SVS Church House UK Managed Growth Fund

Annual Report

for the year ended 31 March 2018

Contents

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 Report for SVS Church House UK Managed Growth Fund for the year ended 31 March 2018.

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 published by the Financial Conduct Authority ("FCA").

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

The 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 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.

Changes affecting the Fund in the year

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

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

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

B. McLean　　　　J. Gordon
Directors
Smith & Williamson Fund Administration Limited
XX June 2018

Statement of the Manager's responsibilities

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

In preparing the financial statements the Manager is responsible for:

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

The Manager is responsible for the management of the Trust 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 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 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 revenue 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 Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Scheme.

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
30 June 2017

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

Opinion

We have audited the financial statements of the Trust for the year ended 31 March 2018 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 for the Trust and the accounting policies set out on pages 7 to 9.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Trust as at 31 March 2018 and of the net revenue and the net capital losses 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 UK Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The Manager (Smith & Williamson Fund Administration Limited) is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in Manager's Report for the financial year is consistent with the financial statements.

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.

Manager's responsibilities

As explained more fully in their statement set out on page 3, the Manager is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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

Grant Archer
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG
XX June 2018

Accounting policies of SVS Church House UK Managed Growth Fund

for the year ended 31 March 2018

a *Basis of accounting*

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

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 29 March 2018 being the last business day.

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 2018 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.

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.

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 2018 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.

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.

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.

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 UK Managed Growth Fund
Investment Adviser's report

Investment performance

Capital performance* over:	One year to 31.03.18	Three years to 31.03.18	Five years to 31.03.18
SVS Church House UK Managed Growth Fund	-0.5%	+13.7%	+33.1%

* Percentage change in bid price of A units income to 12pm on 29 March 2018.

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.

The portfolio had a rather busy final quarter of 2017. Berkeley Group Holdings, the housebuilder, was sold after strong performance post-Brexit referendum. Also gone from the portfolio is the holding in ITV, which had not done well and appeared to be under continuing pressure. We took the profit on the small holding in Tullow Oil in early November, only to be given an opportunity to replace the holding ten days later, which we duly took up. Johnson Matthey is a new holding that we have been building-up over the period. We like this specialty chemicals company with its strong position in clean-air vehicle emissions and which is now developing a new business in battery material technology.

Late in the period, we added to Meggitt and Rolls-Royce Holdings, expecting better news from civilian aerospace to out-weigh problems on the defence side.

The first quarter of 2018 continued to be a busy period for the portfolio as we sought to take advantage of the volatility in markets and individual share prices but only added one completely new holding: Strix Group. Strix Group are a manufacturer of kettle controls (i.e. the safety mechanisms), for c.40% of the world's kettle market. We met with management during January and liked the business.

One complete sale was the holding in Babcock International Group, unconvinced that they will be able to avoid the ill-wind that is blowing through the Support Services sector. We also sold most of the holding in the healthcare company BTG, which, though profitable, was sub-scale for the portfolio and in a sector coming under pressure. With cash-in-hand, we used the slump in early February to add to a number of core positions including BP, Diageo and Smith & Nephew and, among the financials, HSBC Holdings, Lloyds Banking Group and Prudential.

Top 15 Holdings 31 March 2018

Halma	3.2%
Microsoft	3.1%
BP	3.1%
HSBC Holdings	2.9%
Smith & Nephew	2.8%
Rio Tinto	2.7%
RELX	2.6%
BHP Billiton	2.6%
Prudential	2.6%
Unilever	2.5%
Diageo	2.5%
JPMorgan Chase	2.5%
Shaftesbury	2.5%
Everest Re Group	2.4%
Royal Dutch Shell 'B'	2.4%

Investment activities (continued)

Smith & Nephew jumps back into the top holdings after a strong quarter and the incremental purchase above. They have just appointed a new Chief Executive who must address their shortcomings versus US peers Stryker and Zimmer Biomet or they will fall prey to one of them. We also added to the holding in Everest Re Group, which now appears in the list. This reinsurer faced a dreadful year for catastrophic losses, along with all such companies. Shaftesbury re-appears in the list after an addition to this holding.

