

SVS Church House UK Managed Growth Fund

Annual Long Report

for the year ended 31 March 2017

Contents

	Page
Report of the Manager	2
Statement of the Manager's responsibilities	3
Report of the Trustee to the unitholders of SVS Church House UK Managed Growth Fund	4
Independent Auditor's report to the unitholders of SVS Church House UK Managed Growth Fund	5
Accounting policies of SVS Church House UK Managed Growth Fund	6
Investment Adviser's report	9
Summary of portfolio changes	11
Portfolio statement	12
Risk and reward profile	15
Comparative table	16
Ongoing charges figure	18
Financial statements:	
Statement of total return	19
Statement of change in net assets attributable to unitholders	19
Balance sheet	20
Notes to the financial statements	21
Distribution table	32
Further information	34
Appointments	36

SVS Church House UK Managed Growth Fund Report of the Manager

St Vincent St Fund Administration (trading name of Smith & Williamson Fund Administration Limited), as Manager, presents herewith the Annual Long Report ("the Report") for SVS Church House UK Managed Growth Fund for the year ended 31 March 2017.

SVS Church House UK Managed Growth Fund ("the Trust" or "the Fund") is an authorised unit trust scheme further to an authorisation order dated 10 May 2000 and is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ("COLL"), as issued and amended 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 the 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 provide investors with medium to long-term capital growth through an investment in a portfolio of UK equities. The Fund also seeks to manage growth with the option of investing a proportion of the portfolio in fixed interest securities, preference shares, listed investment funds and overseas securities.

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. COLL4.5.7A G 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

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

On 1 November 2016, the Manager's periodic charge changed as per the 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

Further information in relation to the Fund is illustrated on page 34.

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.

J. Gordon
Director
Smith & Williamson Fund Administration Limited
XX June 2017

B. McLean

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 UK Managed Growth Fund ("the Scheme")

Trustee's responsibilities

The Trustee must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's ("FCA") Collective Investment Schemes sourcebook ("COLL"), 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 Scheme and its investors.

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

The Trustee must ensure that:

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

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

Report of the Trustee to the unitholders of SVS Church House UK Managed Growth Fund

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

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

National Westminster Bank Plc
Trustee and Depositary Services
XX July 2016

Independent auditor's report to the unitholders of SVS Church House UK Managed Growth Fund ('the Trust')

We have audited the financial statements of the Trust for the year ended 31 March 2017 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes, Distribution Table for the Trust 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 31 March 2017 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.

Philip Merchant
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
XX June 2017

Accounting policies of SVS Church House UK Managed Growth Fund for the year ended 31 March 2017

a Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments. They have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and in accordance with the Statement of Recommended Practice for UK Authorised Funds ("the SORP") issued by The Investment Association in May 2014. 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 31 March 2017.

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

Investments are stated at their fair value at the balance sheet date. In determining fair value, the valuation point is global close of business on 31 March 2017 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.

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

Accounting policies of SVS Church House UK Managed Growth Fund (continued)

for the year ended 31 March 2017

d Revenue (continued)

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

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

e Expenses

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

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 31 March 2017 to pay more or less tax, at a future date, at rates expected to apply when they crystallise based on current rates and tax laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

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

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

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

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 relevant class on behalf of the unitholders.

Accounting policies of SVS Church House UK Managed Growth Fund (continued)
for the year ended 31 March 2017

i Distribution policies (continued)

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.

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 UK Managed Growth Fund Investment Adviser's report

Investment performance

Capital performance* over:	One year to 31.03.17	Three years to 31.03.17	Five years to 31.03.17
SVS Church House UK Managed Growth Fund	19.6%	22.7%	56.6%

* Percentage change in bid price of income units to 12pm on 31 March 2017.

Source: Bloomberg, Smith & Williamson.

Investment activities

We reported in October on activity in the first half of the year so these comments cover the latter six months of the Fund's year.

Over the final quarter of 2016, the 'international' allocation shrunk a shade following a reduction in the holding in JPMorgan Chase and sale of Novo Nordisk. JP Morgan, in common with most American banks, had jumped after the Presidential Election; combined with the weakness in sterling, a reduction was in order. On this side of the Atlantic, we added to the positions in Barclays and Lloyds Banking Group. At the end of October, Novo Nordisk released a dour statement with their figures and talk of reassessing long-term targets, redundancies and a challenging market environment. Quite reluctantly, we sold the shares; we hope this does not turn out to be folly.

UK investments represent a larger proportion following the UK bank purchases mentioned above and a further addition to the holding in Wm Morrison Supermarkets, which has built on a recovery from the depths of summer 2016.

