

SVS Church House Esk Global Equity Fund

Annual Long Report

for the year ended 30 September 2016

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SVS Church House Esk Global Equity Fund Report of the Manager

Smith & Williamson Fund Administration Limited as Manager (trading as St Vincent St Fund Administration) presents herewith the Annual Long Report ("the Report") for SVS Church House Esk Global Equity Fund for the year ended 30 September 2016.

SVS Church House Esk Global Equity Fund ("the Trust" or "the Fund") is an authorised unit trust scheme further to an authorisation order dated 25 October 1996. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ("COLL"), as issued by the Financial Conduct Authority ("FCA").

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

The base currency of the Fund is UK sterling.

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

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

Investment objective and policy

The objective of the Fund is to achieve medium to long-term capital growth from a portfolio of transferable securities. The income yield on the portfolio is likely to be low. The portfolio will comprise of direct equity investments and listed investment companies. Investments in other collective investment schemes, fixed interest securities, including index-linked and convertible issues and preference shares may also be included from time to time. The portfolio will be diversified. It is expected that investments will be listed in London but the outlook is international so investments may also be undertaken on recognized exchanges overseas. There are no specific geographic limitations imposed.

Remuneration

In accordance with COLL 4.5.7R (7) The Authorised Fund Manager ("AFM") is required to make disclosures of remuneration paid to staff and UCITS remuneration code staff by the AFM and a description of how the remuneration has been calculated. COLL 4.5.7AG allows the relevant disclosure not to be included in these accounts as the first full performance period of the AFM is not complete and the required information is therefore not currently available.

Changes affecting the Fund in the year

Subsequent to the year end, effective from 1 November 2016, the Manager's periodic charge has decreased from 0.15% on the first £100m, 0.125% on the next £50m, 0.1% on the next £50m and 0.8% on any remaining balance to 0.15% on the first £50m, 0.125% on the next £50m, 0.1% on the next £50m, 0.08% on the next £50m and 0.05% on any remaining balance, subject to a minimum of £16,500 per annum.

Following their intention to gradually wind down the activity in their registered firm, KPMG Audit Plc resigned as auditor 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 Manager has consented to their re-appointment.

Further information in relation to the Fund is illustrated on pages 35 to 36.

In accordance with the requirements of the Collective Investment Schemes sourcebook as issued and amended by the Financial Conduct Authority, we hereby certify the Report on behalf of the Manager, Smith & Williamson Fund Administration Limited.

G. Murphy

K. Stopps

Directors

Smith & Williamson Fund Administration Limited

9 December 2016

Statement of the Manager's responsibilities

The Collective Investment Schemes sourcebook ("COLL") requires the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial affairs of the Fund as at the end of the financial period and of its net revenue and the net capital gains on the property of the Fund for the year. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association ("the IA") in May 2014;
- follow generally accepted United Kingdom accounting principles (UK accounting standards and applicable law) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in operation;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- make judgements and estimates that are reasonable and prudent; and
- take reasonable steps for the prevention and detection of fraud and other irregularities.

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

Report of the Trustee to the unitholders of SVS Church House Esk Global Equity Fund

Trustee's responsibilities

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

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

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

The Trustee must ensure that:

- the Fund's cash flows are properly monitored (this requirement on the Trustee applied from 18 March 2016) and that cash of the Fund is booked into the cash accounts in accordance with the Regulations;
- the value of units of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;
- the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM") are carried out (unless they conflict with the Regulations).

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

Report of the Trustee to the unitholders of SVS Church House Esk Global Equity Fund

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

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

National Westminster Bank Plc
Trustee and Depositary Services
9 December 2016

Independent Auditor's report to the unitholders of SVS Church House Esk Global Equity Fund ("the Trust")

We have audited the financial statements of the Trust for the year ended 30 September 2016 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Table and the accounting policies set out on pages 6 to 8. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of the Manager Smith & Williamson Fund Administration Limited and Auditor

As explained more fully in the Statement of Manager's responsibilities set out on page 3 the Manager is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at: www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the financial position of the Trust as at 30 September 2016 and of the net revenue and the net capital gains on the property of the Trust for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Opinion on other matters prescribed by the COLL Rules

In our opinion the information given in the Manager's report is consistent with the financial statements.

We have received all the information and explanations which we consider necessary for the purposes of our audit.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Trust have not been kept; or
- the financial statements are not in agreement with the accounting records.

John Waterson
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
9 December 2016

Accounting policies of SVS Church House Esk Global Equity Fund for the year ended 30 September 2016

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"). No recognition or measurement changes have occurred as a result of the adoption of FRS 102. They have been prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds ("the SORP") issued by The Investment Association in May 2014. Previously the financial statements were prepared in accordance with the SORP issued in 2010. The changes in the SORP are presentational and have no impact on the current or prior year net asset value.

The Fund has elected to early adopt the amendments to FRS 102 in respect of the fair value hierarchy disclosure requirements for financial instruments held at fair value as permitted for authorised funds.

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

b Valuation of investments

The purchase and sale of investments are included up to close of business on 30 September 2016.

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 balance sheet date. In determining fair value, the valuation point is global close of business on 30 September 2016 with reference to quoted bid prices from reliable external sources.

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

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

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

c Foreign exchange

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

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

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

d Revenue

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

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

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

Dividends from unquoted equity shares are recognised when declared.

