

SVS CH Special Mandates Fund

Annual Short Report

for the year ended 30 September 2016

Contents

	Page
Authorised Corporate Director's report	2
Sub-funds	
- SVS Church House Tenax Absolute Return Strategies Fund	3
- SVS Church House Deep Value Investment Fund	13
Appointments	21

SVS CH Special Mandates Fund

Authorised Corporate Director's report

St Vincent St Fund Administration (trading name of Smith & Williamson Fund Administration Limited) as ACD presents herewith the Annual Short Report for SVS CH Special Mandates Fund ("the Fund") for the year ended 30 September 2016.

Risk disclosure

The main risks which may affect the assets and liabilities of the sub-funds, either directly or indirectly through their underlying holdings, are market risk, liquidity risk, credit risk and fair value of financial assets and financial liabilities. The ACD has processes in place to mitigate these risks.

Where the sub-funds have exposure to derivatives, global exposure is calculated and monitored daily using the commitment method with netting applied where appropriate.

The ACD monitors the investment activity of the Investment Adviser to ensure the investment activity is consistent with the investment objectives and the investment and borrowing powers which are laid out in the Prospectus.

There is no material difference between the value of the financial assets and liabilities and their fair value.

For further information please refer to the Prospectus or the Annual Long Report.

More information about the activities and performance of the Company for this and previous periods can be obtained from the ACD.

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

The Annual Long Report is available on request from the ACD.

Investment objective and policy

The investment objective and policy of each sub-fund is disclosed within the Investment Adviser's report of the individual sub-funds.

Sub-funds

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

SVS Church House Tenax Absolute Return Strategies Fund

- A income and accumulation shares
- B income and accumulation shares
- C income and accumulation shares

As at 30 September 2016, there is no investment in the C income share class.

SVS Church House Deep Value Investment Fund

- A accumulation shares
- B accumulation shares

Changes affecting the Company in the year

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

On 29 January 2016, BNY Mellon & Depository (UK) Limited resigned as Depository of the Company and on 30 January 2016, National Westminster Bank Plc Trustee and Depository Services was appointed.

Following their intention to gradually wind down the activity in their registered firm, KPMG Audit Plc resigned as auditor during the period and an alternative entity, KPMG LLP, became the auditor. There is no impact on the terms on which the auditor was retained. KPMG LLP have expressed their willingness to continue in office and the ACD has consented to their re-appointment.

On 1 November 2016, the ACD's periodic charge changed as per below.

Funds under management	New arrangement	Previous arrangement
	%	%
<£50 million	0.150	-
50 million to <£100 million	0.125	-
< £100 million	-	0.150
£100 million to <£150 million	0.100	0.125
£150 million to <£200 million	0.080	0.100
on the remaining balance	0.050	0.080

SVS Church House Tenax Absolute Return Strategies Fund

Investment Adviser's report

Investment objective and policy

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

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

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

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

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

Investment performance

Performance* to 30 September 2016	1 year	3 years	5 years
SVS Church House Tenax Absolute Return Strategies Fund 'A' accumulation	+7.6%	+15.5%	+29.0%
SVS Church House Tenax Absolute Return Strategies Fund 'B' accumulation	+7.9%	+16.5%	+30.9%
Annual Volatility**	3.1%	2.8%	2.9%

* Percentage change in bid price of accumulation shares

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

Source: Bloomberg.

Investment activities

As ever with this portfolio, it is hard to write about many of the holdings in a way that might make them sound remotely interesting. If necessity, so much of the portfolio is invested in short-dated treasury bonds and floating rate notes, appropriately low risk and providing a steady return, but not riveting to write or read about. Having this secure core of low risk investments does bring advantages in other ways, such as being able to respond rapidly to opportunities in other (possibly racier) asset classes. In each section of the portfolio, defined by a broad and sub-asset class, we seek to find core long-term investments, and then supplement these with opportunities at the margin.

We added the CMS Linked Quanto Reverse Convertible Note 5.75% 01/06/2017 to the portfolio, which are a hedge against rising US interest rates, issued by The Royal Bank of Canada.