The first quarter of 2017 was a quiet period for the portfolio, with turnover at the lowest level for some time. Volatility in the price of units in the Fund is now matching the lowest levels since we started operating it in 2000.

Looking around the sectors: we remain under-weight in the oil & gas sector but expect to take up our rights to new shares in Tullow Oil and have held on to our position in John Wood Group, following their bid for Amec Foster Wheeler. In basic materials, we added to the holding in BHP Billiton late in the period but have not changed any of the Industrials holdings during a quarter when the sector returned to favour. Halma produced good figures and returned to being the largest holding in the portfolio.

Top 15 Holdings 31 March 2017

Halma	2.9%
BP	2.9%
RELX	2.8%
HSBC Holdings	2.8%
Microsoft	2.7%
Unilever	2.7%
Barclays	2.6%
Smith & Nephew	2.5%
Reckitt Benckiser Group	2.5%
Royal Dutch Shell 'B'	2.4%
JPMorgan Chase	2.4%
BHP Billiton	2.3%
Alphabet	2.3%
Prudential	2.3%
Berkshire Hathaway	2.3%

Investment Adviser's report (continued)

Investment activities (continued)

The consumer goods sectors provided good returns for us this quarter, notably from the holding in Unilever, which we have left unchanged. Berkeley Group Holdings has had a good quarter, while Anheuser-Busch Inbev and Monster Beverage have been dull.

Among consumer services sectors, we reduced Wm Morrison Supermarkets when their shares jumped to our first target level in January. We sold the disappointing holding in Pets at Home Group in favour of an addition to SuperGroup (Superdry is their trading name), which had, once again, produced excellent sales figures. We have continued to avoid the telecoms and utility sectors and left the technology holdings unchanged.

Among the financial sectors, the banks have been dull, but the life assurance and re-insurance holdings have done particularly well. Concerned with lower re-insurance rates, we reduced the holding in Everest Re Group after a strong period since June last year.

Investment strategy and outlook

Geopolitical events have pushed their way to the fore over the past couple of months. As is well known, President Trump's bombing of the Al Shayrat airfield in Syria ratcheted-up tensions in the region and between the US and Russia, while North Korea's belligerence raised fears of China becoming embroiled in a new Far Eastern conflict, which could drag in South Korea and Japan.

Politics of the more domestic variety was always going to be a feature of 2017 and this has now taken a fresh turn with Prime Minister May's call for an early general election. The run-in to the French presidential election appears to have been interminable, we hope that M Macron can clear the hurdle of the first round, at least we should know this result shortly. It is hard to recall a time when we have had French, German and UK elections in such a short period. Lurking in the background is the possibility of further Italian plebiscites after the failure of M Renzi's Constitutional Reform Referendum in December. Italy still has the ability to upset the European Union apple cart (assuming that M Macron has cleared the first French round, if not, France may do it).

At least it appears that the risk of an international trade war has been averted after the talks between Presidents Trump and Xi Jinping at Mar-a-Lago seemed to be more collaborative than combative. Let's hope that President Xi can also apply an appropriate dose of restraint to North Korea. Meanwhile, and it feels like an afterthought at the moment, world economic growth is going rather well and European and American growth is noticeably improving, with no obvious economic threat. Note also that the International Monetary Fund has just increased its forecast for UK economic growth again, along with an increase for world economic growth.

Income yields on fixed interest stocks in the UK and Europe have fallen back to extremely low levels, apparently priced to discount disaster (economic or political). Of course, these interest rates are distorted by central bank interference in the markets so we don't actually know what 'true' levels would be. By contrast, equity markets have remained buoyant and reflect the expectation of continuing economic recovery.

Church House Investments Limited
28 April 2017

Summary of portfolio changes
for the year ended 31 March 2017

	Cost	Sales	Proceeds
	£		£
Purchases			
Wm Morrison Supermarkets	858,044	Novo Nordisk	1,007,954
Blancco Technology Group	817,059	Royal Dutch Shell 'B'	881,170
ITV	736,285	Verizon Communications	829,444
accesso Technology Group	648,922	Aberforth Geared Income Trust	806,457
Berkeley Group Holdings	634,530	Fevertree Drinks	703,002
Craneware	577,405	Novae Group	694,008
Monster Beverage	567,134	Spectris	647,690
Tullow Oil	552,594	HSBC Holdings	571,365
Fevertree Drinks	507,462	Mercantile Investment Trust	506,584
Barclays	500,384	Pets at Home Group	486,790
Clinigen Group	437,531	SSE	441,704
Montanaro Asset Management	396,424	ARM Holdings	417,662
Patisserie Holdings	356,810	Standard Life	410,793
BHP Billiton	318,614	Montanaro Asset Management	402,886
Reckitt Benckiser Group	276,677	Everest Re Group	375,141
ARM Holdings	234,368	Wm Morrison Supermarkets	373,441
SuperGroup	225,796	Tullow Oil	370,765
Smith & Nephew	225,690	JPMorgan Chase	315,731
Microsoft	222,037	Skyepharma	238,723
Vectura Group	181,945	Johnson & Johnson	178,298

