SVS Church House Investment Grade Fixed Interest Fund

Annual Report

for the year ended 31 March 2020

Contents

SVS Church House Investment Grade Fixed Interest 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 Investment Grade Fixed Interest Fund for the year ended 31 March 2020.

SVS Church House Investment Grade Fixed Interest Fund ('the Trust' or 'the Fund') is an authorised unit trust scheme further to an authorisation order dated 1 December 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.

Brexit is one of the most significant economic events for the UK, and its effects are subject to unprecedented levels of uncertainty of consequences, with the full range of possible effects unknown. As Manager we have applied appropriate accounting policies consistently, supported by reasonable and prudent judgements and estimates. However, as Manager we are unable to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

The base currency of the Fund is UK sterling.

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

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

Investment objective and policy

The objective of the Fund is to secure a high level of income through investment principally in investment grade corporate bonds, United Kingdom Government Gilts and supra-national issues. The Fund may also invest in other higher income securities such as preference shares and infrastructure funds and other interest bearing securities such as Treasury bills. The Fund also seeks to hedge the interest rate or credit risk in the portfolio through the use of derivative instruments.

Important Note from the Manager

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

Changes affecting the Fund in the year

KPMG LLP resigned as auditor and Mazars LLP was appointed on 9 July 2020.

Further information in relation to the Fund is illustrated on page 42.

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.

Brian McLean James Gordon
Directors
Smith & Williamson Fund Administration Limited
30 September 2020

Statement of the Manager's responsibilities

The Collective Investment Schemes sourcebook ('COLL') published by the FCA, requires 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 maintenance and integrity of the Trust's information on the Manager's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

COLL also requires the Manager to carry out an Assessment of Value on the Trust and publish this assessment within the Annual Report.

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

Assessment of Value - SVS Church House Investment Grade Fixed Interest Fund

In line with the provisions contained within COLL 6.6.20R, the Board of Smith & Williamson Fund Administration Limited ('SWFAL') as the Authorised Fund Manager (AFM), has carried out an Assessment of Value for SVS Church House Investment Grade Fixed Interest Fund ('the Trust'). Furthermore, the rules require that SWFAL publishes these assessments.

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

1. Quality of Service	
2. Performance	
3. AFM Costs	
4. Economies of Scale	
5. Comparable Market Rates	
6. Comparable Services	
7. Classes of Units	
Overall Rating	

SWFAL has adopted a traffic light system to show how it rated the funds:

Fund provides good value.

Fund provides value but merits some action or further monitoring.

Fund does not provide good value.

How SWFAL assessed each of the seven criteria and the rating arrived at are discussed in greater detail on the following pages.

SWFAL has created an Assessment of Value Committee ('AVC'), for the review, challenge and approval of all the funds' Assessments of Value. Ultimately the assessment will be subject to scrutiny by the SWFAL Board (which includes independent directors) to ensure the outcomes of the assessments are clear and fair, before final sign-off by the chair of the SWFAL Board prior to communicating to investors if the fund has delivered value, and if not, where improvements need to be made.

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

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

The seven criteria are:

(1) Quality of service – the quality of every aspect of the service provided, including, for example, accounting, administration, customer services and communications;

(2) Performance – how the fund performed, including whether it met targets and objectives, kept to relevant policy, followed relevant principles, kept to reasonable timescales;

(3) Fund manager costs – the fairness and value of the fund's costs, including entry and exit fees, early redemption fees, administration charges;

(4) Economies of scale – how costs have been or can be reduced as a result of increased Assets under Management ('AUM'), and whether or not those savings have been passed on to investors;

(5) Comparable market rates – how the costs of the fund compare with others in the marketplace;

(6) Comparable services – how the charges applied to the fund compare with those of other funds administered by SWFAL;

(7) Classes of units – the appropriateness of the classes of units in the fund for investors.

Assessment of Value - SVS Church House Investment Grade Fixed Interest Fund (continued)

1. Quality of Service

What was assessed in this section?

Internal Factors

SWFAL, as AFM, has overall responsibility for the Trust. The Board assessed, amongst other things; the day-to-day administration of the Trust; maintenance of scheme documentation (such as prospectuses and key investor information documents (KIIDs)), valuing and pricing units, calculating income and distribution payments, maintaining accounting and other records, preparing annual audited and half-yearly Report & Accounts, performing a review of tax provisions and submitting tax computations to HMRC, maintaining a register of unitholders, dealing and settlement. SWFAL delegates the investment management of the Trust to an Investment Management firm.

