

S&W Aubrey Capital Management Investment Funds

Annual Report

for the year ended 31 December 2020

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S&W Aubrey Capital Management Investment Funds Report of the Authorised Corporate Director ('ACD')

Smith & Williamson Fund Administration Limited, as ACD, presents herewith the Annual Report for S&W Aubrey Capital Management Investment Funds for the year ended 31 December 2020.

S&W Aubrey Capital Management Investment Funds ('the Company' or 'the Fund') is an authorised open-ended investment company with variable capital ('ICVC') further to an authorisation order dated 1 December 2006. The Company is incorporated under registration number IC000500. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL'), as published by the Financial Conduct Authority ('FCA').

The Company has been set up as an umbrella company. Provision exists for an unlimited number of sub-funds to be included within the umbrella and additional sub-funds may be established by the ACD with the agreement of the Depositary and the approval of the FCA. The sub-funds represent segregated portfolios of assets and, accordingly, the assets of a sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (indirectly or directly) the liabilities of claim against, any other person or body, and any other sub-fund and shall not be available for any such purpose.

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

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

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

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

The Company has no Directors other than the ACD.

The base currency of the Company is UK sterling.

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

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

Sub-funds

The Company currently has one sub-fund available for investment, S&W Aubrey Global Conviction Fund ('the sub-fund').

Investment objective and policy

The sub-fund aims to achieve long term capital growth over a three year rolling period by investing in attractive markets and sectors on a worldwide basis.

The investment policy of the sub-fund is to invest in shares, warrants, bonds, money market instruments, cash and deposits, directly or indirectly through collective investment schemes, that can best take advantage of economic opportunities worldwide. As a result, the sub-fund may not always have exposure to all asset types.

Derivative and forward transactions may be used by the sub-fund for Efficient Portfolio Management.

Important Note from the ACD

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

Report of the Authorised Corporate Director (continued)

Changes affecting the Company in the year

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

On 18 December 2020, S&W Aubrey Global Conviction Fund Retail A Accumulation share's Annual Management Charge decreased. All shareholders were notified of the change.

Further information in relation to the Company is illustrated on page 39.

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

Brian McLean
Director
Smith & Williamson Fund Administration Limited
30 April 2021

Statement of the Authorised Corporate Director's responsibilities

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

In preparing the financial statements the ACD is responsible for:

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

COLL also requires the ACD to carry out an Assessment of Value on the sub-fund within the Company and publish this assessment within the Annual Report.

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

Assessment of Value - S&W Aubrey Global Conviction Fund

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

A high-level summary of the outcome of SWFAL's rigorous review of the sub-fund for the year ending 31 December 2020, using the seven criteria set by the FCA is set out below:

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

SWFAL has adopted a traffic light system to show how it rated the sub-fund:

-  On balance, the Board believes the sub-fund is delivering value to shareholders, with no material issues noted.
-  On balance, the Board believes the sub-fund is delivering value to shareholders, but may require some actions.
-  On balance, the Board believes the sub-fund has not delivered value to shareholders and 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 to finally communicate to investors if the fund has delivered value, and if not, where improvements need to be made.

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

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

The seven criteria are:

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

Assessment of Value - S&W Aubrey Global Conviction Fund (continued)

1. Quality of Service

What was assessed in this section?

Internal Factors

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

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

External Factors

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

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

What was the outcome of the assessment?

Internal Factors

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

External Factors

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

Were there any follow up actions?

There were no follow-up actions required.

2. Performance

What was assessed in this section?

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

Investment Objectives

The sub-fund aims to achieve long term capital growth over a three-year rolling period by investing in attractive markets and sectors on a worldwide basis.

Benchmark

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

The benchmark for the sub-fund is the MSCI World Index (net) in GBP, which is a comparator. A 'comparator' benchmark is an index or similar factor against which an investment manager invites investors to compare a fund's performance. Details of how the sub-fund has performed against its comparator benchmark over various timescales can be found on the next page.

Assessment of Value - S&W Aubrey Global Conviction Fund (continued)

2. Performance (continued)

Benchmark (continued)

Cumulative Returns to 30 November 2020

Share Classes	YTD	1 Year	3 Year	5 Year	10 Year
Aubrey Global Conviction Institutional A Accumulation in GB	45.72%	45.08%	76.34%	171.48%	289.82%
Aubrey Global Conviction Retail A Accumulation in GB	45.07%	44.35%	73.67%	164.84%	270.90%
Aubrey Global Conviction Retail B Accumulation in GB*	46.16%	45.54%	76.62%	172.54%	280.74%
MSCI World TR in GB	10.33%	10.96%	33.17%	88.90%	207.88%

*The history of this share class has been extended, at FE Fundinfo's discretion, to give a sense of a longer track record of the Fund as a whole. The share class launched in November 2017.

Fund data provided by FE fundinfo and Factset. 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 has been calculated net of fees.

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

What was the outcome of the assessment?

The Board observed that all three classes of the sub-fund had performed ahead of their comparator benchmark over all periods under observation and on that basis they were of the opinion that the sub-fund had provided value to shareholders.

The sub-fund's objective however is to provide capital growth over three-year rolling periods and subsequent analysis undertaken by SWFAL looking at monthly rolling return data since 30 April 2014 showed that all three classes of the sub-fund had achieved this on every one of the monthly calculations.

Consideration was given to the risk metrics associated with the sub-fund which focus on, amongst other things volatility and risk adjusted returns where SWFAL were comfortable that the outcomes were in line with expectations.