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

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

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

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

Accounting policies of SVS Church House Esk Global Equity Fund (continued)

for the year ended 30 September 2016

d Revenue (continued)

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

Ordinary scrip dividends are recognised wholly as revenue on the basis of the market values of the shares on the date that they are quoted ex-dividend. Where an enhancement is offered the amount by which the market value of the shares on the date they are quoted ex-dividend exceeds the cash dividend is taken to capital. The ordinary element of scrip dividends is treated as revenue and forms part of the Fund's distributions.

e Expenses

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

Bank interest paid is charged to revenue.

f Allocation of revenue and expenses to multiple unit classes

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

g Taxation

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

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

Deferred taxation is provided in full on timing differences that result in an obligation at 30 September 2016 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.

h Efficient portfolio management

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

i Distribution policies

i Basis of distribution

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

ii Unclaimed distributions

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

iii Revenue

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

Accounting policies of SVS Church House Esk Global Equity Fund (continued)

for the year ended 30 September 2016

i Distribution policies (continued)

iv Expenses

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

v Equalisation

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

SVS Church House Esk Global Equity Fund

Investment Adviser's report

Investment activity

These comments refer to the latter six months of the Fund's year as we reported on the first six months in April. Over the course of the three months to the end of June, we received a mix of cash and new shares in Shire, which we are retaining following the takeover of Baxalta by Shire. Also in health care, we added further to the holding of Illumina and established a new holding in Cigna. Cigna is an American health insurer that also provides managed care services. In common with many such companies in America, it has been something of a political football and their share price has weakened markedly (despite being the subject of a bid from Anthem Inc., another health benefits company).

Transactions in European listed stocks have all been purchases, principally topping-up existing holdings, though we did establish one new position in Danske Bank, the Danish banking group. We topped-up the holdings in Christian Dior, Nestlé and Roche Holding in early April. Latterly, we also topped-up the holdings in Unilever, SAP and Rio Tinto.

Just one change to the Far Eastern part of the portfolio: we acquired a new holding in SoftBank Group, a Japanese company.

Top 15 Holdings - 30 September 2016					
Stryker	2.80%	SAP	2.35%	Nestle	2.17%
Alphabet	2.77%	Jardine Strategic Holdings	2.25%	Christian Dior	2.16%
Apple	2.53%	Berkshire Hathaway	2.24%	Roche Holding	2.14%
Anheuser-Busch InBev	2.48%	Johnson & Johnson	2.24%	McDonald's	1.98%
Microsoft	2.48%	Investor 'B'	2.20%	Everest Re Group	1.96%

There were relatively few changes to the portfolio during the quarter up to the end of September. Among the American companies, we sold the small holding in Hornbeck Offshore Services to consolidate into a larger holding in Helmerich & Payne, both being oil services companies. Monster Beverage, which produces energy drinks, is a new holding. Coca-Cola acquired a 17% holding in Monster Beverage in summer 2014 while transferring its own energy drinks business to Monster. Lastly in this region, we added to Microsoft, recognising their strong position in the 'cloud'.

This portfolio is also about to lose its holding in SABMiller. Rather conveniently, shares in Heineken, which we have been watching for a while, slipped back in September giving us an opportunity to initiate a holding.

Royal Dutch Shell 'A' has gone from this portfolio altogether, while we have established a new position in the French company, Technip, which designs and builds offshore facilities for oil companies. We have also added further to the holding in the container shipping company AP Moeller-Maersk, which, increasingly, is looking like the 'last man standing' in this field and has announced a separation of its energy operations.

Investment performance

Performance* over :	One year	Three years	Five years
SVS Church House Esk Global Equity Fund	+22.6%	+33.1%	+82.9%

* Percentage change in bid price of A income units (excluding income distributions)

Backup price data:	30/09/16	30/09/15	30/09/13	30/09/11
SVS Church House Esk Global Equity Fund	225.1	183.6	169.1	123.1

Source: Bloomberg

Investment strategy

A calmer summer period and buoyant shares prices have left many asking why the stock market is up when the Governor of the Bank of England 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.

Investment Adviser's report (continued)

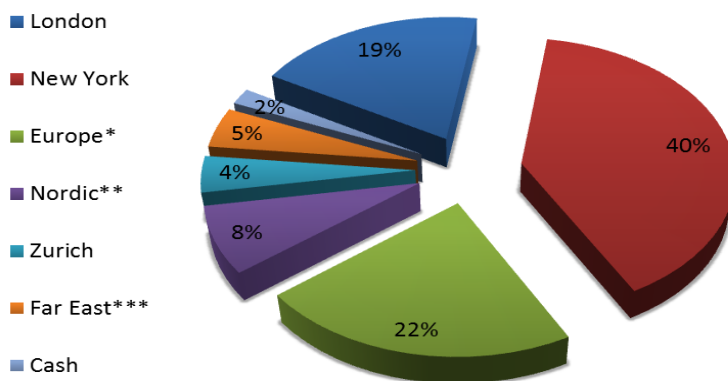
Investment strategy (continued)

Sterling has borne the brunt of recent concerns, undermined by belligerent Party Conference speeches along with the Bank's utterances and actions. I 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 Fund has increased its exposure to emerging markets directly with the American Depository Receipt of Brazil's Ambev (although we retain some exposure via some of the major companies in the portfolio, like Unilever, SABMiller, McDonald's and the pharmaceutical companies), and no direct exposure to China, utilising SoftBank Group's sizeable holding of Alibaba Group.