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

External Factors

The SWFAL Board assessed the skills, processes, experience, level of breaches and complaints. Also considered were any results from service review meetings as well as the annual due diligence performed by SWFAL on the delegated Investment Manager, Church House Investments Limited.

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

What was the outcome of the assessment?

Internal Factors

The Board recognised that all distribution and settlement monies were paid in a timely manner and that there were no significant findings as a result of the various audits performed on SWFAL during the year. The Board concluded that SWFAL carried out its duties diligently.

External Factors

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

Were there any follow up actions?
There were no follow-up actions required.

2. Performance

What was assessed in this section?

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

Investment Objectives

The objective of the Trust is to secure a high level of income through investment principally in investment grade corporate bonds, United Kingdom Government Gilts and supra-national issues.

Benchmark

The FCA introduced significant changes in relation to benchmarks in August 2019.

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

The benchmarks that have been agreed for the Trust are the ICE BofAML Sterling Corporate & Collateralised (7-10Y) and the IA £ Corporate Bond, both of which are comparators. A 'comparator' benchmark is an index or similar factor against which an investment manager invites investors to compare a fund's performance. Details of how the Trust has performed against its comparator benchmarks over various time periods can be found below. The comparator benchmarks were introduced during 2019 and have been backdated for illustrative purposes.

Assessment of Value - SVS Church House Investment Grade Fixed Interest Fund (continued)

2. Performance (continued)

Benchmark (continued)

Cumulative Returns to 28 February 2020

Unit Classes	YTD	1 Year	3 Year	5 Year	10 Year
SVS Church House Investment Grade Fixed Interest Fund Accumulation	0.5%	4.9%	6.7%	13.1%	57.9%
SVS Church House Investment Grade Fixed Interest Fund Income Units	0.5%	4.9%	6.8%	13.2%	57.9%
SVS Church House Investment Grade Fixed Interest Fund XL Income Units*	0.0%	4.9%	n/a	n/a	n/a
ICE BofAML Sterling Corporate & Collateralised (7-10Y)(AA)	2.3%	7.6%	10.4%	24.0%	78.8%
IA £ Corporate Bond	2.2%	9.9%	13.4%	24.1%	80.6%

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

Performance has been calculated net of fees. Source: Morningstar/Smith & Williamson

* XL Class launched in July 2018.

What was the outcome of the assessment?
The Board observed that the Trust's performance was below that of its comparator benchmarks over all time periods under consideration, however, once consideration was given to; the risk adjusted returns versus that of the sector average; the low volatility of the Trust, the consistent, albeit low, level of income disbursed; and Church House's focus on high quality investments, the Board were of the opinion that the performance of the Trust did not give cause for concern at this stage.

However, in spite of delivering a consistent level of income, the Board found that the Trust's investment objective to secure 'a high level of income' was not being met and as a result this section has been Amber rated.

Were there any follow up actions?
SWFAL have engaged with Church House with a view to ensuring that the prospectus wording more accurately reflects the level of income capable of being generated by the Trust.

3. AFM Costs

What was assessed in this section?
The Board reviewed each separate charge to ensure that they were reasonable and reflect the services provided. This includes investment management fees, annual management charge ('AMC'), Trustee/Custodian fees, legal fees and audit fees.

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

What was the outcome of the assessment?
The Board observed that Church House Investments Limited do not charge a separate in-house portfolio management fee or internal platform fee for clients invested in their own trusts. Instead, the cost of these services is included within the trusts themselves which SWFAL have then taken into consideration when comparing them on a like-for-like basis with other similarly run funds. Once this had been done the Board concluded that they were fair, reasonable and provided on a competitive basis.

Were there any follow up actions?
There were no follow-up actions required.

4. Economies of Scale

What was assessed in this section?
The Board reviewed each separate fee structure and the assets under management (AUM) of the Trust to examine the effect on the Trust to potential and existing investors should the Trust increase or decrease in value.

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

The Board noted that the tiered AMC structure in place allowed for further savings to be achieved in the future should the Trust grow in size.

Were there any follow up actions?
There were no follow-up actions required.

5. Comparable Market Rates

What was assessed in this section?
The Board reviewed the ongoing charges of the Trust, and how those charges affect the returns of the Trust. Funds with lower fees may offer better value than those with higher fees.

Every component within the ongoing charges figure, AMC, event-based fees such as entry or exit fees, early redemption fees, performance fees and charges that relate to other ancillary services provided to the Trust was compared against the external 'market rate' of equivalent funds.

What was the outcome of the assessment?
The costs associated with the Trust were found to be in line with those of similar externally managed funds.

Note that there is not a performance fee and that SWFAL has not charged an entry fee, exit fee or any other event-based fees on this Trust.