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

Were there any follow up actions?

There were no follow-up actions required.

3. ACD Costs

What was assessed in this section?

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

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

What was the outcome of the assessment?

The Board received and considered information about each of the sub-fund's costs, and concluded that save for the investment management fee on the Retail A, which they felt was still too expensive, they were fair, reasonable, and provided on a competitive basis.

The Retail A Class has seen a reduction in the investment management fee of twenty five basis points during the reporting period with Aubrey Capital Management Limited committing to a further reduction during the latter part of 2021. In the interim the Retail A Class has been given an Amber rating.

Were there any follow up actions?

The Board acknowledged Aubrey Capital Management Limited's commitment to further reduce the investment management fee on the Retail A Class during the second half of 2021 and noted that this would be tracked in the normal course of SWFAL's oversight process.

Assessment of Value - S&W Aubrey Global Conviction Fund (continued)

4. Economies of Scale

What was assessed in this section?

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

What was the outcome of the assessment?

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

Both the investment management fee and the ACD fee are on a fixed percentage charge meaning there are minimal opportunities for savings going forward should the sub-fund grow in size.

Were there any follow up actions?

There were no follow-up actions required.

5. Comparable Market Rates

What was assessed in this section?

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

The OCF of the sub-fund was compared against the 'market rate' of similar external funds.

What was the outcome of the assessment?

The OCF for Retail A was 1.89%¹; Retail B 1.14%¹; and Institutional A share class 1.39%¹.

All three OCFs were compared against similar externally managed funds with the following results:

Retail A - was expensive when compared with the peer group but once consideration had been given to the twenty five basis point reduction in December 2020 the OCF was within tolerance and rated Green.

Institutional A Class - was expensive when compared to the peer group and as a result rated Amber.

Retail B Class - there were too few comparable share classes to draw a meaningful conclusion and as a result rated Green.

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

Were there any follow up actions?

Generally, the Board were comfortable that there was nothing within the OCF of the Institutional A Class that they felt was an excessive charge however they have committed to keep the OCF under review in the normal course of their oversight role.

6. Comparable Services

What was assessed in this section?

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

What was the outcome of the assessment?

There were no other SWFAL administered funds displaying the same characteristics as the S&W Aubrey Global Conviction Fund with which to make a meaningful comparison.

Were there any follow up actions?

There were no follow-up actions required.

7. Classes of Shares

What was assessed in this section?

The Board reviewed the sub-fund set up to ensure that where there are multiple share classes, shareholders are in the correct share class given the size of their holding. Also considered was the price of one share class against that of other share classes within the same fund, as well as the points of differentiation between the share classes.

¹ Figures as at 30 June 2020.

Assessment of Value - S&W Aubrey Global Conviction Fund (continued)

7. Classes of Shares (continued)

What was the outcome of the assessment?

The Board were of the opinion that the treatment and services afforded to the holders of the Retail A Class compared to those of the Retail B Class failed to account for the difference in investment management fee and as a consequence the Retail A Class was given an Amber rating with both the Retail B and Institutional A Classes receiving a Green rating.

Were there any follow up actions?

The Board acknowledged Aubrey Capital Management Limited's commitment to further reduce the investment management fee on the Retail 'A' share class during the second half of 2021 and noted that this would be tracked in the normal course of SWFAL's oversight process.

Overall Assessment of Value

The Board observed that two of the three classes attracted various Amber ratings across the seven sections under review. The two Amber ratings on the Retail A Class led to an Amber rating overall whilst the Institutional A Class with one Amber rated Green.

All Amber ratings were related to costs where the Board, in acknowledging Aubrey Capital Management Limited's commitment to further reduce the fee on the Retail A Class, were comfortable with the current position.

All things considered, the Board were of the opinion that S&W Aubrey Global Conviction Fund had provided value to shareholders.

Kevin Stopps

Chairman of the Board of Smith & Williamson Fund Administration Limited

30 April 2021

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

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

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

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

Report of the Depositary to the shareholders of S&W Aubrey Capital Management Investment Funds

Depositary's responsibilities

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited
30 April 2021

Independent Auditor's report to the shareholders of S&W Aubrey Capital Management Investment Funds

Opinion

We have audited the financial statements of S&W Aubrey Capital Management Investment Funds (the 'Company') for the year ended 31 December 2020 which comprise the Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders, Balance Sheet and the related Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the financial position of the Company at 31 December 2020 and of the net expense and the net capital gains on the property of the Company for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to UK Authorised Funds and the COLL Rules.

Basis for Opinion

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

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the Authorised Corporate Director'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 Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Authorised Corporate Director 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 Authorised Corporate Director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the COLL Regulations

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

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

Independent Auditor's report to the shareholders of S&W Aubrey Capital Management Investment Funds (continued)

Responsibilities of the Authorised Corporate Director

As explained more fully in the Statement of the Authorised Corporate Director's responsibilities set out on page 4, the Authorised Corporate Director 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 Authorised Corporate Director 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 Authorised Corporate Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed overleaf:

Independent Auditor's report to the shareholders of S&W Aubrey Capital Management Investment Funds (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

We assessed the risks of material misstatement of the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide the basis for our opinion. We planned and conducted our audit so as to obtain reasonable assurance of detecting any material misstatements in the financial statements resulting from irregularities or fraud.

All engagement team members were briefed on relevant laws and regulations and potential fraud risks at the planning stage of the audit. However, the primary responsibility for the prevention and detection of fraud rest with the Authorised Corporate Director.