SVS Church House Esk Global Equity Fund - Disposition by Listing - 30 September 2016



Source: Church House Investments Limited

*Amsterdam, Paris, Frankfurt,

**Copenhagen, Oslo, Stockholm,

***Singapore, Tokyo

Church House Investments Limited

October 2016

Summary of material portfolio changes

for the year ended 30 September 2016

	Cost		Proceeds
	£	Sales	£
Purchases			
Heineken	331,576	Royal Dutch Shell 'A'	366,972
AP Moeller - Maersk	323,294	Swiss Re	341,164
Illumina	319,290	PepsiCo	326,248
PayPal Holdings	304,721	International Business Machines	272,990
Mondelez International	287,441	Western Union	262,523
Danske Bank	284,753	Standard Chartered	194,654
Monster Beverage	283,567	Deere	160,182
Technip	271,106	Telit Communications	159,567
Muenchener Rueckversicherungs-Gesellschaft	263,600	ABB	116,239
Ambev	241,370	Verizon Communications	103,681
Helmerich & Payne	219,905	SABMiller	88,847
Novozymes	178,995	Hornbeck Offshore Services	60,961
Cigna	178,423		
Christian Dior	148,202		
Hornbeck Offshore Services	145,079		
SoftBank Group	136,926		
HSBC Holdings	112,726		
Jardine Strategic Holdings	102,124		
Apple	101,162		
Microsoft	98,775		

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

Portfolio statement

as at 30 September 2016

	Nominal value or holding	Market value £	% of total net assets
Investment			
Debt securities 1.01% (1.36%)			
BBB- and below* 1.01% (1.36%)			
Rocket Internet 3% 22/07/2022	€300,000	225,123	1.01
Total debt securities		<u>225,123</u>	<u>1.01</u>
Equities 95.96% (94.36%)			
Equities - United Kingdom 19.49% (27.36%)			
Equities - incorporated in the United Kingdom 16.34% (21.87%)			
Basic Resources 2.32% (2.26%)			
BHP Billiton	22,500	261,450	1.17
Rio Tinto	10,000	257,450	1.15
		<u>518,900</u>	<u>2.32</u>
Industrial Goods & Services 2.81% (2.97%)			
Babcock International Group	20,000	207,000	0.93
Halma	40,000	419,600	1.88
		<u>626,600</u>	<u>2.81</u>
Food & Beverage 1.61% (2.36%)			
SABMiller	8,000	359,520	1.61
Banks 1.94% (2.78%)			
HSBC Holdings	75,000	434,025	1.94
Insurance 1.22% (1.76%)			
Prudential	20,000	273,200	1.22
Real Estate 1.73% (2.31%)			
Shaftesbury	40,000	388,000	1.73
Financial Services 4.71% (5.83%)			
Caledonia Investments	16,250	397,312	1.78
Ceravision**	130,000	-	-
ICG Enterprise Trust	50,000	318,000	1.42
Polar Capital Global Financials Trust Subscription Shares***	30,000	870	-
Schroders	12,500	336,875	1.51
ULTra PRT^	280	-	-
		<u>1,053,057</u>	<u>4.71</u>
Technology 0.00% (1.60%)		-	-
Total equities - incorporated in the United Kingdom		<u>3,653,302</u>	<u>16.34</u>

Portfolio statement (continued)

as at 30 September 2016

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities (continued)			
Equities - incorporated outwith the United Kingdom 3.15% (5.49%)			
Personal & Household Goods 0.00% (1.67%)		-	-
Health Care 1.53% (0.00%)			
Shire	2,300	<u>343,229</u>	<u>1.53</u>
Media 1.62% (3.82%)			
WPP	20,000	<u>362,400</u>	<u>1.62</u>
Total equities - incorporated outwith the United Kingdom		<u>705,629</u>	<u>3.15</u>
Total equities - United Kingdom		<u>4,358,931</u>	<u>19.49</u>
Equities - Europe 33.57% (27.59%)			
Equities - Belgium 2.48% (2.21%)			
Anheuser-Busch InBev	5,500	<u>554,806</u>	<u>2.48</u>
Equities - Denmark 5.81% (2.86%)			
AP Moeller - Maersk	300	338,440	1.51
Danske Bank	15,000	336,697	1.51
Novo Nordisk 'B'	10,000	320,315	1.43
Novozymes	9,000	<u>305,223</u>	<u>1.36</u>
		1,300,675	5.81
Equities - France 8.34% (7.48%)			
Christian Dior	3,500	482,957	2.16
L'Oreal	3,000	436,154	1.95
Societe Generale	12,500	332,587	1.49
Technip	6,000	283,779	1.27
Total	9,000	<u>328,342</u>	<u>1.47</u>
		1,863,819	8.34
Equities - Germany 3.63% (1.61%)			
Muenchener Rueckversicherungs-Gesellschaft	2,000	286,616	1.28
SAP	7,500	<u>526,557</u>	<u>2.35</u>
		813,173	3.63
Equities - Netherlands 5.32% (1.92%)			
Heineken	5,000	338,740	1.51
RELX	30,760	425,648	1.90
Unilever	12,000	<u>426,421</u>	<u>1.91</u>
		1,190,809	5.32
Equities - Spain 1.48% (1.72%)			
Grifols	20,000	<u>331,863</u>	<u>1.48</u>
Equities - Sweden 2.20% (2.50%)			
Investor 'B'	17,500	<u>492,183</u>	<u>2.20</u>

Portfolio statement (continued)