Were there any follow up actions?
There were no follow-up actions required.

6. Comparable Services

What was assessed in this section?
The Board reviewed the OCF applied to the Trust with those of other funds administered by SWFAL having regard to size, investment objectives and policies.

What was the outcome of the assessment?
When the Trust was compared against all other SWFAL administered funds no meaningful conclusions could be drawn owing to a lack of commonality in characteristics.

Were there any follow up actions?
There were no follow-up actions required.

7. Classes of Units

What was assessed in this section?
The Board reviewed the Trust's set up to ensure that where there are multiple unit classes, unitholders are in the correct unit class given the size of their holding.

What was the outcome of the assessment?
In September 2019, SWFAL conducted a review of all unitholders on the 'Ordinary' unit class register to ensure they were invested in the correct unit class. On completion of the review it was found that all unitholders were invested in the appropriate unit class.

Were there any follow up actions?
There were no follow-up actions required.

Overall Assessment of Value

The Board noted the failure of the Trust to provide the level of income committed to within the objective but notwithstanding this concluded that SVS Church House Investment Grade Fixed Interest Fund had provided value to unitholders.

Kevin Stopps
Chairman of the Board of Smith and Williamson Fund Administration Limited
28 September 2020

Report of the Trustee to the unitholders of SVS Church House Investment Grade Fixed Interest Fund

Trustee's responsibilities

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

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

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

The Trustee must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund 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 of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;
- the Fund's revenue is applied in accordance with the Regulations; and
- the instructions of the Manager are carried out (unless they conflict with the Regulations).

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

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

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's units and the application of the Fund's revenue in accordance with the Regulations and the Scheme documents of the Fund, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Fund.

NatWest Trustee & Depositary Services Limited
30 September 2020

Independent Auditor's report to the unitholders of SVS Church House Investment Grade Fixed Interest Fund ('the Trust')

Opinion

We have audited the financial statements of SVS Church House Investment Grade Fixed Interest Fund for the year ended 31 March 2020 which comprise the Statement of total return, Statement of change in net assets attributable to unitholders, Balance sheet and related notes including the Distribution tables and summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice "Financial Statements of Authorised Funds" issued by the Investment Association (the "Statement of Recommended Practice for Authorised Funds"), the Collective Investment Schemes sourcebook and the Trust Deed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2020 and of the net revenue and the net capital losses for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice for Authorised Funds, the Collective Investment Schemes Sourcebook and the Trust Deed.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Manager is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

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

- the information given in the Report of the Manager for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Manager has been prepared in accordance with applicable legal requirements.

Independent Auditor's report to the unitholders of SVS Church House Investment Grade Fixed Interest Fund (continued)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Manager.

We have nothing to report in respect of the following matters in relation to which the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Manager

As explained more fully in the Statement of the Manager's responsibilities set out on page 3, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for 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 the Manager either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Trust's unitholders as a body in accordance with paragraph 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.

Stephen Eames
Senior Statutory Auditor for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London E1W 1DD
30 September 2020

Accounting policies of SVS Church House Investment Grade Fixed Interest Fund

for the year ended 31 March 2020

a Basis of accounting

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

The Manager has considered the impact of the emergence and spread of Covid-19 and potential implications on future operations of the Fund of reasonably possible downside scenarios. The Manager has considered a detailed assessment of the Fund's ability to meet its liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the Fund continues to be open for trading and the Manager is satisfied the Fund has adequate financial resources to continue in operation for at least the next 12 months and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

b Valuation of investments

The purchase and sale of investments are included up to close of business on 31 March 2020.

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

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

Collective investment schemes within the portfolio are valued at the most recent published price prior to the close of business valuation on 31 March 2020.

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

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

Where an observable market price is unreliable or does not exist, investments are valued at the 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.

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

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

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

Accounting policies of SVS Church House Investment Grade Fixed Interest Fund (continued)

for the year ended 31 March 2020

e *Expenses*

All expenses, other than those relating to the purchase and sale of investments, are charged to revenue then 50% of these expenses are reallocated to capital, net of any tax effect.

Bank interest paid is charged to revenue.

f *Allocation of revenue and expenses to multiple unit classes*

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

g *Taxation*

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

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

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

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

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

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 Fund on behalf of the unitholders.

ii *Unclaimed distributions*

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

iii *Revenue*

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

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.

i Distribution policies (continued)

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.

Investment Manager's report

Investment performance

Capital performance* over:	One Year	Three Years	Five Years
SVS Church House Investment Grade Fixed Interest Fund	-3.2%	-4.9%	-4.5%

* Percentage change in bid price of income units at 12pm to 31 March 2020.