We evaluated management's incentives for fraudulent activity and determined the key risk of fraud to be management override of controls in order to manipulate the financial statements. We determined that the principal risks in this regard were in relation inappropriate journal entries to increase net revenue or to increase the net asset value.

We considered the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. The most significant risk in relation to non-compliance with laws and regulations was deemed to be compliance with the Collective Investment Schemes Sourcebook and the Company's Prospectus.

Audit procedures performed in response to these risks included:

- Evaluation of the control environment designed to prevent and detect irregularities which the Authorised Corporate Director has in place;
- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur around the key risks of valuation and ownership of investments, and revenue recognition;
- Review of material journal entries during the year;
- Review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity that may indicate management override in the Company's financial statements; and
- Assessing the Company's compliance with the key requirements of the Collective Investment Schemes Sourcebook and its Prospectus.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of Our Report

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

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

Accounting policies of S&W Aubrey Capital Management Investment Funds for the year ended 31 December 2020

a Basis of accounting

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

The ACD has considered the impact of the emergence and spread of Covid-19 and potential implications on future operations of the sub-fund of reasonably possible downside scenarios. The ACD has considered a detailed assessment of the sub-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 sub-fund continues to be open for trading and the ACD is satisfied the sub-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 December 2020.

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

Investments are stated at their fair value at the balance sheet date. In determining fair value, the valuation point is global close of business on 31 December 2020 with reference to quoted bid prices from reliable external sources.

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

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

c Foreign exchange

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

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

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.

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

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

e Expenses

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

Bank interest paid is charged to revenue.

f Research costs

The Investment Manager uses research to inform its decision making. The Investment Manager is authorised to pay for the research out of the scheme property of S&W Aubrey Global Conviction Fund. The sub-fund will pay for external investment research costs via a research payment account and these costs are charged to capital.

Accounting policies of S&W Aubrey Capital Management Investment Funds (continued) for the year ended 31 December 2020

g Allocation of revenue and expenses to multiple share classes

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

h Taxation

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

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

Deferred taxation is provided in full on timing differences that result in an obligation at 31 December 2020 to pay more or less tax, at a future date, at rates expected to apply when they crystallise based on current rates and tax laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

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

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

i 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.

j Dilution adjustment

A dilution adjustment is an adjustment to the share price which is determined by the ACD in accordance with the COLL Sourcebook. The ACD may make a dilution adjustment to the price of a share (which means that the price of a share is above or below that which would have resulted from mid-market valuation) for the purposes of reducing dilution in the sub-fund (or to recover an amount which it has already paid or is reasonably expected to pay in the future) in relation to the issue or cancellation of shares. Please refer to the Prospectus for further information.

k 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 shares are paid to shareholders. Distributions attributable to accumulation shares are re-invested in the sub-fund on behalf of the shareholders.

ii Unclaimed distributions

Distributions to shareholders outstanding after 6 years are taken to the capital property of the sub-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 sub-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 Revenue deficit

As expenses exceed the revenue of the sub-fund no distribution will be made and the revenue deficit will be met by the capital property of the sub-fund.

Investment Manager's report

Investment performance*

The sub-fund has had a very good year, with the Net Asset Value rising by 49.8%, far exceeding the gain of 12.3% in the MSCI World Index, against which our performance can be compared. It was also a very eventful year, with the markets making a very good start, only to correct sharply in early March as the Covid-19 outbreak reached Europe and America, resulting in every western government effectively closing their economies. The portfolio, which had made very good progress up until the end of February fell sharply, as stock markets absorbed this devastation to so many listed businesses.

But as ever, markets discount future earnings as well as emerging trends, and as traditional areas in the market faltered, shares in those companies exposed to, or developing new technologies and businesses started to rally. This rally soon became a major bull market, which, although hesitating somewhat in the final quarter, as hopes of a successful vaccine rollout rekindled enthusiasm for “old economy” names, suited the portfolio admirably.

*Source: Smith & Williamson Fund Administration Limited (based on 5pm mid-to-mid price, Retail A Accumulation) and Bloomberg.

Investment activities**

Regular readers will know that the sub-fund is firmly focussed on US technology and innovation, as well as consumption in Asia, which at the time of writing comprise around 97% of the portfolio. Both areas have proved extremely rewarding, as people, confined to their immediate neighbourhoods, have changed the way that they live, work, communicate, and shop.

Accordingly, a great many of the companies in the portfolio have performed extremely well since the market correction in March. The so-called lockdown has accelerated many changes that were already becoming an extremely important part of everyday life, so that many people have discovered, or had reaffirmation of the convenience and ease afforded by the internet, whether it be for shopping, gaming, or communicating. The virus has radically altered so much that was taken for granted, such as physical offices, shops, or indeed city living, and it seems unlikely to us that these changes will be reversed.

China, as one of the world's most authoritarian regimes, was also the country most able to suppress activity. As a result, it was the first, and indeed the only major economy so far, to recover and achieve some semblance of normality, in the second half of 2020. The stock market reflected this, with a strong performance. The CSI 300 Index rose by slightly more than 25% between June and the end of the year, and by no less than 47% from the low, recorded in March, with a good many of the sub-fund's portfolio companies substantially exceeding that figure. In addition, the adoption of the internet and online shopping in China, at least partly thanks to extremely good infrastructure, has been widespread and rapid, with online shopping now accounting for around one third of all retail sales in China. Many of the portfolio holdings are plays on this theme, and the lockdown positively enhanced their businesses. The result was that many of the long term internet and online positions in the sub-fund had an excellent year. The most notable were Tencent Holdings, JD.com ADR, Meituan Dianping, and New Oriental Education & Technology Group ADR. Our one holding in Asia, which is not Chinese, also had an exceptional year. Sea ADR has developed a marketplace and gaming franchise which now dominates the sector in Indonesia, Thailand and Vietnam. The stock had an astonishing year, rising fourfold, in 2020.