The proportion of the portfolio invested in Floating Rate Notes (FRNs), remains the largest slice, acting as a hedge against an increase in interest rates and a reliable income stream in the current low rate environment. Keeping the proportion up to our desired weighting, we have added the following FRNs; Bank of Nova Scotia 0.78125% 02/11/2017, Canadian Imperial Bank of Commerce 0.89963% 11/03/2019, Swedbank 0.582750% 02/04/2018 and, more prosaically, Lloyds Bank 0.95938% 14/01/2019 and Lloyds Bank 2.02656% 22/03/2017.

Investment Adviser's report (continued)

Investment activities (continued)

The fixed interest proportion is broadly unchanged over the period but, underlying this, we were active. A number of companies are tendering to buy-in older (more expensive) debt issues; this was the case with RSA Insurance Group and National Grid Electricity Transmission Index Linked 2.983% 08/07/2018.

We also sold Electricite de France 5.25% Perpetual and SSE 5.625% Perpetual, along with Tesco 6.125% 24/02/2022 that had provided us with good returns. New fixed interest exposure includes European Investment Bank 3.25% 07/12/2016, European Investment Bank 0.63719% 25/05/2018 and GE Capital UK Funding Unlimited 4.125% 28/09/2017 and Shaftesbury Carnaby 2.487% 30/09/2031.

The top fifteen holdings are rather dominated by the Treasury and FRN positions, though some infrastructure and equity investments do make the lower part of the list.

We have reduced Central London property exposure again. Property is a volatile asset class at present, reflecting the shifting post-Brexit mood in markets. Equity exposure is also lower.

Top 15 holdings as at 30 September 2016	
UK Treasury Gilt 1% 07/09/2017	7.6%
UK Treasury Bill 0% 12/12/2016	6.1%
European Investment Bank 3.25% 07/12/2016	3.0%
European Investment Bank 0.84063% 17/02/2020	1.5%
UK Treasury Gilt 1.75% 22/01/2017	1.5%
CMS Linked Quanto Reverse Convertible Note 5.75% 01/06/2017	1.5%
Bank of Nova Scotia 0.78125% 02/11/2017	1.5%
Coventry Building Society 0.88875% 17/03/2020	1.4%
Statoil ASA 1.107% 15/05/2018	1.4%
Waverton Investment Funds SICAV - Waverton European Capital Growth Fund	1.4%
GCP Infrastructure	1.4%
International Public Partnerships	1.3%
SVS Church House Esk Global Equity Fund	1.3%
MedicX Fund	1.3%
Caledonia Investments	1.3%

Investment strategy and outlook

A calmer summer period and buoyant share prices have left many asking why the stock market is up when the Governor of the Bank of England (BOE) is so gloomy and we face uncertainty on a number of fronts. The answer is that the stock market and the economy are not the same, particularly the domestic economy. The major companies that comprise the bulk of the market benefit from weaker sterling.

Equally, the media is now fixated on Brexit and the uncertainty that this brings. It is hard to predict whether we will end up with a hard, soft or merely malleable Brexit, but we do expect both sides to compromise as it is in their interests so to do and, to repeat what we said in July 2016: compromise is what Europe does when threatened and the EU is the product of many previous crises and compromises.

The BOE has cut base interest rates and is operating in the market, buying gilts and corporate fixed interest securities again (quantitative easing), just as it did after the financial crisis. Their aim is to get more money into the economy and encourage spending. We are not sure that this is necessary, feeling that it is sending out the wrong signals to an economy that is actually doing just fine. The Bank is hinting, and economists are expecting, a further cut in the base rate, to practically nothing, in November 2016. What is the point?