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 31 March 2017

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities 91.39% (95.25%)			
Equities incorporated in the United Kingdom 68.12% (69.65%)			
Oil & Gas 8.05% (8.32%)			
BP	370,000	1,692,935	2.86
John Wood Group	140,000	1,064,700	1.80
Royal Dutch Shell 'B'	65,000	1,419,925	2.40
Tullow Oil	250,000	584,250	0.99
		<u>4,761,810</u>	<u>8.05</u>
Basic Resources 4.46% (2.92%)			
BHP Billiton	110,000	1,357,400	2.29
Rio Tinto	40,000	1,283,200	2.17
		<u>2,640,600</u>	<u>4.46</u>
Industrial Goods & Services 10.98% (13.04%)			
AA	350,000	928,900	1.57
Babcock International Group	95,000	837,900	1.42
Diploma	125,000	1,322,500	2.24
Halma	170,000	1,740,800	2.94
Meggitt	180,000	801,540	1.35
Rolls-Royce Holdings	115,000	866,525	1.46
		<u>6,498,165</u>	<u>10.98</u>
Food & Beverage 1.54% (3.66%)			
Diageo	40,000	913,400	1.54
Personal & Household Goods 9.83% (7.82%)			
Berkeley Group Holdings	26,000	833,820	1.41
Imperial Brands	27,500	1,063,425	1.80
Reckitt Benckiser Group	20,000	1,457,200	2.46
SuperGroup	60,000	890,400	1.50
Unilever	40,000	1,575,800	2.66
		<u>5,820,645</u>	<u>9.83</u>
Health Care 8.11% (6.56%)			
Clinigen Group	160,000	1,269,600	2.15
Eco Animal Health Group	270,000	1,309,500	2.21
Smith & Nephew	120,000	1,458,000	2.46
Vectura Group	500,000	763,500	1.29
		<u>4,800,600</u>	<u>8.11</u>
Retail 1.22% (1.43%)			
Wm Morrison Supermarkets	300,000	720,000	1.22
Media 1.48% (0.00%)			
ITV	400,000	873,600	1.48

Portfolio statement (continued)

as at 31 March 2017

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities incorporated in the United Kingdom (continued)			
Travel & Leisure 4.25% (4.90%)			
Greene King	110,000	771,650	1.30
Patisserie Holdings	205,000	640,113	1.08
Whitbread	28,000	1,108,240	1.87
		<u>2,520,003</u>	<u>4.25</u>
Utilities 0.00% (0.90%)		-	-
Banks 7.45% (6.66%)			
Barclays	690,000	1,553,190	2.63
HSBC Holdings	250,000	1,627,250	2.75
Lloyds Banking Group	1,850,000	1,226,735	2.07
		<u>4,407,175</u>	<u>7.45</u>
Insurance 2.28% (4.60%)			
Prudential	80,000	1,348,000	2.28
Real Estate 1.93% (2.30%)			
Shaftesbury	125,000	1,144,375	1.93
Financial Services 3.00% (5.11%)			
Miton UK MicroCap Trust	963,000	563,355	0.95
Schroders	40,000	1,211,600	2.05
		<u>1,774,955</u>	<u>3.00</u>
Technology 3.54% (1.43%)			
accesso Technology Group	40,000	648,000	1.09
Blancco Technology Group	350,000	787,500	1.33
Craneware	55,000	662,750	1.12
		<u>2,098,250</u>	<u>3.54</u>
Total equities - incorporated in the United Kingdom		<u>40,321,578</u>	<u>68.12</u>
Equities - Europe 8.66% (11.46%)			
Equities - Belgium 2.23% (2.62%)			
Anheuser-Busch InBev	15,000	1,320,246	2.23
Denmark 0.00% (2.67%)		-	-
Equities - Netherlands 2.76% (2.70%)			
RELX	110,000	1,633,393	2.76
Equities - Sweden 1.60% (1.39%)			
Investor	28,000	946,759	1.60
Equities - Switzerland 2.07% (2.08%)			
Roche Holding	6,000	1,226,271	2.07
Total equities - Europe		<u>5,126,669</u>	<u>8.66</u>