In America, the country which pioneered the internet, and which is the leading innovator of all things technological, very much the same dynamic enhanced the performance of our stocks. With substantial holdings in the likes of Amazon.com, Adobe, Pinterest and Spotify Technology, much of the portfolio was largely unaffected by the economic dislocation, and indeed, as with the holdings in China, a good many found themselves at a considerable advantage. The sub-fund's exposure to medical technology was perhaps more adversely affected, as surgical procedures were delayed or cancelled, but this disadvantage seemed to fade in the second half of the year, and Intuitive Surgical, the world's leader in robotic surgery had a strong rally into the year end. Somewhat surprisingly, Pool which provides everything for the care, maintenance and enhancement of swimming pools had an excellent year. Confined to their homes, it seems as if many Americans decided that a swimming pool was an essential rather than a luxury.

**Source: Bloomberg.

Investment Manager's report (continued)

Investment strategy and outlook

We enter 2021 with an optimistic mindset. China looks likely to continue to grow, and if Mr Biden can contain the Democrat left, we expect to find good pickings in America. The vaccine against Covid-19 must surely allow governments to relax restrictions before the end of the first quarter, and our sense is that this will unleash a great deal of suppressed demand. The danger to the sub-fund is that the rebound will benefit the areas of the stock market that we are less committed to, such as industrials, travel, and energy. So, a degree of flexibility may well be needed.

But that said, we do not subscribe to the idea of “reversion to the mean,” a theory much expostulated in investment commentary. The changes that have taken place in the last year are now firmly embedded in people’s behaviour, and the convenience and ease of online shopping, communicating and working from home will not be abandoned. In our view, the risk is that our type of stock will have a spell in the shade, rather than a severe day of reckoning.

Finally, we firmly expect that 2021 will be a very good year for Asia. Collectively, Asian countries have weathered the Covid-19 storm well and are in much better economic shape than the developed world. But while a good economic backdrop is usually helpful, it is no guarantee of stock market success. In our experience, what matters most is corporate earnings growth, combined with stock valuations, and on this count our work suggests that there are some very attractive opportunities to be exploited. We look forward to being able to report on further progress at the end of June.

Aubrey Capital Management Limited
22 January 2021

Summary of portfolio changes

for the year ended 31 December 2020

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

	Cost
	£
Purchases:	
Spotify Technology	4,676,515
Alibaba Group Holding	2,557,901
Pinterest	2,400,838
Intuitive Surgical	2,304,504
Avalara	2,275,378
Franco-Nevada	2,259,048
Bilibili ADR	2,195,271
JD.com ADR	2,171,216
Niu Technologies ADR	2,140,792
CoStar Group	2,075,006
Alibaba Health Information Technology	2,051,085
CLSA Global Markets - China International Travel Service 13/02/2023	2,013,970
SiTime	1,974,685
Ocado Group	1,894,159
TAL Education Group ADR	1,871,995
Alphabet 'A'	1,785,211
MSCI	1,766,978
Equinix	1,763,216
CLSA Global Markets - East Money Information 01/12/2025	1,735,898
Lululemon Athletica	1,670,988
	Proceeds
	£
Sales:	
Yihai International Holding	3,113,733
CLSA Global Markets - China International Travel Service 13/02/2023	2,727,153
Alibaba Group Holding	2,623,211
Sea ADR	2,566,028
Ocado Group	2,215,001
Costco Wholesale	2,020,614
Zoetis	1,962,552
Franco-Nevada	1,903,871
Dollar General	1,873,725
CLSA Global Markets - Proya Cosmetics 10/01/2025	1,817,341
Veeva Systems	1,798,573
ABIOMED	1,776,747
STERIS	1,715,470
Pinduoduo ADR	1,693,749
Visa	1,654,427
Masimo	1,487,783
Li Ning	1,456,361
Appian	1,413,959
DexCom	1,299,036
Keysight Technologies	1,284,165

Portfolio statement

as at 31 December 2020

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities 93.90% (91.93%)			
Equities - United Kingdom 30.52% (31.08%)			
Equities - incorporated in the United Kingdom 0.00% (3.07%)			
Consumer Discretionary 0.00% (3.07%)		-	-
Equities - incorporated outwith the United Kingdom 30.52% (28.01%)			
Consumer Discretionary 15.58% (15.60%)			
JD.com ADR	35,000	2,249,351	2.85
Meituan Dianping	145,000	4,030,248	5.11
New Oriental Education & Technology Group ADR	16,100	2,188,243	2.77
Niu Technologies ADR	85,000	1,740,481	2.20
TAL Education Group ADR	40,000	2,092,542	2.65
		<u>12,300,865</u>	<u>15.58</u>
Consumer Staples 0.00% (3.29%)		-	-
Health Care 2.17% (0.00%)			
Alibaba Health Information Technology	800,000	1,713,353	2.17
Financials 0.00% (2.17%)		-	-
Communication Services 12.77% (6.95%)			
Bilibili ADR	50,000	3,135,448	3.97
Sea ADR	27,500	4,003,237	5.07
Tencent Holdings	55,400	2,947,948	3.73
		<u>10,086,633</u>	<u>12.77</u>
Total equities - incorporated outwith the United Kingdom		<u>24,100,851</u>	<u>30.52</u>
Total equities - United Kingdom		<u>24,100,851</u>	<u>30.52</u>
Equities - Europe 8.60% (6.82%)			
Equities - Germany 3.35% (3.93%)			
Hypoport	5,720	2,641,890	3.35
Equities - Ireland 0.00% (2.89%)		-	-
Equities - Luxembourg 5.25% (0.00%)			
Spotify Technology	18,000	4,143,443	5.25
Total equities - Europe		<u>6,785,333</u>	<u>8.60</u>