Investment strategy and outlook

Better news from Korea has been drowned-out by a cacophony of geo-political and economic noise around trade wars, Russian interference, interest rates and, above all, President Trump's obnoxious 'tweets'.

The fall of the Berlin Wall in 1989 and subsequent opening-up of Russia and Eastern Europe, combined with the meteoric rise of China, a boom in world trade and technological advances, have brought about a massive increase in prosperity.

President Trump now appears to be threatening free trade and, particularly, a trade war with China. While an ever more belligerent Russia, apparently happy to use biological warfare in England while supporting President Assad and befriending President Erdogan and the Iranian regime, brings a real chill to international relations. How depressing.

The complacency in US stock markets was shaken by a sharp break and ensuing volatility in early February 2018. Initially, they were spooked by rising interest rates after the January jobs report signalled higher wages than expected, then by President Trump's imposition of trade tariffs, largely aimed at China, and finally by problems at Facebook that reverberated around the 'tech' sector. A trade war and higher borrowing costs are not a good combination.

At present, our assumption is that President Trump's antagonistic moves on trade tariffs are actually his version of negotiation. Hopefully, President Xi's relatively measured response and offer to lower tariffs while opening other sectors to inward investment, might lead to a 'deal' that could ease tensions. But, it seems likely that this will resurface: America is not comfortable with China's rapid technological advance.

We expect America to lead the way with higher interest rates, the UK to follow with a base rate increase shortly and Europe to prevaricate further. Assuming that we are right about this turn in interest rates, it does present a more difficult environment in which to invest. That is why our fixed interest and absolute return portfolios are so cautiously placed.

However, it is probably too soon to write-off equity markets, which do not look as exposed as fixed interest. World economies are still on a growth path, as are corporate profits, and much of the current 'noise' around trade wars is, for the moment, just that. It would appear that last year's calm in equity markets was the exception and that volatility is back with us. While this brings some uncomfortable swings in valuation, it does also bring opportunities.

Church House Investments Limited
1 May 2018

Summary of portfolio changes

for the year ended 31 March 2018

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

	Cost
Purchases:	£
Land Securities Group	1,395,799
Shire	1,324,224
BB Healthcare Trust	1,233,100
Johnson Matthey	1,197,988
BTG	792,739
Strix Group	776,629
Tullow Oil	718,980
Hikma Pharmaceuticals	655,923
Diageo	634,510
Everest Re Group	339,491
Wm Morrison Supermarkets	317,058
Shaftesbury	287,820
Craneware	265,531
Investor 'B'	255,469
Lloyds Banking Group	239,274
Rio Tinto	196,077
Prudential	184,129
Imperial Brands	183,036
Schroders	169,777
Superdry	153,214

	Proceeds
Sales:	£
Berkeley Group Holdings	1,118,671
Vectura Group	765,365
AA	743,688
Patisserie Holdings	697,969
Babcock International Group	649,769
Greene King	622,911
Miton UK MicroCap Trust	605,475
Tullow Oil	605,206
ITV	593,929
BTG	566,355
Hikma Pharmaceuticals	416,367
Johnson & Johnson	298,915
Eco Animal Health Group	155,313
Tullow Oil Nil Paid	131,486