Investment Adviser's report (continued)

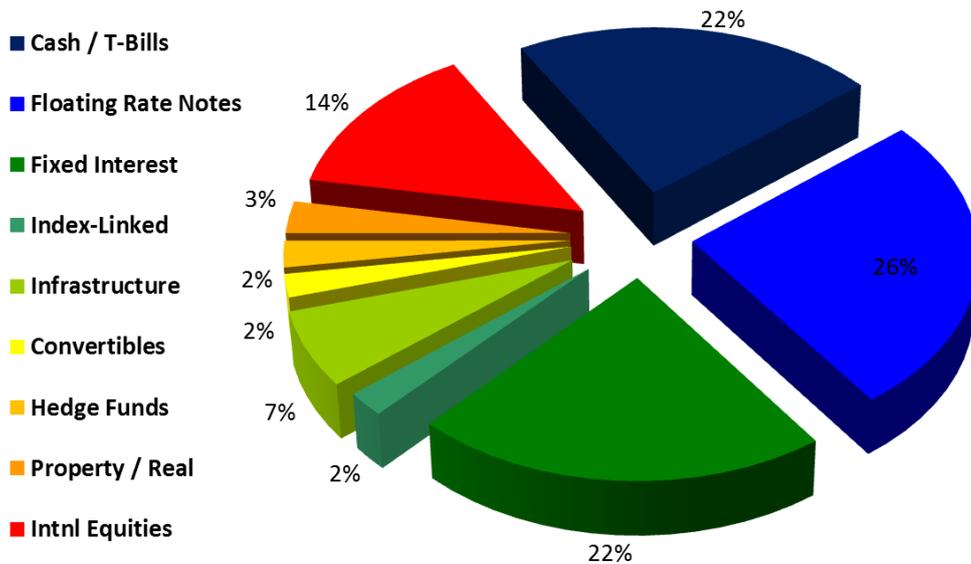
Investment strategy and outlook (continued)

Sterling has borne the brunt of recent concerns, undermined by belligerent party conference speeches along with the Bank's utterances and actions. We suspect that we have probably seen the worst of the falls for now, if only because 'forecasters' now seem to be united in their expectations for a further fall (in itself that is probably a foolish thing to say, currencies are notoriously fickle). What is clear is that it is way past time for some political/budgetary action to stimulate the economy (even more true for Europe), and to stop relying on Central Bank actions. The non-decision for a new airport runway in the South East does not bode well.

The Americans have delayed increasing their base interest rates again and, in Europe, Mario Draghi is pressing on with 'easy money'. While the desire to re-energise growth is laudable, there is an increasing risk of a jump in inflation and accompanying trauma in bond markets.

The SVS Church House Tenax Absolute Return Strategies Fund seeks absolute returns at a low level of volatility. In pursuit of this, we continue to hold a diverse portfolio of investments across ten major asset classes. This pie chart shows the disposition broken into nine classes to illustrate the Fund's asset allocation:

SVS Church House Tenax Absolute Return Strategies Fund - Asset Allocation - 30 September 2016



Source: Church House Investments Limited

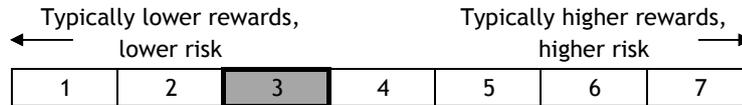
As of the end of September 2016, there was an unusually high proportion in Treasury Bills, partially reflecting recent flows into the portfolio, but also a view that the next few months are likely to present better opportunities in some asset classes.

Church House Investments Limited
27 October 2016

Risk and reward profile

The risk and reward profile relates to all share classes.

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



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

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

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

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

Alternative investment strategies give themselves significant discretion in valuing securities. There may be liquidity constraints and the extent to which an investee fund's securities are valued by independent sources are factors which could impact on the sub-fund's valuation.

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

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

Fund information

Distributions and reporting dates

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

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

Shareholders will receive a short report within four months of the annual reporting date and within two months of the interim reporting date.

Buying and selling shares

The property of the sub-fund is valued at 12 noon Monday to Friday where these days are business days, with the exception of Christmas Eve and New Year's Eve or a bank holiday in England and Wales, or the last business day prior to those days annually where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary; and prices of shares are calculated as at that time. Share dealing is on a forward basis i.e. investors can buy and sell shares at the next valuation point following receipt of the order.