Portfolio statement (continued)

as at 31 December 2020

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - North America 54.78% (51.41%)			
Equities - Canada 2.60% (0.00%)			
Ballard Power Systems	120,000	<u>2,054,208</u>	<u>2.60</u>
Equities - United States 52.18% (51.41%)			
Adobe	7,000	2,558,908	3.24
Airbnb	11,500	1,232,488	1.56
Alphabet 'A'	1,300	1,665,069	2.11
Amazon.com	930	2,215,488	2.81
ANSYS	8,000	2,126,896	2.69
Avalara	18,300	2,207,460	2.79
CoStar Group	3,000	2,027,104	2.57
DexCom	9,300	2,515,310	3.19
Equinix	3,100	1,618,182	2.05
Freshpet	21,000	2,182,728	2.76
Intuitive Surgical	4,300	2,570,311	3.25
Lululemon Athletica	6,000	1,526,785	1.93
MarketAxess Holdings	4,200	1,750,422	2.22
MSCI	7,100	2,318,414	2.94
NVIDIA	5,500	2,100,739	2.66
Pinterest	75,000	3,615,714	4.58
Pool	7,000	1,907,173	2.41
SiTime	43,300	3,545,535	4.49
Stericycle	30,000	<u>1,521,562</u>	<u>1.93</u>
Total equities - United States		<u>41,206,288</u>	<u>52.18</u>
Total equities - North America		<u>43,260,496</u>	<u>54.78</u>
Equities - Israel 0.00% (2.62%)		-	-
Total equities		<u>74,146,680</u>	<u>93.90</u>

Portfolio statement (continued)

as at 31 December 2020

	Nominal value or holding	Market value £	% of total net assets
Investment			
Structured Product 5.81% (7.83%)			
CLSA Global Markets - East Money Information 01/12/2025	535,883	1,858,292	2.35
CLSA Global Markets - Wuliangye Yibin 16/12/2021	83,719	2,733,167	3.46
Total structured products		4,591,459	5.81
Portfolio of investments		78,738,139	99.71
Other net assets		226,615	0.29
Total net assets		78,964,754	100.00

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

The comparative figures in brackets are as at 31 December 2019.

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

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

Risk and reward profile

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

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

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

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

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

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

The sub-fund may invest in securities not denominated in sterling, the value of your investments may be affected by changes in currency exchange rates.

For further information please refer to the KIID.

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

Retail A Accumulation launched on 8 January 2007 at 100.0p per share.

Institutional A Accumulation launched on 6 June 2007 at 113.7p per share.

	Retail A Accumulation			Institutional A Accumulation		
	2020 p	2019 p	2018 p	2020 p	2019 p	2018 p
Change in net assets per share						
Opening net asset value per share	322.25	249.67	268.12	344.07	265.27	283.44
Return before operating charges	165.74	78.47	(12.49)	177.47	83.47	(13.43)
Operating charges	(7.22)	(5.89)	(5.96)	(5.71)	(4.67)	(4.74)
Return after operating charges *	158.52	72.58	(18.45)	171.76	78.80	(18.17)
Closing net asset value per share	480.77	322.25	249.67	515.83	344.07	265.27
* after direct transaction costs of:	0.82	0.65	0.68	0.89	0.65	0.72
Performance						
Return after charges	49.19%	29.07%	(6.88%)	49.92%	29.71%	(6.41%)
Other information						
Closing net asset value (£)	12,811,871	10,794,611	18,622,400	52,003,662	31,444,174	13,548,993
Closing number of shares	2,664,874	3,349,720	7,458,941	10,081,455	9,138,893	5,107,714
Operating charges [^]	1.83%	1.92%	2.00%	1.34%	1.42%	1.50%
Direct transaction costs	0.21%	0.20%	0.23%	0.21%	0.20%	0.23%
Prices						
Highest share price (p)	498.1	345.7	336.5	534.1	368.5	356.6
Lowest share price (p)	281.4	244.6	236.0	300.7	259.9	250.7

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

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

Comparative table (continued)

Institutional A Income launched on 21 October 2014 at 167.0p per share.

Retail B Accumulation launched on 7 November 2017 at 281.0p per share.