as at 30 September 2016

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities (continued)			
Equities - Switzerland 4.31% (7.29%)			
Nestle	8,000	486,321	2.17
Roche Holding	2,500	478,261	2.14
		<u>964,582</u>	<u>4.31</u>
Total equities - Europe		<u>7,511,910</u>	<u>33.57</u>
Equities - North America 36.59% (35.71%)			
Affiliated Managers Group	2,500	278,445	1.24
Alphabet	1,000	618,938	2.77
Apple	6,500	565,485	2.53
Berkshire Hathaway	4,500	500,231	2.24
Chevron	5,000	396,112	1.77
Cigna	2,000	200,631	0.90
Everest Re Group	3,000	438,707	1.96
Helmerich & Payne	6,000	310,901	1.39
Illumina	3,000	419,492	1.87
Johnson & Johnson	5,500	500,081	2.24
McDonald's	5,000	443,995	1.98
Microsoft	12,500	554,080	2.48
Mondelez International	10,000	337,875	1.51
Monster Beverage	2,500	282,544	1.26
Oracle	12,500	377,887	1.69
PACCAR	8,000	361,878	1.62
PayPal Holdings	11,500	362,617	1.62
Stryker	7,000	627,252	2.80
Verizon Communications	5,000	200,038	0.89
Wells Fargo	12,000	409,053	1.83
Total equities - North America		<u>8,186,242</u>	<u>36.59</u>
Equities - Asia Pacific 2.25% (1.67%)			
Jardine Strategic Holdings	20,000	502,386	2.25
Total equities - Asia Pacific		<u>502,386</u>	<u>2.25</u>
Equities - Japan 2.49% (2.03%)			
Bridgestone	8,000	225,143	1.01
SoftBank Group	3,500	173,213	0.77
Toyota Industries	4,500	158,902	0.71
Total equities - Japan		<u>557,258</u>	<u>2.49</u>
Equities - South America 1.57% (0.00%)			
Ambev	75,000	351,617	1.57
Total equities - South America		<u>351,617</u>	<u>1.57</u>
Total equities		<u>21,468,344</u>	<u>95.96</u>

Portfolio statement (continued)

as at 30 September 2016

	Nominal value or holding	Market value £	% of total net assets
Investment			
Collective Investment Schemes 1.07% (1.36%)			
UK Authorised Collective Investment Schemes 1.07% (1.36%)			
SVS Church House Deep Value Investment Fund #	210,000	239,820	1.07
Total collective investment schemes		239,820	1.07
Portfolio of investments		21,933,287	98.04
Other net assets		439,608	1.96
Total net assets		22,372,895	100.00

The comparative figures in brackets are as at 30 September 2015.

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

** Ceravision is unquoted and is valued by the Manager's fair value pricing committee at fair value.

*** Polar Capital Global Financials Trust Subscription Shares are redeemable for one ordinary share on 31 July 2017 at 115p per share.

^ ULTra PRT is an unquoted security and is included in the portfolio of investments with no value.

Related party security managed within the same corporate body as the Manager, Smith & Williamson Fund Administration Limited and the Investment Adviser, Church House Investments Limited.

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

The Industry Classification Benchmark (ICB) is a joint product of FTSE International Limited and Dow Jones & Company, Inc. and has been licensed for use. "FTSE" is a trade and service mark of London Stock Exchange and the Financial Times Limited. "Dow Jones" and "DJ" are trade and service marks of Dow Jones & Company Inc. FTSE and Dow Jones do not accept any liability to any person for any loss or damage arising out of any error omission in the ICB.

Risk and reward profile

The risk and reward profile relates to all unit classes in the Fund.

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

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

The Fund is in a higher category because the price of its investments have risen or fallen frequently and more dramatically than some other types of investment. The category shown is not guaranteed to remain unchanged and may shift over time. Even the lowest category does not mean a risk-free investment.

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

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

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

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

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

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.

Investments in emerging markets may involve greater risks due to political and economic instability and underdeveloped markets and systems. This means your money may be at greater risk of loss.

The 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 Fund.

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

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

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

There have been no changes to the Risk and Reward Indicator in the year.

Comparative table

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

A income units were first issued at 100.0p per unit on 25 October 1996.

A accumulation units were first traded at 226.1p per unit on 28 September 2016.

	A income			A accumulation
	2016 p	2015 p	2014 p	2016** p
Change in net assets per unit				
Opening net asset value per unit	183.78	184.27	166.60	226.15
Return before operating charges	46.96	4.05	21.27	1.87
Operating charges	2.72	2.62	2.37	***0.27
Return after operating charges *	44.24	1.43	18.90	1.60
Distributions on income units^	1.90	1.92	1.23	-
Closing net asset value per unit	226.12	183.78	184.27	227.75
Retained distributions on accumulation units^	-	-	-	0.06
* after direct transaction costs of:	0.15	0.30	0.29	-
Performance				
Return after charges	24.07%	0.78%	11.35%	0.71%
Other information				
Closing net asset value (£)	20,191,951	14,327,694	14,109,540	5,015
Closing number of units	8,929,711	7,795,927	7,656,993	2,202
Ongoing charges	1.34%	1.35%	1.30%	***0.12%
Direct transaction costs	0.07%	0.15%	0.16%	-
Prices				
Highest offer unit price (p)	241.7	219.3	199.6	241.5
Lowest bid unit price (p)	180.1	174.1	165.8	225.7

^ Rounded to 2 decimal places

** for the period 28 September 2016 to 30 September 2016.

*** There has been no annual management charge for A accumulation units in the period 28 September 2016 to 30 September 2016.

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

Comparative table (continued)

B income units were first traded at 193.4p per unit on 27 November 2014.

B accumulation units were first traded at 197.5p per unit on 23 June 2015.

	B income		B accumulation	
	2016 p	2015**	2016 p	2015***
Change in net assets per unit				
Opening net asset value per unit	183.77	193.36	185.87	197.53
Return before operating charges	47.00	(5.15)	47.70	(10.05)
Operating charges	1.97	1.88	2.00	1.61
Return after operating charges *	45.03	(7.03)	45.70	(11.66)
Distributions on income units^	2.65	2.56	-	-
Closing net asset value per unit	226.15	183.77	231.57	185.87
Retained distributions on accumulation units^	-	-	2.69	0.64
* after direct transaction costs of:	0.15	0.28	0.15	0.05
Performance				
Return after charges	24.50%	(3.64%)	24.59%	(5.90%)
Other information				
Closing net asset value (£)	1,229,926	873,521	946,003	642,059
Closing number of units	543,859	475,334	408,512	345,430
Operating charges	0.97%	0.96%	0.97%	0.84%
Direct transaction costs	0.07%	0.14%	0.07%	0.02%
Prices				
Highest offer unit price (p)	242.1	219.4	246.3	213.1
Lowest bid unit price (p)	180.4	180.0	182.4	180.5