	Minimum initial investment and minimum holding value	Minimum subsequent investment
<i>Share classes available for investment</i>		
A income and accumulation shares	£5,000	£5,000
B income and accumulation shares	£100,000	£100,000
C income and accumulation shares	£1,000,000	£1,000,000

Prices of shares and the estimated yield of the sub-funds are published on the following website: www.fundlistings.com or may be obtained from the ACD by calling 0141 222 1150.

Management charges

The annual management charge is 1.25% per annum for A shares, 0.875% per annum for B shares and 0.75% per annum for C shares, excluding the value of the securities managed by the Investment Adviser.

The ACD's periodic charge is 0.15% of the net asset value if the sub-fund per annum. The Investment Adviser's fee is the remainder of the annual management charge after payment of the ACD's periodic charge.

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

Performance information

Number of shares in issue	30.09.16	30.09.15	30.09.14
A accumulation	13,736,867	12,547,165	12,236,868
B accumulation	19,116,814	17,187,440	12,304,996
C accumulation	6,082,155	2,290,197	-
A income	2,353,619	944,967	-
B income	2,408,119	1,560,235	-
Net Asset Value (NAV)	£	£	£
Total NAV of sub-fund	65,991,258	48,466,353	33,719,343
NAV attributable to A accumulation shareholders	20,416,235	17,349,327	16,620,099
NAV attributable to B accumulation shareholders	29,238,338	24,386,969	17,099,244
NAV attributable to C accumulation shareholders	9,323,822	3,253,863	-
NAV attributable to A income shareholders	3,431,093	1,294,999	-
NAV attributable to B income shareholders	3,581,770	2,181,195	-
Net asset value per share (based on bid value)^	p	p	p
A accumulation	148.6	138.3	135.8
B accumulation	152.9	141.9	139.0
C accumulation	153.3	142.1	-
A income	145.8	137.0	-
B income	148.7	139.8	-

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

A accumulation and B accumulation shares were first issued at 100.0p per share on 22 November 2007.

B income shares were first issued at 141.4p per share on 28 November 2014.

C accumulation shares were first traded at 143.3p per share on 23 January 2015.

A income shares were first traded at 139.9p per share on 30 January 2015.

Highest and lowest prices and summary of total distributions in the year

		Distribution	Highest	Lowest
		per share^	price	price
Financial year to 30 September		p	p	p
2014	A accumulation	2.26	136.7	128.9
2014	B accumulation	2.69	139.8	131.5
2015	A accumulation	1.76	142.2	134.7
2015	B accumulation	2.22	145.7	137.8
2015**	C accumulation	1.74	145.8	100.0
2015***	A income	1.44	142.0	138.2
2015*	B income	2.41	145.6	140.6
2016	A accumulation	1.48	149.1	137.6
2016	B accumulation	1.94	153.5	141.4
2016	C accumulation	2.10	153.8	141.6
2016	A income	1.50	146.9	136.4
2016	B income	1.91	150.0	139.3

* from 28 November 2014

** from 23 January 2015

*** from 30 January 2015

^ Rounded to two decimal places.

Performance information (continued)

Summary of the distributions in the current and prior financial year

A accumulation

Allocation date	p	Allocation date	p
31.05.16	0.850	31.05.15	0.803
30.11.16	0.627	30.11.15	0.952

B accumulation

Allocation date	p	Allocation date	p
31.05.16	1.076	31.05.15	1.023
30.11.16	0.863	30.11.15	1.194

C accumulation

Allocation date	p	Allocation date	p
31.05.16	1.137	31.05.15	0.480
30.11.16	0.959	30.11.15	1.257

A income

Payment date	p	Payment date	p
31.05.16	0.873	31.05.15	0.480
30.11.16	0.628	30.11.15	0.961

B income

Payment date	p	Payment date	p
31.05.16	1.071	31.05.15	1.208
30.11.16	0.842	30.11.15	1.201

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

Ongoing charges figure

The ongoing charges figure provides investors with a clearer picture of the total annual costs in running a collective investment scheme. The OCF consists principally of the ACD's periodic charge and the Investment Adviser's fee which are included in the annual management charge, but also includes the costs for other services paid.