	Institutional A Income			Retail B Accumulation		
	2020 p	2019 p	2018 p	2020 p	2019 p	2018 p
Change in net assets per share						
Opening net asset value per share	344.27	265.41	283.60	329.17	253.17	269.96
Return before operating charges	177.58	83.51	(13.46)	170.31	79.60	(12.96)
Operating charges	(5.73)	(4.65)	(4.73)	(4.55)	(3.60)	(3.83)
Return after operating charges*	171.85	78.86	(18.19)	165.76	76.00	(16.79)
Closing net asset value per share	516.12	344.27	265.41	494.93	329.17	253.17
* after direct transaction costs of:	0.92	0.68	0.72	1.04	0.63	0.71
Performance						
Return after charges	49.92%	29.71%	(6.41%)	50.36%	30.02%	(6.22%)
Other information						
Closing net asset value (£)	3,730,993	2,712,125	2,096,345	10,418,228	867,511	427,592
Closing number of shares	722,895	787,783	789,843	2,104,974	263,548	168,893
Operating charges [^]	1.34%	1.42%	1.50%	1.09%	1.17%	1.25%
Direct transaction costs	0.21%	0.20%	0.23%	0.21%	0.20%	0.23%
Prices						
Highest share price (p)	534.4	368.7	356.8	512.2	352.2	339.9
Lowest share price (p)	300.9	260.1	250.8	287.8	248.1	239.3

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

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

Financial statements - S&W Aubrey Global Conviction Fund

Statement of total return

for the year ended 31 December 2020

	Notes	2020		2019	
		£	£	£	£
Income:					
Net capital gains	2		24,248,633		10,859,012
Revenue	3	223,936		57,611	
Expenses	4	<u>(859,655)</u>		<u>(716,846)</u>	
Net expense before taxation		(635,719)		(659,235)	
Taxation	5	<u>(12,639)</u>		<u>(1,183)</u>	
Net expense after taxation			<u>(648,358)</u>		<u>(660,418)</u>
Total return before distributions			23,600,275		10,198,594
Distributions	6		-		-
Change in net assets attributable to shareholders from investment activities			<u>23,600,275</u>		<u>10,198,594</u>

Statement of change in net assets attributable to shareholders

for the year ended 31 December 2020

	2020		2019	
	£	£	£	£
Opening net assets attributable to shareholders		45,818,421		34,695,330
Amounts receivable on issue of shares	15,013,174		2,257,511	
Amounts payable on cancellation of shares	<u>(5,467,116)</u>		<u>(1,333,014)</u>	
		9,546,058		924,497
Change in net assets attributable to shareholders from investment activities		23,600,275		10,198,594
Closing net assets attributable to shareholders		<u>78,964,754</u>		<u>45,818,421</u>

Balance sheet
as at 31 December 2020

	Notes	2020 £	2019 £
Assets:			
Fixed assets:			
Investments		78,738,139	45,710,540
Current assets:			
Debtors	7	135,913	1,080
Cash and bank balances	8	132,244	120,402
Total assets		<u>79,006,296</u>	<u>45,832,022</u>
Liabilities:			
Creditors:			
Other creditors	9	(41,542)	(13,601)
Total liabilities		<u>(41,542)</u>	<u>(13,601)</u>
Net assets attributable to shareholders		<u><u>78,964,754</u></u>	<u><u>45,818,421</u></u>

Notes to the financial statements

for the year ended 31 December 2020

1. Accounting policies

The accounting policies are disclosed on pages 14 and 15.

2. Net capital gains

	2020	2019
	£	£
Non-derivative securities - realised gains	8,532,147	4,348,280
Non-derivative securities - movement in unrealised gains	14,191,959	6,560,434
Derivative contracts - realised gains	26,902	68,266
Derivative contracts - movement in unrealised gains / (losses)	1,676,355	(80,569)
Currency losses	(156,940)	(88,039)
Forward currency contracts	(18,845)	(1,132)
Capital special dividend	-	56,467
Transaction charges	(2,945)	(4,695)
Total net capital gains	<u>24,248,633</u>	<u>10,859,012</u>

3. Revenue

	2020	2019
	£	£
UK revenue	-	471
Overseas revenue	223,910	56,558
Bank and deposit interest	26	582
Total revenue	<u>223,936</u>	<u>57,611</u>

4. Expenses

	2020	2019
	£	£
Payable to the ACD and associates		
ACD's periodic charge	90,355	64,771
Investment management fees	<u>647,804</u>	<u>535,993</u>
	<u>738,159</u>	<u>600,764</u>
Payable to the Depositary		
Depositary fees	<u>19,528</u>	<u>14,250</u>
Other expenses:		
Audit fee	6,300	6,570
Non-executive directors' fees	622	796
Safe custody fees	4,349	4,530
Bank interest	184	21
FCA fee	612	528
KIID production fee	1,713	1,713
Publication fee	3,159	-
Research costs	77,557	72,639
Administration fee	-	7,399
Legal fee	<u>7,472</u>	<u>7,636</u>
	<u>101,968</u>	<u>101,832</u>
Total expenses	<u>859,655</u>	<u>716,846</u>

Notes to the financial statements (continued)
for the year ended 31 December 2020

5. Taxation	2020	2019
	£	£
<i>a. Analysis of the tax charge for the year</i>		
Overseas tax withheld	12,639	7,100
Irrecoverable income tax	-	(5,917)
Total taxation (note 5b)	<u>12,639</u>	<u>1,183</u>

b. Factors affecting the tax charge for the year

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

	2020	2019
	£	£
Net expense before taxation	<u>(635,719)</u>	<u>(659,235)</u>
Corporation tax @ 20%	(127,144)	(131,847)
Effects of:		
UK revenue	-	(94)
Overseas revenue	(41,940)	(11,312)
Overseas tax withheld	12,639	7,100
Excess management expenses	169,084	143,253
Deferred tax asset not recognised	-	(5,917)
Total taxation (note 5a)	<u>12,639</u>	<u>1,183</u>

c. Provision for deferred taxation

	£	£
Opening provision	-	5,917
Deferred tax charge (note 5a)	-	(5,917)
Closing provision	<u>-</u>	<u>-</u>

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 £1,512,133 (2019: £1,343,049).