^ Rounded to 2 decimal places

** for the period 27 November 2014 to 30 September 2015.

*** for the period 23 June 2015 to 30 September 2015.

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 ongoing charges figure consists principally of the Manager'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 income	30.09.16	30.09.15
Annual management charge	1.22%	1.23%
Other expenses	0.12%	0.12%
Ongoing charges figure	<u>1.34%</u>	<u>1.35%</u>
A accumulation	30.09.16*	
Annual management charge	..**	
Other expenses	0.12%	
Ongoing charges figure	<u>0.12%</u>	
B income	30.09.16	30.09.15^
Annual management charge	0.85%	0.84%
Other expenses	0.12%	0.12%
Ongoing charges figure	<u>0.97%</u>	<u>0.96%</u>
B accumulation	30.09.16	30.09.15^^
Annual management charge	0.85%	0.72%
Other expenses	0.12%	0.12%
Ongoing charges figure	<u>0.97%</u>	<u>0.84%</u>

* Annualised based on the expenses incurred during the period 28 September 2016 to 30 September 2016.

** There has been no annual management charge for A accumulation units in the period 28 September 2016 to 30 September 2016.

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

^^ Annualised based on the expenses incurred during the period 23 June 2015 to 30 September 2015.

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

Financial statements - SVS Church House Esk Global Equity Fund

Statement of total return

for the year ended 30 September 2016

	Notes	2016		2015	
		£	£	£	£
Income:					
Net capital gains / (losses)	2		4,012,712		(152,291)
Revenue	3	475,600		401,622	
Expenses	4	<u>(245,564)</u>		<u>(207,825)</u>	
Net revenue before taxation		230,036		193,797	
Taxation	5	<u>(44,479)</u>		<u>(33,836)</u>	
Net revenue after taxation			<u>185,557</u>		<u>159,961</u>
Total return before distributions			4,198,269		7,670
Distributions	6		(185,511)		(159,972)
Change in net assets attributable to unitholders from investment activities			<u>4,012,758</u>		<u>(152,302)</u>

Statement of change in net assets attributable to unitholders

for the year ended 30 September 2016

		2016		2015	
		£	£	£	£
Opening net assets attributable to unitholders			15,843,274		14,109,540
Amounts receivable on issue of units		2,862,573		2,880,788	
Amounts payable on cancellation of units		<u>(356,403)</u>		<u>(996,952)</u>	
			2,506,170		1,883,836
Change in net assets attributable to unitholders from investment activities			4,012,758		(152,302)
Retained distributions on accumulation units			10,693		2,200
Closing net assets attributable to unitholders			<u>22,372,895</u>		<u>15,843,274</u>

Balance sheet
as at 30 September 2016

	Notes	2016 £	2015 £
Assets:			
Fixed assets:			
Investments		21,933,287	15,380,939
Current assets:			
Debtors	7	67,757	45,432
Cash and bank balances	8	485,363	531,674
Total assets		<u>22,486,407</u>	<u>15,958,045</u>
Liabilities:			
Creditors:			
Bank overdrafts	8	-	(7,868)
Distribution payable	6	(105,789)	(100,613)
Other creditors	9	(7,723)	(6,290)
Total liabilities		<u>(113,512)</u>	<u>(114,771)</u>
Net assets attributable to unitholders		<u>22,372,895</u>	<u>15,843,274</u>

Notes to the financial statements

for the year ended 30 September 2016

1. Accounting policies

The accounting policies are disclosed on pages 6 to 8.

2. Net capital gains / (losses)	2016	2015
	£	£
Non-derivative securities - realised (losses) / gains	(206,291)	553,654
Non-derivative securities - movement in unrealised gains / (losses)	4,229,488	(726,340)
Currency (losses) / gains	(9,388)	21,879
Transaction charges	(1,097)	(1,484)
Total net capital gains / (losses)	<u>4,012,712</u>	<u>(152,291)</u>

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

3. Revenue	2016	2015
	£	£
Franked revenue	103,534	118,416
Unfranked revenue	1,780	666
Overseas revenue	357,122	271,473
Interest on debt securities	13,164	927
Stock dividends	-	10,140
Total revenue	<u>475,600</u>	<u>401,622</u>

4. Expenses	2016	2015
	£	£
Payable to the Manager and associates		
Annual management charge	222,720	189,949
Registration fees	430	385
	<u>223,150</u>	<u>190,334</u>
Payable to the Trustee		
Trustee fees	<u>7,002</u>	<u>7,497</u>
Other expenses:		
Audit fee	6,120	4,680
Safe custody fees	5,339	4,103
Bank interest	622	105
FCA fee	60	135
KIID production fee	1,111	971
Publication fee	1,560	-
Legal fee	600	-
	<u>15,412</u>	<u>9,994</u>
Total expenses	<u>245,564</u>	<u>207,825</u>

5. Taxation	2016	2015
	£	£
<i>a. Analysis of the tax charge for the year</i>		
Overseas tax withheld	<u>44,479</u>	<u>33,836</u>
Total current taxation (note 5b)	<u>44,479</u>	<u>33,836</u>

Notes to the financial statements (continued)

for the year ended 30 September 2016

5. Taxation (continued)

b. Factors affecting the tax charge for the year

The tax assessed for the year is lower (2015: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2015: 20%). The differences are explained below:

	2016	2015
	£	£
Net revenue before taxation	<u>230,036</u>	<u>193,797</u>
Corporation tax @ 20%	46,007	38,759
Effects of:		
Franked revenue	(20,707)	(23,683)
Overseas revenue	(70,795)	(56,322)
Overseas tax withheld	44,479	33,836
Expenses not deductible for tax purposes	120	-
Excess management expenses	<u>45,375</u>	<u>41,246</u>
Total taxation (note 5a)	<u>44,479</u>	<u>33,836</u>

c. Provision for deferred taxation

At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of asset not recognised is £313,670 (2015: £268,295).