A accumulation	30.09.16	30.09.15
Annual management charge	1.19%	1.20%
Other expenses	0.08%	0.09%
Ongoing charges figure	<u>1.27%</u>	<u>1.29%</u>
B accumulation	30.09.16	30.09.15
Annual management charge	0.83%	0.83%
Other expenses	0.08%	0.09%
Ongoing charges figure	<u>0.91%</u>	<u>0.92%</u>
C accumulation	30.09.16	30.09.15 [^]
Annual management charge	0.69%	0.68%
Other expenses	0.08%	0.09%
Ongoing charges figure	<u>0.77%</u>	<u>0.77%</u>
A income	30.09.16	30.09.15 ^{^^}
Annual management charge	1.19%	1.20%
Other expenses	0.08%	0.09%
Ongoing charges figure	<u>1.27%</u>	<u>1.29%</u>
B income	30.09.16	30.09.15 ^{^^^}
Annual management charge	0.83%	0.83%
Other expenses	0.08%	0.09%
Ongoing charges figure	<u>0.91%</u>	<u>0.92%</u>

[^] Annualised based on the expenses incurred during the period 23 January 2015 to 30 September 2015.

^{^^} Annualised based on the expenses incurred during the period 30 January 2015 to 30 September 2015.

^{^^^} Annualised based on the expenses incurred during the period 28 November 2014 to 30 September 2015.

As the percentage holding in collective investment schemes amounts to less than 10%, no synthetic OCF is included in the Ongoing charges figure in the current year.

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

Portfolio information

Portfolio by asset class and geographical spread

Investment Type	Percentage of the total net assets as at 30.09.2016	Percentage of the total net assets as at 30.09.2015
Debt securities: *		
AAA to AA*	37.86%	27.41%
AA- to A+*	2.45%	5.16%
A to A-*	7.00%	6.84%
BBB+ to BBB*	5.09%	7.71%
BBB- and below*	11.54%	14.94%
Unrated*	1.00%	-
Total debt securities	64.94%	62.06%
Equities:		
United Kingdom	17.86%	22.98%
North America	1.61%	1.66%
Total equities	19.47%	24.64%
UK Authorised Collective Investment Schemes	3.54%	3.47%
Offshore Collective Investment Schemes	3.38%	3.23%
Total Collective Investment Schemes	6.92%	6.70%
Structured products	3.36%	2.30%
	94.69%	95.70%
Other net assets	5.31%	4.30%
Total net assets	100.00%	100.00%

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

Major ten holdings at the end of the current year

Holding	Percentage of the total net assets as at 30.09.2016
UK Treasury Gilt 1% 07/09/2017	7.64%
UK Treasury Bill 0% 12/12/2016	6.06%
European Investment Bank 3.25% 07/12/2016	3.04%
European Investment Bank 0.84063% 17/02/2020	1.52%
UK Treasury Gilt 1.75% 22/01/2017	1.52%
CMS Linked Quanto Reverse Convertible Note 5.75% 01/06/2017	1.48%
Bank of Nova Scotia 0.78125% 02/11/2017	1.46%
Coventry Building Society 0.88875% 17/03/2020	1.44%
Statoil ASA 1.107% 15/05/2018	1.40%
Waverton Investment Funds SICAV - Waverton European Capital Growth Fund	1.37%

Portfolio information (continued)