6. Distributions	2020	2019
	£	£
Net expense after taxation per Statement of total return	(648,358)	(660,418)
Expenses paid from capital	77,557	72,639
Indian capital gains tax	-	(5,917)
Revenue shortfall to be transferred from capital	570,801	593,696
Distributions	<u>-</u>	<u>-</u>

Notes to the financial statements (continued)

for the year ended 31 December 2020

7. Debtors	2020	2019
	£	£
Amounts receivable on issue of shares	134,972	507
Accrued revenue	-	471
Recoverable overseas withholding tax	778	-
Prepaid expenses	163	102
Total debtors	<u>135,913</u>	<u>1,080</u>
8. Cash and bank balances	2020	2019
	£	£
Bank balances	132,244	119,286
Cash on deposit	-	1,116
Total cash and bank balances	<u>132,244</u>	<u>120,402</u>
9. Other creditors	2020	2019
	£	£
Amounts payable on cancellation of shares	<u>27,353</u>	<u>104</u>
Other expenses:		
Safe custody fees	860	725
Audit fee	6,300	6,570
Non-executive directors' fees	408	398
Listing fee	789	-
Legal fee	5,653	5,649
Transaction charges	179	155
Total accrued expenses	<u>14,189</u>	<u>13,497</u>
Total other creditors	<u>41,542</u>	<u>13,601</u>
10. Commitments and contingent liabilities		
At the balance sheet date there are no commitments or contingent liabilities.		
11. Share classes		
The following reflects the change in shares in issue in the year:		
		Retail A Accumulation
Opening shares in issue		3,349,720
Total shares issued in the year		93,717
Total shares cancelled in the year		(218,744)
Total shares converted in the year		(559,819)
Closing shares in issue		<u>2,664,874</u>
		Institutional A Accumulation
Opening shares in issue		9,138,893
Total shares issued in the year		1,079,779
Total shares cancelled in the year		(544,764)
Total shares converted in the year		407,547
Closing shares in issue		<u>10,081,455</u>
		Institutional A Income
Opening shares in issue		787,783
Total shares cancelled in the year		(64,888)
Closing shares in issue		<u>722,895</u>

Notes to the financial statements (continued)

for the year ended 31 December 2020

11. Share classes (continued)

	Retail B Accumulation
Opening shares in issue	263,548
Total shares issued in the year	2,149,400
Total shares cancelled in the year	(428,570)
Total shares converted in the year	120,596
Closing shares in issue	<u>2,104,974</u>

For the year ended 31 December 2020, the annual management charge for each share class is as follows:

Retail A Accumulation	1.64%
Institutional A Accumulation	1.15%
Institutional A Income	1.15%
Retail B Accumulation	0.90%

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

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

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

12. Related party transactions

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

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

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

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per Retail A Accumulation share has increased from 480.8p to 485.8p, the Institutional A Accumulation share has increased from 515.8p to 521.7p, the Institutional A Income share has increased from 516.1p to 521.9p and Retail B Accumulation share has increased from 494.9p to 501.0p as at 27 April 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 December 2020

14. Transaction costs (continued)

a Direct transaction costs (continued)

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

	Purchases before transaction costs	Commission		Taxes		Purchases after transaction costs
	£	£	%	£	%	£
2020						
Equities	61,205,453	49,422	0.08%	-	-	61,254,875
Structured Products	5,369,626	16,389	0.30%	-	-	5,386,015
Total	66,575,079	65,811	0.38%	-	-	66,640,890

	Purchases before transaction costs	Commission		Taxes		Purchases after transaction costs
	£	£	%	£	%	£
2019						
Equities	37,626,236	29,847	0.08%	6,411	0.02%	37,662,494
Structured Products	4,701,687	14,384	0.31%	-	-	4,716,071
Total	42,327,923	44,231	0.39%	6,411	0.02%	42,378,565

	Sales before transaction costs	Commission		Taxes		Sales after transaction costs
	£	£	%	£	%	£
2020						
Equities	51,993,147	(37,832)	0.07%	(1,277)	0.00%	51,954,038
Structured Products	6,111,446	(24,829)	0.41%	-	-	6,086,617
Total	58,104,593	(62,661)	0.48%	(1,277)	0.00%	58,040,655

	Sales before transaction costs	Commission		Taxes		Sales after transaction costs
	£	£	%	£	%	£
2019						
Equities	40,947,241	(31,571)	0.08%	(2,355)	0.01%	40,913,315
Structured Products	1,119,446	(3,363)	0.30%	(1,119)	0.10%	1,114,964
Total	42,066,687	(34,934)	0.38%	(3,474)	0.11%	42,028,279

Summary of direct transaction costs

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

	£	% of average net asset value
2020		
Commission	128,472	0.21%
Taxes	1,277	0.00%

Notes to the financial statements (continued)

for the year ended 31 December 2020

14. Transaction costs (continued)

a Direct transaction costs (continued)

2019	£	% of average net asset value
Commission	79,165	0.18%
Taxes	9,885	0.02%

b Average portfolio dealing spread

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

The average portfolio dealing spread of the investments at the balance sheet date was 0.10% (2019: 0.11%).

15. Risk management policies

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

a Market risk

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

(i) Other price risk

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

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

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

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

At 31 December 2020, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £3,707,334 (2019: £2,106,087).

(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.