Portfolio statement (continued)

as at 31 March 2017

Investment	Nominal value or holding	Market value £	% of total net assets
Equities - United States 12.71% (11.93%)			
Alphabet	2,000	1,355,991	2.29
Berkshire Hathaway	10,000	1,332,241	2.25
Johnson & Johnson	13,000	1,294,438	2.19
JPMorgan Chase	20,000	1,404,934	2.37
Microsoft	30,000	1,580,071	2.67
Monster Beverage	15,000	553,721	0.94
Total equities - United States		<u>7,521,396</u>	<u>12.71</u>
Equities - Bermuda 1.90% (2.21%)			
Everest Re Group	6,000	<u>1,121,884</u>	<u>1.90</u>
Total equities		<u>54,091,527</u>	<u>91.39</u>
UK Authorised Collective Investment Schemes 1.62% (1.50%)			
SVS Church House Deep Value Investment Fund #	700,000	<u>961,100</u>	<u>1.62</u>
Total UK authorised collective investment schemes		<u>961,100</u>	<u>1.62</u>
Portfolio of investments		55,052,627	93.01
Other net assets		4,140,026	6.99
Total net assets		<u>59,192,653</u>	<u>100.00</u>

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

The comparative figures in brackets are as at 31 March 2016.

Related party fund within the same corporate body as the Investment Adviser. The Fund is also managed by Smith & Williamson Fund Administration 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 is relevant 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.

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 price of natural resources may be subject to sudden, unexpected and substantial fluctuations. This may lead to significant declines in the values of any companies developing these resources in which the Fund invests and significantly impact investment performance.

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 units income launched on 10 May 2000 at 100.0p per unit.

A units accumulation launched on 10 May 2000 at 100.0p per unit.

	A units income			A units accumulation		
	2017 p	2016 p	2015 p	2017 p	2016 p	2015 p
Change in net assets per unit						
Opening net asset value per unit	136.36	142.99	133.30	158.36	164.14	150.85
Return before operating charges	31.11	(2.90)	13.34	36.23	(3.29)	15.72
Operating charges	(2.30)	(2.16)	(2.13)	(2.69)	(2.49)	(2.43)
Return after operating charges *	28.81	(5.06)	11.21	33.54	(5.78)	13.29
Distributions**	(1.74)	(1.57)	(1.52)	(2.02)	(1.82)	(1.73)
Retained distributions on accumulation units**	-	-	-	2.02	1.82	1.73
Closing net asset value per unit	163.43	136.36	142.99	191.90	158.36	164.14
* after direct transaction costs of:	0.18	0.31	0.21	0.21	0.35	0.24
Performance						
Return after charges***	21.12%	(3.54%)	8.41%	21.18%	(3.52%)	8.81%
Other information						
Closing net asset value (£)	49,364,559	41,572,084	44,274,997	5,910,827	5,343,466	7,355,283
Closing number of units	30,204,805	30,485,946	30,962,876	3,080,216	3,374,166	4,481,092
Ongoing charges	1.53%	1.56%	1.56%	1.53%	1.56%	1.56%
Direct transaction costs	0.12%	0.23%	0.15%	0.12%	0.22%	0.15%
Prices						
Highest offer price (p)	167.60	150.00	147.80	196.00	172.20	169.00
Lowest bid price (p)	133.90	122.80	126.40	155.50	142.00	144.50

** Rounded to 2 decimal places.

*** Based on bid pricing to close of business 31 March 2017.

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

Comparative table (continued)

B units accumulation launched on 23 June 2015 at 166.1p per unit.

B units income launched on 24 June 2015 at 145.0p per unit.

	B units income		B units accumulation	
	2017 p	2016 [^] p	2017 p	2016 ^{^^} p
Change in net assets per unit				
Opening net asset value per unit	137.65	145.00	160.27	166.10
Return before operating charges	31.47	(4.18)	36.78	(4.35)
Operating charges	(1.40)	(1.31)	(1.63)	(1.48)
Return after operating charges *	30.07	(5.49)	35.15	(5.83)
Distributions**	(2.69)	(1.86)	(3.20)	(2.17)
Retained distributions on accumulation units**	-	-	3.20	2.17
Closing net asset value per unit	165.03	137.65	195.42	160.27
* after direct transaction costs of:	0.18	0.13	0.21	0.16
Performance				
Return after charges***	21.85%	(3.79%)	21.93%	(3.51%)
Other information				
Closing net asset value (£)	964,617	658,808	2,952,650	2,030,234
Closing number of units	584,521	478,603	1,510,927	1,266,724
Operating charges	0.92%	0.94%	0.92%	0.94%
Direct transaction costs	0.12%	0.10%	0.12%	0.10%
Prices				
Highest offer price (p)	169.70	146.90	199.60	169.00
Lowest bid price (p)	135.30	124.30	157.50	143.60

[^] Annualised based on the expenses incurred during the period 24 June 2015 to 31 March 2016.