Portfolio statement
as at 31 March 2018

Investment	Nominal value or holding	Market value £	% of total net assets
Equities 94.12% (91.39%)			
Equities - United Kingdom 70.88% (68.12%)			
Equities incorporated in the United Kingdom 67.74% (68.12%)			
Oil & Gas 7.78% (8.05%)			
BP	395,000	1,892,445	3.06
John Wood Group	140,000	755,440	1.22
Royal Dutch Shell 'B'	65,000	1,480,050	2.39
Tullow Oil	350,000	684,775	1.11
		4,812,710	7.78
Chemicals 1.84% (0.00%)			
Johnson Matthey	37,500	1,140,000	1.84
Basic Resources 5.29% (4.46%)			
BHP Billiton	115,000	1,613,910	2.61
Rio Tinto	46,000	1,661,060	2.68
		3,274,970	5.29
Industrial Goods & Services 8.80% (10.98%)			
Diploma	125,000	1,425,000	2.30
Halma	170,000	2,004,300	3.24
Meggitt	205,000	885,190	1.43
Rolls-Royce Holdings	130,000	1,132,560	1.83
		5,447,050	8.80
Food & Beverage 2.53% (1.54%)			
Diageo	65,000	1,567,800	2.53
Personal & Household Goods 7.73% (9.83%)			
Imperial Brands	32,500	787,800	1.27
Reckitt Benckiser Group	22,000	1,326,820	2.14
Superdry	70,000	1,091,300	1.76
Unilever	40,000	1,582,200	2.56
		4,788,120	7.73
Health Care 7.73% (8.11%)			
BTG	50,000	338,000	0.55
Clinigen Group	160,000	1,426,400	2.30
Eco Animal Health Group	245,000	1,293,600	2.09
Smith & Nephew	130,000	1,729,650	2.79
		4,787,650	7.73
Retail 1.55% (1.22%)			
Wm Morrison Supermarkets	450,000	960,300	1.55
Media 0.00% (1.48%)		-	-

Portfolio statement (continued)

as at 31 March 2018

Investment	Nominal value or holding	Market value £	% of total net assets
Equities incorporated in the United Kingdom (continued)			
Travel & Leisure 1.67% (4.25%)			
Whitbread	28,000	1,036,000	1.67
Banks 7.50% (7.45%)			
Barclays	690,000	1,424,850	2.30
HSBC Holdings	270,000	1,796,310	2.90
Lloyds Banking Group	2,200,000	1,422,520	2.30
		4,643,680	7.50
Insurance 2.59% (2.28%)			
Prudential	90,000	1,600,650	2.59
Real Estate 4.50% (1.93%)			
Land Securities Group	135,000	1,265,085	2.04
Shaftesbury	155,000	1,521,325	2.46
		2,786,410	4.50
Financial Services 4.19% (3.00%)			
BB Healthcare Trust	1,100,000	1,155,000	1.87
Schroders	45,000	1,436,400	2.32
		2,591,400	4.19
Technology 4.04% (3.54%)			
accesso Technology Group	40,000	904,000	1.46
Blancco Technology Group	450,000	306,000	0.49
Craneware	75,000	1,293,750	2.09
		2,503,750	4.04
Total equities incorporated in the United Kingdom		41,940,490	67.74
Equities - incorporated outwith the United Kingdom 3.14% (0.00%)			
Industrial Goods & Services 1.12% (0.00%)			
Strix Group	550,000	696,300	1.12
Health Care 2.02% (0.00%)			
Shire	35,000	1,249,675	2.02
Total equities - incorporated outwith the United Kingdom		1,945,975	3.14
Total equities - United Kingdom		43,886,465	70.88
Equities - Europe 8.00% (8.66%)			
Equities - Belgium 2.02% (2.23%)			
Anheuser-Busch InBev	16,000	1,252,113	2.02

Portfolio statement (continued)
as at 31 March 2018

Investment	Nominal value or holding	Market value £	% of total net assets
Equities - Europe (continued)			
Equities - Netherlands 2.62% (2.76%)			
RELX	110,000	1,623,093	2.62
Equities - Sweden 1.78% (1.60%)			
Investor 'B'	35,000	1,103,488	1.78
Switzerland 1.58% (2.07%)			
Roche Holding	6,000	978,635	1.58
Total equities - Europe		4,957,329	8.00
Equities - United States 12.84% (12.71%)			
Alphabet	2,000	1,477,545	2.39
Berkshire Hathaway	10,000	1,422,369	2.30
Johnson & Johnson	10,000	913,530	1.48
JPMorgan Chase	20,000	1,567,437	2.53
Microsoft	30,000	1,951,240	3.15
Monster Beverage	15,000	611,634	0.99
Total equities - United States		7,943,755	12.84
Equities - Bermuda 2.40% (1.90%)			
Everest Re Group	8,100	1,482,805	2.40
Total equities		58,270,354	94.12
UK Authorised Collective Investment Schemes 1.63% (1.62%)			
SVS Church House Deep Value Investment Fund #	700,000	1,012,200	1.63
Total UK authorised collective investment schemes		1,012,200	1.63
Portfolio of investments		59,282,554	95.75
Other net assets		2,629,368	4.25
Total net assets		61,911,922	100.00

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

The comparative figures in brackets are as at 31 March 2017.