Notes to the financial statements (continued)

for the year ended 31 December 2020

15. Risk management policies (continued)

a Market risk (continued)

(ii) Currency risk (continued)

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

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2020	£	£	£
Euro	2,641,890	-	2,641,890
Hong Kong dollar	8,691,549	-	8,691,549
US dollar	67,404,700	778	67,405,478
Total foreign currency exposure	<u>78,738,139</u>	<u>778</u>	<u>78,738,917</u>
2019	£	£	£
Euro	1,801,601	-	1,801,601
Hong Kong dollar	6,899,045	-	6,899,045
US dollar	34,605,950	-	34,605,950
Total foreign currency exposure	<u>43,306,596</u>	<u>-</u>	<u>43,306,596</u>

At 31 December 2020, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £3,936,946 (2019: £2,165,330).

(iii) Interest rate risk

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

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

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

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

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

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

b Credit risk

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

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

Notes to the financial statements (continued)

for the year ended 31 December 2020

15. Risk management policies (continued)

b Credit risk (continued)

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

c Liquidity risk

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

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

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

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

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

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

All of the financial liabilities are payable on demand.

d Fair value of financial assets and financial liabilities

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

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

Basis of valuation	Investment	Investment
	assets	liabilities
	2020	2020
	£	£
Quoted prices	74,146,680	-
Observable market data	-	-
Unobservable data*	4,591,459	-
	<u>78,738,139</u>	<u>-</u>

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

Notes to the financial statements (continued)

for the year ended 31 December 2020

15. Risk management policies (continued)

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

Basis of valuation	Investment	Investment
	assets	liabilities
	2019	2019
	£	£
Quoted prices	42,121,736	-
Observable market data	-	-
Unobservable data*	3,588,804	-
	<u>45,710,540</u>	<u>-</u>

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

e Assets subject to special arrangements arising from their illiquid nature

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

f Derivatives

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

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

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

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

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

(i) Counterparties

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

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

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

Notes to the financial statements (continued)

for the year ended 31 December 2020

15. Risk management policies (continued)

f Derivatives (continued)

(ii) Leverage

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

As at the balance sheet date, the leverage was 105.81%.

(iii) Global exposure

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

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

	Gross exposure value £	% of the total net asset value
Investment		
Structured Products		
CLSA Global Markets - East Money Information 01/12/2025	1,858,292	2.35%
CLSA Global Markets - Wuliangye Yibin 16/12/2021	2,733,167	3.46%

There have been no collateral arrangements in the year.

Remuneration

Remuneration code disclosure

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

Remuneration committee

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

Remuneration policy

The main principles of the remuneration policy are:

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

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

Remuneration systems

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

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

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

Aggregate quantitative information

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

Remuneration (continued)

Aggregate quantitative information (continued)

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

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

Investment Manager

The ACD has appointed Aubrey Capital Management Limited to provide investment management and related advisory services to the ACD. Aubrey Capital Management Limited is paid a monthly fee out of the scheme property of S&W Aubrey Global Conviction Fund which is calculated on the total value of the portfolio of investments at the previous month end. Aubrey Capital Management Limited are compliant with the Capital Requirements Directive regarding remuneration and therefore Aubrey Capital Management Limited staff are covered by remuneration regulatory requirements.

Further information

Distributions and reporting dates

Where net revenue is available it will be distributed/allocated annually on 31 March. In the event of a distribution, shareholders will receive a tax voucher.

XD date:	1 January	final
Reporting dates:	31 December	annual
	30 June	interim

Buying and selling shares

S&W Aubrey Global Conviction Fund

The property of the sub-fund is valued at 5pm on Monday to Fridays; with the exception of any bank holiday in England and Wales or the last business day prior to those days annually, where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary. Share dealing is on a forward basis i.e. investors can buy and sell shares at the next valuation point following receipt of the order.

	<i>Minimum initial investment**</i>	<i>Minimum subsequent investment</i>	<i>Minimum holding*</i>
Retail A Accumulation	£5,000	£5,000	£5,000
Retail B Accumulation**	£5,000	£5,000	£5,000
Institutional A Accumulation	£1,000,000	n/a	£1,000,000
Institutional A Income	£1,000,000	n/a	£1,000,000

When purchasing shares there is no preliminary charge.*

There is a redemption charge of 1% for shares held less than one year.*

There is no minimum withdrawal from the sub-fund providing the minimum holding is maintained.

* Subject to the ACD's discretion.

** Retail B Accumulation shares are only available to persons who distribute such shares (or whom the ACD believes intend to do so) and who have entered into a platform written agreement with the ACD relating to the conditions for investment in such shares.

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

Benchmark

S&W Aubrey Global Conviction Fund

Shareholders may compare the performance of the sub-fund against the MSCI World Index (net) in GBP. The ACD has selected this comparator benchmark as it believes this benchmark best reflects the sub-fund's asset allocation.

The benchmark is not a target for the sub-fund, nor is the sub-fund constrained by the benchmark.

Appointments

ACD and Registered office

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

Administrator and Registrar

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

Directors of the ACD

Andrew Baddeley - appointed 12 March 2021
Brian McLean
David Cobb
James Gordon
Kevin Stopps

Independent Non-Executive Directors of the ACD

Dean Buckley
Linda Robinson
Victoria Muir

Non-Executive Directors of the ACD

Paul Wyse

Investment Manager

Aubrey Capital Management Limited
10 Coates Crescent
Edinburgh EH3 7AL
Authorised and regulated by the Financial Conduct Authority

Depository

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

Auditor

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