^{^^} Annualised based on the expenses incurred during the period 23 June 2015 to 31 March 2016.

** Rounded to 2 decimal places.

*** Based on bid pricing to close of business 31 March 2017.

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 units income	31.03.17	31.03.16
Annual management charge	1.47%	1.48%
Other expenses	0.06%	0.08%
Ongoing charges figure	<u>1.53%</u>	<u>1.56%</u>
A units accumulation	31.03.17	31.03.16
Annual management charge	1.47%	1.48%
Other expenses	0.06%	0.08%
Ongoing charges figure	<u>1.53%</u>	<u>1.56%</u>
B units income	31.03.17	31.03.16 [^]
Annual management charge	0.86%	0.86%
Other expenses	0.06%	0.08%
Ongoing charges figure	<u>0.92%</u>	<u>0.94%</u>
B units accumulation	31.03.17	31.03.16 ^{^^}
Annual management charge	0.86%	0.86%
Other expenses	0.06%	0.08%
Ongoing charges figure	<u>0.92%</u>	<u>0.94%</u>

[^] Annualised based on the expenses incurred during the period 24 June 2015 to 31 March 2016.

^{^^} Annualised based on the expenses incurred during the period 23 June 2015 to 31 March 2016.

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 UK Managed Growth Fund

Statement of total return

for the year ended 31 March 2017

	Notes	2017		2016	
		£	£	£	£
Income:					
Net capital gains / (losses)	2		9,882,358		(2,345,939)
Revenue	3	1,526,398		1,380,392	
Expenses	4	<u>(824,083)</u>		<u>(769,007)</u>	
Net revenue before taxation		702,315		611,385	
Taxation	5	<u>(52,899)</u>		<u>(38,856)</u>	
Net revenue after taxation			<u>649,416</u>		<u>572,529</u>
Total return before distributions			10,531,774		(1,773,410)
Distributions	6		(649,424)		(572,330)
Change in net assets attributable to unitholders from investment activities			<u>9,882,350</u>		<u>(2,345,740)</u>

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2017

		2017		2016	
		£	£	£	£
Opening net assets attributable to unitholders			49,604,592		51,630,280
Amounts receivable on issue of units		4,088,617		3,776,931	
Amounts payable on cancellation of units		<u>(4,492,879)</u>		<u>(3,544,860)</u>	
			(404,262)		232,071
Stamp duty reserve tax			1,164		-
Change in net assets attributable to unitholders from investment activities			9,882,350		(2,345,740)
Retained distributions on accumulation units			108,809		87,981
Closing net assets attributable to unitholders			<u>59,192,653</u>		<u>49,604,592</u>

Balance sheet
as at 31 March 2017

	Notes	2017 £	2016 £
Assets:			
Fixed assets:			
Investments		55,052,627	47,992,300
Current assets:			
Debtors	7	455,533	359,039
Cash and bank balances	8	3,935,802	1,494,770
		<u>59,443,962</u>	<u>49,846,109</u>
Liabilities:			
Creditors:			
Distribution payable	6	(185,195)	(202,269)
Other creditors	9	(66,114)	(39,248)
Total liabilities		<u>(251,309)</u>	<u>(241,517)</u>
Net assets attributable to unitholders		<u>59,192,653</u>	<u>49,604,592</u>

Notes to the financial statements

for the year ended 31 March 2017

1. Accounting policies

The accounting policies are disclosed on pages 6 to 8.

2. Net capital gains / (losses)	2017	2016
	£	£
Non-derivative securities - realised gains	2,938,066	538,889
Non-derivative securities - movement in unrealised gains / (losses)	6,944,194	(2,876,916)
Currency gains / (losses)	991	(6,331)
Transaction charges	(893)	(1,581)
Total net capital gains / (losses)	<u>9,882,358</u>	<u>(2,345,939)</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 gain/(loss) is included in unrealised gains/(losses).

3. Revenue	2017	2016
	£	£
Franked revenue	1,222,937	1,046,659
Unfranked revenue	12,063	-
Overseas revenue	291,359	312,497
Bank and deposit interest	39	-
Stock dividends	-	21,236
Total revenue	<u>1,526,398</u>	<u>1,380,392</u>

4. Expenses	2017	2016
	£	£
Payable to the Manager and associates		
Manager's periodic charge	81,445	74,908
Investment management fees	709,713	660,558
Annual management charge rebates	-	(4,821)
Registration fees	416	405
	<u>791,574</u>	<u>731,050</u>
Payable to the Trustee		
Trustee fees	<u>17,951</u>	<u>22,717</u>
Other expenses:		
Audit fee	5,940	6,120
Safe custody fees	5,883	7,021
Bank interest	-	150
FCA fee	65	96
KIID production fee	1,110	1,253
Publication fee	1,560	-
Legal fee	-	600
	<u>14,558</u>	<u>15,240</u>
Total expenses	<u>824,083</u>	<u>769,007</u>