6. Distributions

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

	2016	2015
	£	£
Interim income distribution	75,745	60,126
Interim accumulation distribution	4,531	-
Final income distribution	105,789	100,613
Final accumulation distribution	<u>6,162</u>	<u>2,200</u>
	192,227	162,939
Equalisation:		
Amounts deducted on cancellation of units	837	1,528
Amounts added on issue of units	(7,541)	(4,754)
Net equalisation on conversions	<u>(12)</u>	<u>259</u>
Total net distributions	<u>185,511</u>	<u>159,972</u>
Reconciliation between net revenue and distributions:	2016	2015
	£	£
Net revenue after taxation per Statement of total return	185,557	159,961
Undistributed revenue brought forward	17	28
Undistributed revenue carried forward	<u>(63)</u>	<u>(17)</u>
Distributions	<u>185,511</u>	<u>159,972</u>

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

Notes to the financial statements (continued)

for the year ended 30 September 2016

7. Debtors	2016	2015
	£	£
Amounts receivable on issue of units	7,488	7,865
Accrued revenue	13,220	16,287
Recoverable overseas withholding tax	46,139	20,806
Prepaid expenses	310	474
Recoverable income tax	600	-
Total debtors	<u>67,757</u>	<u>45,432</u>
8. Cash and bank balances	2016	2015
	£	£
Bank balances	485,363	531,674
Bank overdraft	-	(7,868)
Total cash and bank balances	<u>485,363</u>	<u>523,806</u>
9. Other creditors	2016	2015
	£	£
Amounts payable on cancellation of units	109	84
Other expenses:		
Trustee fees	-	10
Safe custody fees	2,061	1,221
Audit fee	5,400	4,680
FCA fee	-	68
Transaction charges	153	227
Total accrued expenses	<u>7,614</u>	<u>6,206</u>
Total other creditors	<u>7,723</u>	<u>6,290</u>

10. Commitments and contingent liabilities

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

11. Unit classes

The Fund currently has four unit classes available in the Fund: A income, A accumulation, B income and B accumulation. The current annual management charge on each unit class is as follows:

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

	A income
Opening units in issue	7,795,927
Total units issued in the year	1,232,257
Total units cancelled in the year	(92,105)
Total units converted in the year	(6,368)
Closing units in issue	<u>8,929,711</u>
	A accumulation
Opening units in issue	-
Total units issued in the year	<u>2,202</u>
Closing units in issue	<u>2,202</u>

Notes to the financial statements (continued)

for the year ended 30 September 2016

11. Unit classes (continued)

	B income
Opening units in issue	475,334
Total units issued in the year	98,774
Total units cancelled in the year	(41,743)
Total units converted in the year	11,494
Closing units in issue	<u>543,859</u>
	B accumulation
Opening units in issue	345,430
Total units issued in the year	112,141
Total units cancelled in the year	(43,986)
Total units converted in the year	(5,073)
Closing units in issue	<u>408,512</u>

The annual management charge for each unit class is as follows:

A income and A accumulation	1.25%
B income and B accumulation	0.875%

A income and A accumulation

The annual management charge is 1.25% per annum and is based on the net asset value of the Fund less the market value of collectives managed by the Investment Adviser. The Investment Adviser's fee and the Manager's periodic charge are included in the annual management charge.

B income and B accumulation

The annual management charge is 0.875% per annum and is based on the net asset value of the Fund less the market value of collectives managed by the Investment Adviser. The Investment Adviser's fee and the Manager's periodic charge are included in the annual management charge.

The Manager's periodic charge is 0.15% on the first £100m, 0.125% on the next £50m, 0.1% on the next £50m and 0.8% on any remaining balance, subject to a minimum of £16,500 per annum. The remainder of the annual management charge is paid to the Investment Adviser.

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

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

12. Related party transactions

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

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

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

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

Security	Holding 2016	Holding 2015
SVS Church House Deep Value Investment Fund	210,000	210,000

Notes to the financial statements (continued)

for the year ended 30 September 2016

12. Related party transactions (continued)

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

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

	2016	2015
Caytrust Finance Company Limited	55%	61%
Church House Investments Limited	35%	29%

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A income unit has decreased from 226.1p to 224.6p, the B income unit has decreased from 226.1p to 224.8p, the A accumulation unit has decreased from 227.8p to 226.2p and the B accumulation unit has decreased from 231.6p to 230.2p as at 5 December 2016. This movement takes into account routine transactions but also reflects the market movements of recent months.

Subsequent to the year end, effective from 1 November 2016, the Manager's periodic charge has decreased from 0.15% on the first £100m, 0.125% on the next £50m, 0.1% on the next £50m and 0.8% on any remaining balance to 0.15% on the first £50m, 0.125% on the next £50m, 0.1% on the next £50m, 0.08% on the next £50m and 0.05% on any remaining balance, subject to a minimum of £16,500 per annum.

