	£	£	£
UK sterling	7,429,160	-	-	54,879,903	(581,597)	61,727,466
	7,429,160	-	-	54,879,903	(581,597)	61,727,466

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2020	£	£	£	£	£	£
Euro	-	-	-	1,467,744	-	1,467,744
UK sterling	6,997,998	-	-	41,574,150	(713,358)	47,858,790
	6,997,998	-	-	43,041,894	(713,358)	49,326,534

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 and issuer risk.

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

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

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

c Liquidity risk

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

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

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

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

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

All of the financial liabilities are payable on demand.

d Fair value of financial assets and financial liabilities

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

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

15. Risk management policies (continued)

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

Basis of valuation	Investment assets 2021 £	Investment liabilities 2021 £
Quoted prices	55,748,309	-
Observable market data	4,289,086	-
Unobservable data*	-	-
	60,037,395	-

Basis of valuation	Investment assets 2020 £	Investment liabilities 2020 £
Quoted prices	43,599,410	-
Observable market data	4,988,221	-
Unobservable data*	-	-
	48,587,631	-

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

ULTra PRT and Noisivarec : The fair value pricing committee considers it appropriate to include the securities in the portfolio of investments with no value. The value is based on the sufficient doubt over the continued viability of the businesses.

e Assets subject to special arrangements arising from their illiquid nature

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

	2021 % of the total net asset value	2020 % of the total net asset value
Noisivarec	0.00%	0.00%
ULTra PRT	0.00%	0.00%
Total	0.00%	0.00%

f Derivatives

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

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

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.

15. Risk management policies (continued)

f Derivatives (continued)

(i) Counterparties

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

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

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

(ii) Leverage

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

There have been no leveraging arrangements in the year.

(iii) Global exposure

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

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

There have been no collateral arrangements in the year.

Distribution table

for the year ended 31 March 2021

Distributions on A units income in pence per unit

Payment date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
30.11.20	group 1	interim	2.348	-	2.348	3.443
30.11.20	group 2	interim	1.511	0.837	2.348	3.443
31.05.21	group 1	final	1.915	-	1.915	2.352
31.05.21	group 2	final	0.825	1.090	1.915	2.352

Distributions on A units accumulation in pence per unit

Allocation date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
30.11.20	group 1	interim	3.708	-	3.708	5.256
30.11.20	group 2	interim	2.717	0.991	3.708	5.256
31.05.21	group 1	final	3.063	-	3.063	3.658
31.05.21	group 2	final	1.353	1.710	3.063	3.658

Equalisation

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

Accumulation distributions

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

Interim distributions:

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

Final distributions:

Group 1 Units purchased before 1 October 2020
Group 2 Units purchased 1 October 2020 to 31 March 2021

Distribution table (continued)

for the year ended 31 March 2021

Distributions on B units income in pence per unit

Payment date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
30.11.20	group 1	interim	2.646	-	2.646	3.841
30.11.20	group 2	interim	0.481	2.165	2.646	3.841
31.05.21	group 1	final	2.218	-	2.218	2.715
31.05.21	group 2	final	1.214	1.004	2.218	2.715

Distributions on B units accumulation in pence per unit

Allocation date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
30.11.20	group 1	interim	4.202	-	4.202	5.871
30.11.20	group 2	interim	2.327	1.875	4.202	5.871
31.05.21	group 1	final	3.577	-	3.577	4.235
31.05.21	group 2	final	1.657	1.920	3.577	4.235

Equalisation

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

Accumulation distributions

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

Interim distributions:

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

Final distributions:

Group 1	Units purchased before 1 October 2020
Group 2	Units purchased 1 October 2020 to 31 March 2021

Remuneration

Remuneration code disclosure

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

Remuneration committee

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

Remuneration policy

The main principles of the remuneration policy are:

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

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

Remuneration systems

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

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

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

Aggregate quantitative information

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

Remuneration (continued)

Aggregate quantitative information (continued)

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

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

Investment Manager

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

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

Buying and selling units

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

A units income and A units accumulation

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

B units income and B units accumulation

The minimum initial investment in the is £100,000. The minimum subsequent investment is £100,000. The Manager reserves the right to terminate holdings where the value is less than £100,000. The Manager may waive the minimum levels at its discretion.

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

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

Benchmark

Unitholders may compare the performance of the Fund against the FTSE 350 Higher Yield Index and the IA Mixed Investment 40%-85% Shares sector.

Comparison of the Fund’s performance against IA Mixed Investment 40%-85% Shares sector will give unitholders an indication of how the Fund is performing against other similar funds in this peer group sector. The Manager has selected the FTSE 350 Higher Yield Index as a comparator benchmark as the Manager believes it best reflects the asset allocation of the Fund.

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

The benchmark produced the following performance over the period from 1 April 2020 to 31 March 2021:

FTSE 350 Higher Yield Index	23.16%^
IA Mixed Investment 40%-85% Shares sector	26.44%^

The Fund produced the following performance per A units income class over the period from 1 April 2020 to 31 March 2021, based on cumulative returns:

A units income	19.19%^

^ Source: Morningstar.

Appointments

Manager and Registered office

St Vincent St Fund Administration (a trading name of Smith & Williamson Fund Administration Limited)
25 Moorgate
London EC2R 6AY
Telephone: 020 7131 4000
Authorised and regulated by the Financial Conduct Authority

Administrator and Registrar

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

Directors of the Manager

Brian McLean
David Cobb - resigned 25 May 2021
James Gordon
Kevin Stopps - resigned 11 May 2021
Andrew Baddeley – appointed 12 March 2021

Independent Non-Executive Directors of the Manager

Dean Buckley
Linda Robinson
Victoria Muir

Non-Executive Directors of the Manager

Paul Wyse
Kevin Stopps - appointed 11 May 2021

Investment Manager

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

Trustee

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

Auditor

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