Major ten holdings at the end of the previous year

Holding	Percentage of the total net assets as at 30.09.2015
UK Treasury Gilt 2% 22/01/2016	6.21%
European Investment Bank 0.83563% 17/02/2020	2.06%
Odey Investments - Odey Naver Fund	1.56%
European Investment Bank 0.83438% 16/04/2019	1.55%
Leeds Building Society 0.85938% 09/02/2018	1.55%
Lloyds Bank 0.83219% 16/01/2017	1.55%
Coventry Building Society 0.8875% 17/03/2020	1.54%
Electra Private Equity 5% 29/12/2017 Convertible	1.48%
Abbey National Treasury Services 0.88406% 20/01/2017	1.45%
Nationwide Building Society 0.78375% 17/07/2017	1.44%

SVS Church House Deep Value Investment Fund

Investment Adviser's report

Investment objective and policy

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

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

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

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

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

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

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

Investment performance

Performance	1 year to 30 September 2016	Launch to 30 September 2016
SVS Church House Deep Value Investment Fund Accumulation	11.2%	14.2%

Source: Bloomberg.

Investment activities

These comments refer to the latter six months of the sub-fund's year as we reported on the first six months in April 2016. SVS Church House Deep Value Investment Fund portfolio remained positive over the quarter up to June 2016, despite a difficult period for smaller companies generally. The volatility in the markets has thrown-up some opportunities and cash in the portfolio was lower.

The quarter saw the Japanese company, Sanshin Electronics, return to the portfolio after the switch-back performance of the Japanese stock market led to a 40% fall in their stock price. Having sold the previous holding in the autumn, it was quite surprising to see their stock back at an attractive 'net-net' value again.

Hornbeck Offshore Services, which provides transport for US offshore oil and gas rigs, released first quarter results, showing a small pre-tax loss and that a further number of ships had been "stacked" (temporarily taken out of service). However, the company's balance sheet remains in a strong position and capable of dealing with the downturn in the oil industry. In a similar vein, we added further to Thalassa Holdings, which provides seismic services to the industry, and met their management (the chairman is also buying further stock in the company).

Investment Adviser's report (continued)

Investment activities (continued)

Disappointingly, Norcon announced their intention to de-list from the market while their majority shareholder made an offer to buy shares from those not wishing to remain in an un-listed company. We have sold our holding and expressed our view to their chairman at this action at a time when their restructuring was starting to show positive results, profitability re-established and the outlook positive.

Late in the quarter, the market disruption threw up some opportunities as prices fell sharply in a number of areas. We have acquired holdings in two house-builders: Bovis Homes Group (incredibly their shares had fallen 40%) and Telford Homes.

This led into early acquisitions during July 2016 in two UK-focused property companies: Great Portland Estates and McKay Securities. Like the UK housebuilders acquired at the end of June, property companies faced severe pressure on their share prices after the Brexit vote. Shares in both companies dropped to such an extent that we could purchase at a 30% discount to the property valuations on their balance sheets. The two new investments in the UK housebuilders, Bovis Homes Group and Telford Homes, have behaved well so far.

Insurance Group, which represents 27% of their net assets. Despite a subsequent rise in BP Marsh & Partners share price, they are still trading at a discount to net assets and we would prefer to hold this unique company for the longer term.

Among other top fifteen holdings: PV Crystalox Solar reported good half-year results (though a repeat is not expected in the second half). Their share price appreciated as management repeated the possibility of trade arbitration in their favour (expected by spring 2017) - a settlement that could be material to the company. H&T Group produced positive results, as did Hargreaves Services and Richardson Electronics (an American company). In contrast, results from London Capital Group Holdings showed continuing losses. We have sold half of the position in Pro Global Insurance Solutions, having reached "priced to perfection" levels.