Related party security managed within the same corporate body as the Manager, 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 representative of all unit classes.

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

← Typically lower rewards, lower risk | Typically higher rewards, higher risk →

1	2	3	4	5	6	7

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

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

Where 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 gold or other 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.

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.

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

For further information please refer to the 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		
	2018	2017	2016	2018	2017	2016
	p	p	p	p	p	p
Change in net assets per unit						
Opening net asset value per unit	163.43	136.36	142.99	191.90	158.36	164.14
Return before operating charges	3.72	31.11	(2.90)	4.34	36.23	(3.29)
Operating charges	(2.58)	(2.30)	(2.16)	(3.04)	(2.69)	(2.49)
Return after operating charges *	1.14	28.81	(5.06)	1.30	33.54	(5.78)
Distributions^	(1.70)	(1.74)	(1.57)	(2.00)	(2.02)	(1.81)
Retained distributions on accumulation units^	-	-	-	2.00	2.02	1.81
Closing net asset value per unit	162.87	163.43	136.36	193.20	191.90	158.36
* after direct transaction costs of:	0.20	0.18	0.31	0.23	0.21	0.35
Performance						
Return after charges^^	0.70%	21.12%	(3.54%)	0.68%	21.18%	(3.52%)
Other information						
Closing net asset value (£)	51,132,267	49,364,559	41,572,084	5,681,611	5,910,827	5,343,466
Closing number of units	31,395,476	30,204,805	30,485,946	2,940,844	3,080,216	3,374,166
Ongoing charges	1.53%	1.53%	1.56%	1.53%	1.53%	1.56%
Direct transaction costs	0.11%	0.11%	0.23%	0.11%	0.11%	0.23%
Prices						
Highest unit price (p)	176.90	167.60	150.00	209.00	196.00	172.20
Lowest unit price (p)	161.30	133.90	122.80	189.90	155.50	142.00

^ Rounded to 2 decimal places.

^^ Based on bid pricing to close of business 31 March 2018.

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		
	2018	2017	2016	2018	2017	2016
	p		p	p		p
Change in net assets per unit						
Opening net asset value per unit	165.03	137.65	145.00	195.42	160.27	166.10
Return before operating charges	3.73	31.47	(4.18)	4.40	36.82	(4.35)
Operating charges	(1.52)	(1.40)	(1.31)	(1.84)	(1.67)	(1.48)
Return after operating charges *	2.21	30.07	(5.49)	2.56	35.15	(5.83)
Distributions^	(2.80)	(2.69)	(1.86)	(3.30)	(3.20)	(2.17)
Retained distributions on accumulation units^	-	-	-	3.30	3.20	2.17
Closing net asset value per unit	164.44	165.03	137.65	197.98	195.42	160.27
* after direct transaction costs of:	0.19	0.18	0.29	0.24	0.21	0.33
Performance						
Return after charges^^	1.34%	21.85%	(3.79%)	1.31%	21.93%	(3.51%)
Other information						
Closing net asset value (£)	1,776,358	964,617	658,808	3,321,686	2,952,650	2,030,234
Closing number of units	1,080,262	584,521	478,603	1,677,827	1,510,927	1,266,724
Ongoing charges	0.91%	0.92%	0.94%**	0.91%	0.92%	0.94%***
Direct transaction costs	0.11%	0.11%	0.23%	0.11%	0.11%	0.23%
Prices						
Highest unit price (p)	178.90	169.70	146.90	213.90	199.60	169.00
Lowest unit price (p)	163.30	135.30	124.30	193.50	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 2018.