Notes to the financial statements (continued)

for the year ended 30 September 2016

14. Transaction costs

a Direct transaction costs

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

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

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

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

	2016	% of purchases by asset class	2015	% of purchases by asset class
Purchases:	£		£	
Equities - purchases before transaction costs	<u>5,119,740</u>		<u>6,947,817</u>	
Commission	8,064	0.16%	16,763	0.24%
Taxes	1,921	0.04%	171	0.00%
Financial transaction tax	259	0.00%	-	-
Total direct transaction costs - Equities	<u>10,244</u>	0.20%	<u>16,934</u>	0.24%
Equities - purchases after direct transaction costs	<u>5,129,984</u>		<u>6,964,751</u>	
Total purchases after direct transaction costs	<u>5,129,984</u>		<u>6,964,751</u>	
Sales:	2016	% of sales by asset class	2015	% of sales by asset class
	£		£	
Equities - sales before transaction costs	<u>2,457,724</u>		<u>4,436,929</u>	
Commission	(3,672)	0.15%	(7,069)	0.16%
Taxes	(24)	0.00%	(1)	0.00%
Total direct transaction costs - Equities	<u>(3,696)</u>	0.15%	<u>(7,070)</u>	0.16%
Equities - sales after direct transaction costs	<u>2,454,028</u>		<u>4,429,859</u>	
Total sales after direct transaction costs	<u>2,454,028</u>		<u>4,429,859</u>	
Capital events [^]	<u>149,517</u>		<u>1,655</u>	

[^] The total sales exclude capital events as there were no direct transaction costs charged in these transactions.

Notes to the financial statements (continued)

for the year ended 30 September 2016

14. Transaction costs (continued)

a Direct transaction costs (continued)

Summary of direct transaction costs

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

	2016	% of average net asset value	2015	% of average net asset value
	£		£	
Commission	11,736	0.06%	23,832	0.15%
Taxes	1,945	0.01%	172	0.00%
Financial transaction tax	259	0.00%	-	-

b Average portfolio dealing spread

The average 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 0.09% (2015: 0.12%).

Notes to the financial statements (continued)

for the year ended 30 September 2016

15. Risk management policies

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

a Market risk

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

(i) Other price risk

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

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

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

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

(ii) Currency risk

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

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

The foreign currency risk profile of the 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
2016	£	£	£
Euro	5,169,827	24,182	5,194,009
US dollar	9,561,841	4,613	9,566,454
Swiss franc	964,582	21,123	985,705
Japanese yen	557,258	2,397	559,655
Danish krone	1,300,674	3,409	1,304,083
Swedish krona	492,183	-	492,183
Total foreign currency exposure	18,046,365	55,724	18,102,089

Notes to the financial statements (continued)

for the year ended 30 September 2016

15. Risk management policies (continued)

a Market risk (continued)

(ii) Currency risk (continued)

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2015	£	£	£
Euro	3,176,765	10,291	3,187,056
US dollar	5,914,123	6,404	5,920,527
Swiss franc	1,155,131	13,672	1,168,803
Japanese yen	321,364	1,215	322,579
Danish krone	454,336	851	455,187
Swedish krona	395,476	-	395,476
Total foreign currency exposure	<u>11,417,195</u>	<u>32,433</u>	<u>11,449,628</u>

(iii) Interest rate risk

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

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

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

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

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

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

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2016	£	£	£	£	£	£
UK sterling	116,763	-	-	4,267,555	(113,512)	4,270,806
Euro	190,235	-	225,123	4,778,651	-	5,194,009
US dollar	178,365	-	-	9,388,089	-	9,566,454
Swiss franc	-	-	-	985,705	-	985,705
Danish krone	-	-	-	1,304,083	-	1,304,083
Japanese yen	-	-	-	559,655	-	559,655
Swedish krona	-	-	-	492,183	-	492,183
	<u>485,363</u>	<u>-</u>	<u>225,123</u>	<u>21,775,921</u>	<u>(113,512)</u>	<u>22,372,895</u>

Notes to the financial statements (continued)

for the year ended 30 September 2016

15. Risk management policies (continued)

a Market risk (continued)

(iii) Interest rate risk (continued)

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2015	£	£	£	£	£	£
UK sterling	531,674	-	-	3,968,875	(106,903)	4,393,646
Euro	-	(30)	215,328	2,971,758	-	3,187,056
US dollar	-	(7,838)	-	5,928,365	-	5,920,527
Swiss franc	-	-	-	1,168,803	-	1,168,803
Danish krone	-	-	-	455,187	-	455,187
Japanese yen	-	-	-	322,579	-	322,579
Swedish krona	-	-	-	395,476	-	395,476
	<u>531,674</u>	<u>(7,868)</u>	<u>215,328</u>	<u>15,211,043</u>	<u>(106,903)</u>	<u>15,843,274</u>

b Credit risk

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

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

In addition to the interest rate risk, bond investments are exposed to issuer risk which reflects the ability for the bond issuer to meet its obligations to pay interest and return the capital on the redemption date. Change in issuer risk will change the value of the investments and are dealt with further in note 15a. The debt security held within the portfolio is an investment grade bond. The credit quality of the debt security is disclosed in the Portfolio statement.

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

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

c Liquidity risk

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

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

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

Notes to the financial statements (continued)

for the year ended 30 September 2016

15. Risk management policies (continued)

c Liquidity risk (continued)

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

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

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

All of the financial liabilities are payable on demand. In the case of forward foreign currency contracts these are payable in less than one year.

d Fair value of financial assets and financial liabilities

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

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

	Investment assets	Investment liabilities
Valuation technique	2016	2016
	£	£
Quoted prices in active markets	21,467,474	-
Inputs other than quoted prices that are observable	464,943	-
Inputs are unobservable and market data is unavailable	870	-
	<u>21,933,287</u>	<u>-</u>
	Investment assets	Investment liabilities
Valuation technique	2015	2015
	£	£
Quoted prices in active markets	14,948,516	-
Inputs other than quoted prices that are observable	430,998	-
Inputs are unobservable and market data is unavailable	1,425	-
	<u>15,380,939</u>	<u>-</u>

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

Ceravision: The fair value pricing committee feels that it is appropriate to value the units at £nil as the stock lacks a public market listing and no identifiable market over which to realise any value of the holding.