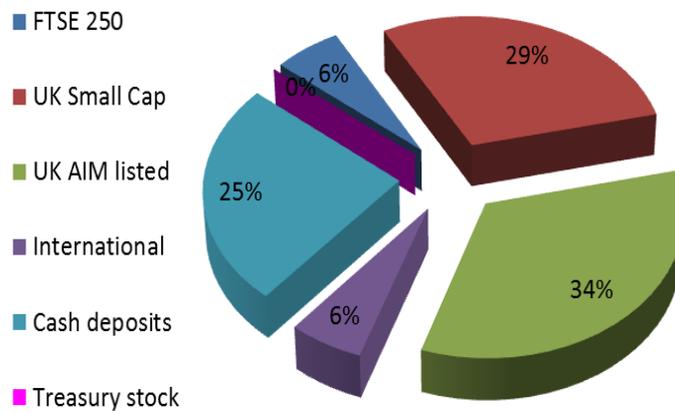
Top 15 as at 30 September 2016	
PV Crystalox Solar	9.2%
Record	7.2%
H&T Group	6.9%
BP Marsh & Partners	6.5%
Hydrogen Group	6.5%
Bovis Homes Group	5.6%
McKay Securities	5.1%
Enteq Upstream	4.0%
Telford Homes	3.9%
Catalyst Media Group	3.7%
Hargreaves Services	3.6%
IndigoVision Group	3.6%
Walker Crips Group	3.4%
Thalassa Holdings	3.0%
Panmure Gordon	2.9%

Investment Adviser's report (continued)

Investment strategy and outlook

The sub-fund holds a concentrated portfolio of equities (typically 20/5 holdings) that exhibit 'deep value' characteristics. Principally, these will be listed in London but up to 30% may be invested overseas. The pie chart below shows the disposition of assets in the sub-fund at the end of September; the proportions invested in UK Small Cap and Mid 250 stocks have grown following a series of acquisitions in the aftermath of the Brexit vote:

SVS Church House Deep Value Investment Fund - Disposition of Assets - 30 September 2016



Source: Church House Investments Limited

Church House Investments Limited
27 October 2016

Risk and reward profile

The risk and reward profile relates to all share classes.

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

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

The sub-fund is in a higher category because the price of its investments have risen and 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 the future.

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

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

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.

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

Fund information

Distributions and reporting dates

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

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

Shareholders will receive a short report within four months of the annual reporting date and within two months of the interim reporting date.

Buying and selling shares

The property of the sub-fund is valued at 12 noon Monday to Friday where these days are business days, with the exception of Christmas Eve and New Year's Eve or a bank holiday in England and Wales, or the last business day prior to those days annually where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary; and prices of shares are calculated as at that time. Share dealing is on a forward basis i.e. investors can buy and sell shares at the next valuation point following receipt of the order.

	Minimum initial investment and minimum holding value	Minimum subsequent investment
<i>Share classes available for investment</i>		
A accumulation shares	£5,000	£1,000
B accumulation shares	£100,000	£100,000

The price of shares and the estimated yield of the sub-funds are published on the following website: www.fundlistings.com or may be obtained from the ACD by calling 0141 222 1150.

Management charges

The annual management charge is 1.25% per annum for A accumulation shares, and 0.875% per annum for B accumulation shares.

The ACD's periodic charge is 0.15% of the net asset value if the sub-fund per annum. The Investment Adviser's fee is the remainder of the annual management charge after payment of the ACD's periodic charge.

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

Performance information

Number of shares in issue	30.09.16	30.09.15	30.09.14
A accumulation	5,345,955	7,664,436	8,259,279
B accumulation	1,620,134	1,307,493	-
Net Asset Value (NAV)	£	£	£
Total NAV of sub-fund	7,864,245	9,015,158	9,895,446
NAV attributable to A accumulation shareholders	6,025,276	7,697,794	9,895,446
NAV attributable to B accumulation shareholders	1,838,969	1,317,364	-
Net asset value per share (based on bid value)	p	p	p
A accumulation	112.7	100.4	119.8
B accumulation	113.5	100.8	-

A accumulation shares were first issued at 100.0p per share on 29 February 2012.

B accumulation shares were first traded at 120.5p per share on 27 November 2014.

Highest and lowest prices and summary of total distributions in the year

Financial year to 30 September		Distribution per share ^ p	Highest price p	Lowest price p
2014	A accumulation	-	139.9	116.3
2015	A accumulation	-	121.8	109.1
2015*	B accumulation	0.34	121.6	102.5
2016	A accumulation	-	116.0	97.65
2016	B accumulation	0.25	116.8	98.10

* from 27 November 2014 to 30 September 2015.