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

Ongoing charges figure

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

A units income	31.03.18	31.03.17
Annual management charge	1.48%	1.47%
Other expenses	0.05%	0.06%
Ongoing charges figure	1.53%	1.53%

A units accumulation	31.03.18	31.03.17
Annual management charge	1.48%	1.47%
Other expenses	0.05%	0.06%
Ongoing charges figure	1.53%	1.53%

B units income	31.03.18	31.03.17
Annual management charge	0.86%	0.86%
Other expenses	0.05%	0.06%
Ongoing charges figure	0.91%	0.92%

B units accumulation	31.03.18	31.03.17
Annual management charge	0.86%	0.86%
Other expenses	0.05%	0.06%
Ongoing charges figure	0.91%	0.92%

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 2018

	Notes	2018		2017	
		£	£	£	£
Income:					
Net capital (losses) / gains	2		(341,915)		9,882,358
Revenue	3	1,628,625		1,526,398	
Expenses	4	(929,043)		(824,083)	
Net revenue before taxation		699,582		702,315	
Taxation	5	(34,090)		(52,899)	
Net revenue after taxation			665,492		649,416
Total return before distributions			323,577		10,531,774
Distributions	6		(665,670)		(649,424)
Change in net assets attributable to unitholders from investment activities			(342,093)		9,882,350

Statement of change in net assets attributable to unitholders

for the year ended 31 March 2018

	2018		2017	
	£	£	£	£
Opening net assets attributable to unitholders		59,192,653		49,604,592
Amounts receivable on issue of units	6,170,129		4,088,617	
Amounts payable on cancellation of units	(3,224,652)		(4,492,879)	
		2,945,477		(404,262)
Stamp duty reserve tax		-		1,164
Change in net assets attributable to unitholders from investment activities		(342,093)		9,882,350
Retained distributions on accumulation units		558,641		108,809
Closing net assets attributable to unitholders		62,354,678		59,192,653

Balance sheet
as at 31 March 2018

	Notes	2018	2017
		£	£
Assets:			
Fixed assets:			
Investments		59,282,554	55,052,627
Current assets:			
Debtors	7	342,270	455,533
Cash and bank balances	8	3,243,267	3,935,802
Total assets		62,868,091	59,443,962
Liabilities:			
Creditors:			
Distribution payable		(209,370)	(185,195)
Other creditors	9	(746,799)	(66,114)
Total liabilities		(956,169)	(251,309)
Net assets attributable to unitholders		61,911,922	59,192,653

Notes to the financial statements

for the year ended 31 March 2018

1. Accounting policies

   The accounting policies are disclosed on pages 7 to 9.

2. Net capital (losses) / gains

	2018	2017
	£	£
Non-derivative securities - realised gains	128,751	2,938,066
Non-derivative securities - movement in unrealised (losses) / gains	(410,827)	6,944,194
Currency (losses) / gains	(53,700)	991
Forward currency contracts	(398)	-
Transaction charges	(5,741)	(893)
Total net capital (losses) / gains	(341,915)	9,882,358

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

	2018	2017
	£	£
Franked revenue	1,336,555	1,222,937
Unfranked revenue	20,192	12,063
Overseas revenue	271,207	291,359
Bank and deposit interest	671	39
Total revenue	1,628,625	1,526,398

4. Expenses

	2018	2017
	£	£
Payable to the Manager and associates		
Annual management charge	900,234	791,158
Registration fees	463	416
	900,697	791,574
Payable to the Trustee		
Trustee fees	20,423	17,951
Other expenses:		
Audit fee	6,180	5,940
Safe custody fees	185	5,883
Bank interest	359	-
FCA fee	55	65
KIID production fee	1,144	1,110
Publication fee	-	1,560
	7,923	14,558
Total expenses	929,043	824,083

5. Taxation

	2018	2017
	£	£
a. Analysis of the tax charge for the year		
Overseas tax withheld	34,090	52,899
Total taxation (note 5b)	34,090	52,899

b. Factors affecting the tax charge for the year

The tax assessed for the year is lower (2017: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2017: 20%). The differences are explained below:

	2018	2017
	£	£
Net revenue before taxation	699,582	702,315
Corporation tax @ 20%	139,916	140,463
Effects of:		
Franked revenue	(267,311)	(244,587)
Overseas revenue	(54,241)	(58,272)
Overseas tax withheld	34,090	52,899
Excess management expenses	181,636	162,396
Total taxation (note 5a)	34,090	52,899

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 £1,860,857 (2017: £1,679,221).