Notes to the financial statements (continued)

for the year ended 31 March 2017

5. Taxation	2017	2016
	£	£
<i>a. Analysis of the tax charge for the year</i>		
Overseas tax withheld	52,899	38,856
Total taxation (note 5b)	<u>52,899</u>	<u>38,856</u>

b. Factors affecting the tax charge for the year

The tax assessed for the year is lower (2016: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2016: 20%). The differences are explained below:

	2017	2016
	£	£
Net revenue before taxation	<u>702,315</u>	<u>611,385</u>
Corporation tax @ 20%	140,463	122,277
Effects of:		
Franked revenue	(244,587)	(213,579)
Overseas revenue	(58,272)	(62,499)
Overseas tax withheld	52,899	38,856
Expenses not deductible for tax purposes	-	120
Excess management expenses	<u>162,396</u>	<u>153,681</u>
Total taxation (note 5a)	<u>52,899</u>	<u>38,856</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 £1,679,221 (2016: £1,516,825).

The prior year excess management expense has been restated due to a change in the prior period tax treatment of legal fees.

6. Distributions

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

	2017	2016
	£	£
Interim income distribution	360,545	280,453
Interim accumulation distribution	67,912	47,069
Final income distribution	185,195	202,269
Final accumulation distribution	<u>40,897</u>	<u>40,912</u>
	654,549	570,703
Equalisation:		
Amounts deducted on cancellation of units	9,890	8,467
Amounts added on issue of units	(14,995)	(8,418)
Net equalisation on conversions	<u>(20)</u>	<u>1,578</u>
Total net distributions	<u>649,424</u>	<u>572,330</u>

Notes to the financial statements (continued)

for the year ended 31 March 2017

6. Distributions (continued)

Reconciliation between net revenue and distributions:	2017	2016
	£	£
Net revenue after taxation per Statement of total return	649,416	572,529
Undistributed revenue brought forward	315	116
Undistributed revenue carried forward	(307)	(315)
Distributions	<u>649,424</u>	<u>572,330</u>

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

7. Debtors

	2017	2016
	£	£
Amounts receivable on issue of units	228,120	145,796
Accrued revenue	205,933	179,728
Recoverable overseas withholding tax	21,480	33,515
Total debtors	<u>455,533</u>	<u>359,039</u>

8. Cash and bank balances

	2017	2016
	£	£
Total cash and bank balances	<u>3,935,802</u>	<u>1,494,770</u>

9. Other creditors

	2017	2016
	£	£
Amounts payable on cancellation of units	54,984	32,077
Accrued expenses:		
Payable to the Manager and associates		
Registration fees	-	99
	-	99
Other expenses:		
Safe custody fees	4,471	601
Audit fee	5,940	6,120
KIID production fee	278	278
Transaction charges	441	73
	<u>11,130</u>	<u>7,072</u>
Total accrued expenses	<u>11,130</u>	<u>7,171</u>
Total other creditors	<u>66,114</u>	<u>39,248</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; A units income, A units accumulation, B units income and B units accumulation.

Notes to the financial statements (continued)

for the year ended 31 March 2017

11. Unit classes (continued)

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

	A units income
Opening units in issue	30,485,946
Total units issued in the year	1,938,562
Total units cancelled in the year	(2,196,174)
Total units converted in the year	(23,529)
Closing units in issue	<u>30,204,805</u>
	A units accumulation
Opening units in issue	3,374,166
Total units issued in the year	51,512
Total units cancelled in the year	(353,842)
Total units converted in the year	8,380
Closing units in issue	<u>3,080,216</u>
	B units income
Opening units in issue	478,603
Total units issued in the year	171,157
Total units cancelled in the year	(88,500)
Total units converted in the year	23,261
Closing units in issue	<u>584,521</u>
	B units accumulation
Opening units in issue	1,266,724
Total units issued in the year	440,440
Total units cancelled in the year	(188,017)
Total units converted in the year	(8,220)
Closing units in issue	<u>1,510,927</u>

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

A units income	1.50%
A units accumulation	1.50%
B units income	0.875%
B units accumulation	0.875%

The annual management charge is calculated on the net asset value of the unit classes excluding the value of securities managed by the Investment Adviser and includes the Manager's periodic charge and Investment Adviser's fee.