ULTra PRT: The fair value pricing committee feels that it is appropriate to value the units at £nil as the stock lacks a public market listing and no identifiable market over which to realise any value of the holding.

Notes to the financial statements (continued)

for the year ended 30 September 2016

15. Risk management policies (continued)

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 Fund may employ derivatives with the aim of reducing the Fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with efficient portfolio management.

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

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

During the year there were no derivative transactions.

(i) Counterparties

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

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

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

(ii) Leverage

There have been no leveraging arrangements in the year.

(iii) Global exposure

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

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

There have been no collateral arrangements in the year.

Distribution table

for the year ended 30 September 2016

Distributions on A income units in pence per unit

Payment date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.16	group 1	interim	0.810	-	0.810	0.730
31.05.16	group 2	interim	0.414	0.396	0.810	0.730
30.11.16	group 1	final	1.094	-	1.094	1.194
30.11.16	group 2	final	0.480	0.614	1.094	1.194

Distributions on A accumulation units in pence per unit

Allocation date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year
30.11.16	group 1	final	0.061	-	0.061
30.11.16	group 2	final	0.000	0.061	0.061

Distributions on B income units in pence per unit

Payment date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.16	group 1	interim	1.163	-	1.163	0.979
31.05.16	group 2	interim	0.643	0.520	1.163	0.979
30.11.16	group 1	final	1.489	-	1.489	1.584
30.11.16	group 2	final	0.644	0.845	1.489	1.584

Distributions on B accumulation units in pence per unit

Allocation date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.05.16	group 1	interim	1.179	-	1.179	-
31.05.16	group 2	interim	0.599	0.580	1.179	-
30.11.16	group 1	final	1.508	-	1.508	0.637
30.11.16	group 2	final	0.673	0.835	1.508	0.637

Equalisation

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

Accumulation distributions

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

Interim distributions:

- Group 1 Units purchased before 1 October 2015
- Group 2 Units purchased 1 October 2015 to 31 March 2016

Final distributions:

- Group 1 Units purchased before 1 April 2016
- Group 2 Units purchased 1 April 2016 to 30 September 2016

Further information

Distributions and reporting dates

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

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

Unitholders 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 units

The property of the Fund is valued at 12 noon every business day, and prices of units are calculated as at that time. Unit dealing is on a forward basis i.e. investors can buy and sell units at the next valuation point following receipt of the order.

A income and A accumulation

The minimum initial investment in the Fund is £50,000. The minimum subsequent investment is £25,000. The Manager reserves the right to terminate holdings where the value is less than £50,000.

B income and B accumulation

The minimum initial investment in the Fund is £100,000. The minimum subsequent investment is £100,000. The Manager reserves the right to terminate holdings where the value is less than £100,000.

Prices of units and the estimated yield of the Fund are published on the following website: www.fundlistings.com or may be obtained from the Manager by calling 0141 222 1150.

Management charges

The Manager may impose a charge on the purchase of units. The preliminary charge is 5.5%.

A income and A accumulation

The annual management charge is 1.25% per annum and is based on the net asset value of the Fund less the market value of collectives managed by the Investment Adviser. The Investment Adviser's fee and the Manager's periodic charge are included in the annual management charge.

B income and B accumulation

The annual management charge is 0.875% per annum and is based on the net asset value of the Fund less the market value of collectives managed by the Investment Adviser. The Investment Adviser's fee and the Manager's periodic charge are included in the annual management charge.

The Manager's periodic charge is 0.15% on the first £100m, 0.125% on the next £50m, 0.1% on the next £50m and 0.8% on any remaining balance, subject to a minimum of £16,500 per annum. The remainder of the annual management charge is paid to the Investment Adviser.

Further information (continued)

Capital Gains Tax

Authorised collective investment schemes, such as the Fund are exempt from capital gains tax.

You may be liable to capital gains tax when you sell all or some of your units if your total gains in the relevant tax year exceed the annual exemption. For the tax year 2016/2017, the first £11,100 of any gains is exempt for UK individuals and certain companies.

If investors are in any doubt as to their taxation position they should consult their professional adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.

Any references in this report to other investments held within the Fund should not be read as a recommendation to the investor to buy or sell, but are included as illustrations only. This is not an offer nor a solicitation to buy or sell any investment referred to in this document. The issuer and its affiliates and/or their officers, directors and employees may own or have positions in any investment mentioned herein or any investment related thereto and from time to time may add to or dispose of any such investment. The contents of this document are based upon sources of information believed to be reliable but no guarantee, warranty or representation, express or implied, is given to their accuracy or completeness.

Appointments

Manager and Registered office

St Vincent St Fund Administration (trading name of Smith & Williamson Fund Administration Limited)

25 Moorgate

London EC2R 6AY

Telephone: 020 7131 4000

Authorised and regulated by the Financial Conduct Authority

Administrator and Registrar

St Vincent St Fund Administration (trading name of Smith & Williamson Fund Administration Limited)

206 St. Vincent Street

Glasgow G2 5SG

Telephone: 0141 222 1151 (Registration)

0141 222 1150 (Dealing)

Authorised and regulated by the Financial Conduct Authority

Directors of the Manager

David Cobb

Giles Murphy

Jocelyn Dalrymple

Kevin Stopps

Paul Wyse

Peter Maher

Susan Shaw

James Gordon - appointed 21 January 2016

Sheridan Lees - resigned 3 February 2016

Tim Lyford - resigned 31 March 2016

Grant Hotson - appointed 22 August 2016

Tas Quayum - appointed 22 August 2016

Jeremy Boadle - resigned 31 October 2016

Investment Adviser

Church House Investments Limited

York House

6 Coldharbour

Shelbourne

Dorset DT9 4JW

Authorised and regulated by the Financial Conduct Authority

Trustee

National Westminster Bank Plc

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