6. Distributions

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

	2018	2017
	£	£
Interim accumulation distribution	70,894	67,912
Interim income distribution	349,271	360,545
Final accumulation distribution	44,991	40,897
Final income distribution	209,370	185,195
	674,526	654,549
Equalisation:		
Amounts deducted on cancellation of units	7,855	9,890
Amounts added on issue of units	(16,822)	(14,995)
Net equalisation on conversions	111	(20)
Total net distributions	665,670	649,424

Notes to the financial statements (continued)

for the year ended 31 March 2018

6. Distributions (continued)

Reconciliation between net revenue and distributions:

	2018	2017
	£	£
Net revenue after taxation per Statement of total return	665,492	649,416
Undistributed revenue brought forward	307	315
Undistributed revenue carried forward	(129)	(307)
Distributions	665,670	649,424

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

7. Debtors

	2018	2017
	£	£
Amounts receivable on issue of units	58,729	228,120
Accrued revenue	253,140	205,933
Recoverable overseas withholding tax	29,544	21,480
Prepaid expenses	857	-
Total debtors	342,270	455,533

8. Cash and bank balances

	2018	2017
	£	£
Total cash and bank balances	3,243,267	3,935,802

9. Other creditors

	2018	2017
	£	£
Amounts payable on cancellation of units	225,994	54,984
Purchases awaiting settlement	509,153	-
Accrued expenses:		
Payable to the Manager and associates		
Annual management charge	4,848	-
Registration fees	2	-
	4,850	-
Other expenses:		
Trustee fees	110	-
Safe custody fees	453	4,471
Audit fee	6,180	5,940
KIID production fee	-	278
Transaction charges	59	441
	6,802	11,130
Total accrued expenses	11,652	11,130
Total other creditors	746,799	66,114

10. Commitments and contingent liabilities

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

Notes to the financial statements (continued)

for the year ended 31 March 2018

11. Unit classes

The Fund currently has four unit classes; A units income, A units accumulation, B units income and B units accumulation.

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

	A units income
Opening units in issue	30,204,805
Total units issued in the year	2,315,208
Total units cancelled in the year	(1,134,098)
Total units converted in the year	9,561
Closing units in issue	31,395,476

	A units accumulation
Opening units in issue	3,080,216
Total units issued in the year	127,252
Total units cancelled in the year	(267,970)
Total units converted in the year	1,346
Closing units in issue	2,940,844

	B units income
Opening units in issue	584,521
Total units issued in the year	647,004
Total units cancelled in the year	(141,818)
Total units converted in the year	(9,445)
Closing units in issue	1,080,262

	B units accumulation
Opening units in issue	1,510,927
Total units issued in the year	443,015
Total units cancelled in the year	(274,784)
Total units converted in the year	(1,331)
Closing units in issue	1,677,827

For the year ended 31 March 2018, the annual management charge for each unit class is as follows:

A units income:	1.48%
A units accumulation:	1.48%
B units income:	0.86%
B units accumulation:	0.86%

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

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

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

12. Related party transactions

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

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

Amounts payable to the Manager and its associates are disclosed in note 4. The amount due to the Manager and its associates at the balance sheet date is disclosed in note 9.

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

Security	Holding 2018	Holding 2017
SVS Church House Deep Value Investment Fund	700,000	700,000

A director of the Manager, the Investment Manager or a corporate body within the same group as the Manager or Investment Manager with a holding in excess of 20% of the value of the Fund may have significant influence over the financial and operating policies of the Fund and as such are deemed to be a related party.