From 1 November 2016, the Manager's periodic charge is as follows, subject to a minimum of £33,000 per annum:

Funds under management	Manager's periodic charge %
<£50 million	0.150
£50 million to <£100 million	0.125
£100 million to <£150 million	0.100
£150 million to <£200 million	0.080
on the remaining balance	0.050

Notes to the financial statements (continued)

for the year ended 31 March 2017

11. Unit classes (continued)

Prior to 1 November 2016, the Manager's periodic was as follows, subject to a minimum of £16,500 per annum:

Funds under management	Manager's periodic charge %
< £100 million	0.150
£100 million to <£150 million	0.125
£150 million to <£200 million	0.100
on the remaining balance	0.080

The Investment Adviser's fee is the remainder of the annual management charge after payment of the Manager's periodic charge.

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

12. Related party transactions

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

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

Amounts payable to the Manager and its associates are disclosed in note 4. The amount due from the Manager and its associates at the balance sheet date is disclosed in note 7.

The following security held in the portfolio of investments is a related party as it is managed within the same corporate body as the Investment Adviser:

Security	Holding 2017	Holding 2016
SVS Church House Deep Value Investment Fund	700,000	700,000

No related party transactions took place during the year.

A director of the Manager, the Investment Adviser or a body corporate within the same group as the Manager or Investment Adviser may have significant influence over the financial and operating policies of the Fund and as such are deemed to be a related party.

	2017	2016
Church House Investments Limited	92.49%	93.27%

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:

	2017	2016
Church House Investments Limited	92.49%	93.27%

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A units income has increased / decreased from xxxp to xxxp, the A units accumulation have increased / decreased from xxxp to xxxp, the B units income have increased / decreased from xxxp to xxxp and the B units accumulation have increased / decreased from xxxp to xxxp as at {DATE}. This movement takes into account routine transactions but also reflects the market movements of recent months.

Notes to the financial statements (continued)

for the year ended 31 March 2017

14. Transaction costs

a Direct transaction costs

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

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

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

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

Purchases:	2017 £	% of total purchases	2016 £	% of total purchases
Equities - purchases before transaction costs	<u>10,106,200</u>		<u>15,819,953</u>	
Commission	17,053	0.17%	39,283	0.25%
Taxes	29,421	0.29%	49,466	0.31%
Total direct transaction costs - equities	<u>46,474</u>	0.46%	<u>88,749</u>	0.56%
Equities - purchases after direct transaction costs	<u>10,152,674</u>		<u>15,908,702</u>	
Total purchases after direct transaction costs	<u>10,152,674</u>		<u>15,908,702</u>	
Capital events [^]	<u>-</u>		<u>263,374</u>	

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

Sales:	2017 £	% of total sales	2016 £	% of total sales
Equities - sales before transaction costs	<u>10,677,937</u>		<u>14,238,104</u>	
Commission	(18,292)	0.17%	(23,792)	0.17%
Taxes	(37)	0.00%	(48)	0.00%
Total direct transaction costs - equities	<u>(18,329)</u>	0.17%	<u>(23,840)</u>	0.17%
Equities - sales after direct transaction costs	<u>10,659,608</u>		<u>14,214,264</u>	
Total sales after direct transaction costs	<u>10,659,608</u>		<u>14,214,264</u>	
Capital events [^]	<u>2,315,000</u>		<u>876,000</u>	

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

Notes to the financial statements (continued)

for the year ended 31 March 2017

14. Transaction costs

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:

	2017	% of average net asset value	2016	% of average net asset value
	£		£	
Commission	35,345	0.06%	63,075	0.13%
Taxes	29,458	0.05%	49,514	0.10%

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 0.35% (2016: 0.22%).

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 elements of the portfolio of investments which are exposed to this risk are equities and collective investment schemes which are disclosed in the Portfolio statement.

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

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

At 31 March 2017, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to the unitholders would increase or decrease by approximately £2,752,631 (2016: £2,399,615).

Notes to the financial statements (continued)

for the year ended 31 March 2017

15. Risk management policies

a Market risk (continued)

(ii) Currency risk

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

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

The 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
2017	£	£	£
Euro	2,953,640	13,885	2,967,525
US dollar	9,019,795	59,738	9,079,533
Swiss franc	1,226,270	-	1,226,270
Danish krone	-	7,595	7,595
Swedish krona	946,759	-	946,759
Total foreign currency exposure	14,146,464	81,218	14,227,682

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2016	£	£	£
Euro	2,637,621	3,853	2,641,474
US dollar	7,017,247	-	7,017,247
Swiss franc	1,031,860	23,976	1,055,836
Danish krone	1,323,347	5,686	1,329,033
Swedish krona	690,402	-	690,402
Total foreign currency exposure	12,700,477	33,515	12,733,992

At 31 March 2017, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to the unitholders would increase or decrease by approximately £711,384 (2016: £636,700).