^ Rounded to two decimal places.

Summary of the distributions in the year

A accumulation			
Allocation date	p	Allocation date	p
31.05.16	-	31.05.15	-
30.11.16	-	30.11.15	-
B accumulation			
Allocation date	p	Allocation date	p
31.05.16	0.027	31.05.15	0.099
30.11.16	0.228	30.11.15	0.242

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

Ongoing charges figure

The ongoing charges figure ("OCF") provides investors with a clearer picture of the total annual costs in running a collective investment scheme. The OCF consists principally of the ACD's periodic charge and the Investment Adviser's fee which are included in the annual management charge, but also includes the costs for other services paid.

A accumulation	30.09.16	30.09.15
Annual management charge	1.25%	1.25%
Other expenses	0.23%	0.16%
Ongoing charges figure	<u>1.48%</u>	<u>1.41%</u>
B accumulation	30.09.16	30.09.15 [^]
Annual management charge	0.88%	0.88%
Other expenses	0.23%	0.16%
Ongoing charges figure	<u>1.11%</u>	<u>1.04%</u>

[^] Annualised based on the expenses incurred during the period 27 November 2014 to 30 September 2015.

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

Portfolio information

Portfolio by asset class and geographical spread

Investment Type	Percentage of the total net assets as at 30.09.16	Percentage of the total net assets as at 30.09.2015
Debt securities: *		
AAA to AA denominated in UK sterling	-	22.27%
Total debt securities	-	22.27%
Equities:		
United Kingdom	89.51%	59.82%
Europe	-	0.95%
Israel	1.50%	3.88%
Japan	2.63%	1.72%
United States	4.93%	6.05%
Total equities	98.57%	72.42%
	98.57%	94.69%
Other net assets	1.43%	5.31%
Total net assets	100.00%	100.00%

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

Major ten holdings at the end of the current year

Holding	Percentage of the total net assets as at 30.09.16
PV Crystalox Solar	9.15%
Record	7.22%
H&T Group	6.88%
BP Marsh & Partners	6.52%
Hydrogen Group	6.45%
Bovis Homes Group	5.56%
McKay Securities	5.14%
Enteq Upstream	3.95%
Telford Homes	3.86%
Catalyst Media Group	3.71%

Major ten holdings at the end of the previous year

Holding	Percentage of the total net assets as at 30.09.2015
UK Treasury Gilt 2% 22/01/2016	22.27%
Record	9.40%
MJ Gleeson	7.93%
H&T Group	5.03%
Norcon	4.84%
BP Marsh & Partners	4.19%
Icahn Enterprises	4.07%
London Capital Group Holdings	3.44%
BSD Crown	3.15%
Thalassa Holdings	3.10%

Appointments

Authorised Corporate Director ("ACD") and Registered office

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

Administrator and Registrar

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

Directors of the ACD

David Cobb
Giles Murphy
Jocelyn Dalrymple
Kevin Stopps
Paul Wyse
Peter Maher
Susan Shaw
James Gordon - appointed 21 January 2016
Grant Hotson - appointed 22 August 2016
Tas Quayum - appointed 22 August 2016
Sheridan Lees - resigned 3 February 2016
Tim Lyford - resigned 31 March 2016
Jeremy Boadle - resigned 31 October 2016

Investment Adviser

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

Depositary

BNY Mellon Trust & Depositary (UK) Limited - to 29 January 2016
The Bank of New York Mellon Centre
160 Queen Victoria Street
London EC4V 4LA
Authorised and regulated by the Financial Conduct Authority

Appointments (continued)

Depositary (continued)

National Westminster Bank Plc - from 30 January 2016

Trustee and Depositary Services

Younger Building

1st Floor

3 Redheughs Avenue

Edinburgh EH12 9RH

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

Auditor

KPMG LLP

Saltire Court

20 Castle Terrace

Edinburgh EH1 2EG