	2018	2017
Church House Investments Limited	92.51%	92.49%

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:

	2018	2017
Church House Investments Limited	92.51%	92.49%

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A units income has increased from 163.4p to 169.0p, the A units accumulation has increased from 191.9p to 198.5p, the B units income has increased from 165.0p to 170.9p and the B units accumulation has increased from 195.4p to 202.4p as at 20 June 2017. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

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

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

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

14. Transaction costs (continued)

a Direct transaction costs (continued)

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

Purchases:	2018 £	% of total purchases	2017 £	% of total purchases
Equities - purchases before transaction costs	12,417,054		10,106,200	
Commission	18,729	0.15%	17,053	0.17%
Taxes	39,801	0.32%	29,421	0.29%
Total direct transaction costs - Equities	58,530	0.47%	46,474	0.46%
Equities - purchases after direct transaction costs	12,475,584		10,152,674	
Total purchases after direct transaction costs	12,475,584		10,152,674	

Sales:	2018 £	% of total sales	2017 £	% of total sales
Equities - sales before transaction costs	7,986,050		10,677,937	
Commission	(14,624)	0.18%	(18,292)	0.17%
Taxes	(7)	0.00%	(37)	0.00%
Total direct transaction costs - Equities	(14,631)	0.18%	(18,329)	0.17%
Equities - sales after direct transaction costs	7,971,419		10,659,608	
Total sales after direct transaction costs	7,971,419		10,659,608	
Capital events^	-		2,315,000	

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

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:

	2018 £	% of average net asset value	2017 £	% of average net asset value
Commission	33,353	0.05%	35,345	0.06%
Taxes	39,808	0.06%	29,458	0.05%

b Average portfolio dealing spread

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

The average portfolio dealing spread of the investments at the balance sheet date was 0.28% (2017: 0.35%).

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 a portfolio of investments exposed to this risk are equities and collective investment schemes.

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 2018, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £2,964,128 (2017: £2,752,631).

(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
2018	£	£	£
Euro	3,141,924	21,778	3,163,702
US dollar	9,817,495	-	9,817,495
Swiss franc	978,635	-	978,635
Danish Krone	-	7,766	7,766
Swedish krona	1,103,488	-	1,103,488
Total foreign currency exposure	15,041,542	29,544	15,071,086

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
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

At 31 March 2018, 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 unitholders would increase or decrease by approximately £753,554 (2017: £711,384).

(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.

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

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

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

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

b Credit risk

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

15. Risk management policies (continued)

c Liquidity risk

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

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

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

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

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

All of the financial liabilities are payable on demand.

d Fair value of financial assets and financial liabilities

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

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

Valuation technique	Investment assets 2018 £	Investment liabilities 2018 £
Quoted prices	58,270,354	-
Observable market data	1,012,200	-
Unobservable data	-	-
	59,282,554	-

Valuation technique	Investment assets 2017 £	Investment liabilities 2017 £
Quoted prices	54,091,527	-
Observable market data	961,100	-
Unobservable data	-	-
	55,052,627	-

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

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 31 March 2018

Distributions on A units income in pence per unit

Payment date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
30.11.17	group 1	interim	1.074	-	1.074	1.143
30.11.17	group 2	interim	0.540	0.534	1.074	1.143
31.05.18	group 1	final	0.627	-	0.627	0.592
31.05.18	group 2	final	0.472	0.155	0.627	0.592

Distributions on B units income in pence per unit

Payment date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
30.11.17	group 1	interim	1.642	-	1.642	1.602
30.11.17	group 2	interim	0.857	0.785	1.642	1.602
31.05.18	group 1	final	1.159	-	1.159	1.092
31.05.18	group 2	final	0.507	0.652	1.159	1.092

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 2017
Group 2	Units purchased 1 April 2017 to 30 September 2017

Final distribution:

Group 1	Units purchased before 1 October 2017
Group 2	Units purchased 1 October 2017 to 31 March 2018