(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.

Notes to the financial statements (continued)

for the year ended 31 March 2017

15. Risk management policies (continued)

a Market risk (continued)

(iii) Interest rate risk (continued)

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

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

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

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

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

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

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.

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.

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.

Notes to the financial statements (continued)

for the year ended 31 March 2017

15. Risk management policies (continued)

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 2017 £	Investment liabilities 2017 £
Valuation technique		
Quoted prices in active markets	54,091,527	-
Inputs other than quoted prices that are observable	961,100	-
Inputs are unobservable and market data is unavailable	-	-
	<u>55,052,627</u>	<u>-</u>

	Investment assets 2016 £	Investment liabilities 2016 £
Valuation technique		
Quoted prices in active markets	47,250,300	-
Inputs other than quoted prices that are observable	742,000	-
Inputs are unobservable and market data is unavailable	-	-
	<u>47,992,300</u>	<u>-</u>

No securities in the portfolio of investments are valued using valuation techniques.

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.

Notes to the financial statements (continued)

for the year ended 31 March 2017

15. Risk management policies (continued)

f Derivatives (continued)

(i) Counterparties

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

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

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

(ii) Leverage

There have been no leveraging arrangements in the year.

(iii) Global exposure

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

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

There have been no collateral arrangements in the year.

Distribution table

for the year ended 31 March 2017

Distributions on A units income in pence per unit

Payment date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
30.11.16	group 1	interim	1.143	-	1.143	0.920
30.11.16	group 2	interim	0.603	0.540	1.143	0.920
328.908						
31.05.17	group 1	final	0.592	-	0.592	0.647
31.05.17	group 2	final	0.342	0.250	0.592	0.647

Distributions on B units income in pence per unit

Allocation date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
30.11.16	group 1	interim	1.602	-	1.602	0.810
30.11.16	group 2	interim	1.048	0.554	1.602	0.810
31.05.17	group 1	final	1.092	-	1.092	1.050
31.05.17	group 2	final	0.029	1.063	1.092	1.050

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.

Interim distribution:

Group 1 Units purchased before 1 April 2016

Group 2 Units purchased 1 April 2016 to 30 September 2016

Final distribution:

Group 1 Units purchased before 1 October 2016

Group 2 Units purchased 1 October 2016 to 31 March 2017

Distribution table (continued)

for the year ended 31 March 2017

Distributions on A units Accumulation in pence per unit

Payment date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
30.11.16	group 1	interim	1.324	-	1.324	1.056
30.11.16	group 2	interim	0.753	0.571	1.324	1.056
31.05.17	group 1	final	0.692	-	0.692	0.756
31.05.17	group 2	final	0.434	0.258	0.692	0.756

Distributions on B units accumulation in pence per unit

Allocation date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
30.11.16	group 1	interim	1.902	-	1.902	0.955
30.11.16	group 2	interim	0.117	1.785	1.902	0.955
31.05.17	group 1	final	1.296	-	1.296	1.216
31.05.17	group 2	final	0.604	0.692	1.296	1.216

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 distribution:

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

Final distribution:

- Group 1 Units purchased before 1 October 2016
- Group 2 Units purchased 1 October 2016 to 31 March 2017

Further information

Distributions and reporting dates

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

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

Buying and selling units

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

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

A units income and A units accumulation

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

B units income and B units accumulation

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

Management charges

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

A units income and A units accumulation

Annual management charge : 1.50% per annum

B units income and B units accumulation

Annual management charge : 0.875% per annum

The annual management charge is calculated on the net asset value of the unit classes excluding the value of securities managed by the Investment Adviser and includes the Manager's periodic charge and Investment Adviser's fee.

The Manager's periodic charge is as follows, subject to a minimum of £33,000 per annum:

Funds under management	Manager's periodic charge %
<£50 million	0.150
£50 million to <£100 million	0.125
£100 million to <£150 million	0.100
£150 million to <£200 million	0.080
on the remaining balance	0.050

The Investment Adviser's fee is the remainder of the annual management charge after payment of the Manager's periodic charge.

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 2017/2018, the first £11,500 (2016/2017: £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)

328.908 0141 222 1150 (Dealing)

Authorised and regulated by the Financial Conduct Authority

Directors of the Manager

Giles Murphy

Kevin Stopps

Paul Wyse

Jocelyn Dalrymple

David Cobb

Susan Shaw

Peter Maher

James Gordon

Grant Hotson - appointed 22 August 2016

Tas Quayum - appointed 22 August 2016

Brian McLean - appointed 17 February 2017

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

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