Distribution table (continued)

for the year ended 31 March 2018

Distributions on A units accumulation in pence per unit

Allocation date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
30.11.17	group 1	interim	1.262	-	1.262	1.324
30.11.17	group 2	interim	0.667	0.595	1.262	1.324
31.05.18	group 1	final	0.734	-	0.734	0.692
31.05.18	group 2	final	0.722	0.012	0.734	0.692

Distributions on B units accumulation in pence per unit

Allocation date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
30.11.17	group 1	interim	1.908	-	1.908	1.902
30.11.17	group 2	interim	0.993	0.915	1.908	1.902
31.05.18	group 1	final	1.395	-	1.395	1.296
31.05.18	group 2	final	0.999	0.396	1.395	1.296

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 2017
Group 2	Units purchased 1 April 2017 to 30 September 2017

Final distribution:

Group 1	Units purchased before 1 October 2017
Group 2	Units purchased 1 October 2017 to 31 March 2018

Remuneration

Remuneration code disclosure

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

Remuneration committee

The remuneration committee report contained in pages 39-41 of the Smith & Williamson Report and Financial Statements for the year ended 30 April 2017 (available http://smithandwilliamson.com/about-us/financial-reports) includes details on the remuneration policy. The remuneration committee comprises five non-executive directors and is governed by formal terms of reference, which are reviewed and agreed by the board. The committee met five times during 2016-17.

Remuneration policy

The main principles of the remuneration policy are:

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

The policy is designed to reward partners, directors and employees for delivery of both financial and non-financial objectives which are set in line with company strategy. As part of a “balanced scorecard” approach to variable remuneration non-financial criteria including compliance and risk issues, client management, supervision, leadership and teamwork are considered alongside financial performance.

Remuneration systems

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

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

The committee approved the introduction of a new Equity Matching Plan for partners, and the continuation of the existing Matching Share Plan for employees. The purpose of the plans is to reward individual performance and to encourage wider share ownership.

When considering variable remuneration for the executive directors, the committee takes account of overall business profit for the group and divisions, the achievement of both financial and non-financial objectives (including adherence to the principles of treating customers fairly, conduct risk, compliance and regulatory rules), personal performance and any other relevant policy of the board in respect of the year ended 30 April 2017. The committee agrees the individual allocation of variable remuneration and the proportion of that variable remuneration to be awarded as restricted shares.

Remuneration (continued)

Aggregate Quantitative Information

The total amount of remuneration paid by Smith & Williamson Fund Administration Limited (SWFAL) is nil as SWFAL has no employees. However, a number of employees have remuneration costs recharged to SWFAL and the annualised remuneration for these 72 employees is £2,924,504, of which £2,705,376 is fixed remuneration. This is based on the annualised salary and benefits for those identified as working in SWFAL as at 30 April 2017. Any variable remuneration is awarded for the year ending 30 April 2017. This information excludes any senior management or other Material Risk Takers (MRTs) whose remuneration information is detailed below.

Smith & Williamson reviews its MRTs at least annually. These individuals are employed by and provide services to other companies in the Smith & Williamson group. It is difficult to apportion remuneration for these individuals in respect of their duties to SWFAL. For this reason, the aggregate total remuneration awarded for the financial year 2016-17 for senior management and other MRTs detailed below has not been apportioned.

Table to show the aggregate remuneration split by Senior Management and other MRTs for SWFAL (£000)	Financial Year ending 30 April 2017				
		Variable			
	Fixed	Cash	Equity	Total	No. MRTs
Senior Management	£2,929	£1,776	£580	£5,285	16
Other MRTs	£1,476	£872	£184	£2,532	11
Total	£4,405	£2,648	£764	£7,817	27

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.

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

Prices of units and the estimated yield of the unit classes are published on the following website:
www.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.

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
Brian McLean
David Cobb
Giles Murphy
Grant Hotson
James Gordon
Jocelyn Dalrymple
Kevin Stopps
Paul Wyse
Peter Maher
Susan Shaw
Tas Quayum

Investment Adviser
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Trustee and Depositary Services
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