Source: Bloomberg and Smith & Williamson Fund Administration Limited.

Investment activities^

We reported in October 2019 on activity in the first half of the year so these comments cover the latter six months of the Fund's year. By way of a reminder at this difficult time, within our objectives we work to some internal limits, notably: Investment Grade issues only with a minimum 25% weighting to AAA and a maximum of 30% in subordinated paper, UK sterling-denominated issues only. SVS Church House Investment Grade Fixed Interest Fund (CHIG) is benchmark agnostic and has a 'quality mandate', which means that we steer away from the likes of second tier European Banks, and, indeed, larger European Banks too. We had been worried for some time that credit spreads were too tight, reaching mid-2007 levels by the end of last year, and wondered what the catalyst would be for a reversal, we did not think that it would be a virus! We did take meaningful steps to sell weaker credits and move funds to the highest quality credits (with the benefit of hindsight we wish we had done more of course). The result was our AAA allocation reached its highest ever level at 46% and the BBB- allocation fell to just 4.4%.

This is what we hope investors would expect, no concentration in weak or vulnerable sectors and an emphasis on quality names. The duration is around three, so we have avoided the volatility of a lot of longer-dated credit and generally enabled CHIG to weather some of the extremes that we are seeing in all markets. Without wishing to predict anything in current markets, credit will stabilise at some point... Extraordinary Central Bank measures appear to be working and, at the moment, we have a functioning system in the credit markets. Credit spreads found a level of support towards the end of March 2020 and some measure of stability returned. CHIG had good levels of cash and short Gilts and has selectively deployed some of this, in a measured way, as we do not think the volatility is over (although hopefully the extreme, 'dysfunctional' volatility might just be behind us). We have no more idea what the timescale of this whole episode will turn out to be than anyone else.

The encouraging and important thing to us is that credit markets are functioning (and this despite that probably more than 90% of market participants are working remotely, mainly from home). We have just seen the biggest week for issuance ever, so the primary market is certainly open for business. Most has been in US dollar and then euro, but some has been in UK sterling. We saw a new nine-year issue from Diageo, the kind of name we want to buy at the moment, and we got some from a well-oversubscribed book. They came at Gilts +255 basis points (bps) and are now trading at around Gilts+240bps, so performing well. We have also been active in the secondary market, picking up issues from the likes of HSBC, AP Moller - Maersk, Euroclear – all at significant discounts. We also added to some HICL Infrastructure when it was trading almost at its lows.

Investment strategy and outlook^

'Extraordinary times require extraordinary action' – Christine Lagarde.

Quite right, but at first the politician in her did not understand it and at the regular European Central Bank (ECB) meeting she announced a paltry €120 billion of extra quantitative easing and stated 'it was not her job to close spreads': cue a collapse in BTP's, OAT's and Spanish paper, EURIBOR curve, etc. Thankfully, sense was seen and the ECB then announced a huge €750 billion Pandemic Emergency Purchase Program, which expanded the range of eligible assets and eased collateral standards for banks - even undertaking to buy Greek paper and stated that there were no limits to what they will do.

Meanwhile, the US Federal Reserve (Fed) pulled out all the stops. As the supply of US dollars dried up, swap lines were put in place with major central banks (CB) and then extended to minor CB's. $500 billion of repos are now conducted every morning and afternoon, 2008 facilities were reinstated to unfreeze the $1.1trillion commercial paper (CP) market, which had forced the likes of Kraft Heinz to take up credit lines with banks and they restarted large-scale asset purchases. The Fed also created a new money market mutual lending facility to free up funds to meet redemptions. The six biggest US banks accessed the Fed's Discount Window in a coordinated move to avoid the stigma that is normally associated with it. They also cut rates to just above zero, which we know is pointless, this is not about the price of money but about liquidity, but it is the headline grabber.

^ Source: Bloomberg.

Investment strategy and outlook^ (continued)

The Bank of England made their headline grabbing cuts to the base rate and restarted the Term Funding Scheme (£100 billion) to allow banks to lend to small and medium enterprise's, along with buying CP too, but, more importantly, announced an extra £200 billion of asset purchases - twice what was expected. Although this will mainly be Gilts, it will include corporates as well. This is bringing much needed stability to the Gilt market, which, as the new Governor pointed out, was verging on disorderly, and to sterling assets generally, including credit spreads.

The message we must take from all of this is that CB's are coordinating and really will do 'whatever it takes' to stop the Covid-19 effect to the real economy precipitating a financial crisis, which would only add to the economic damage that is with us. It is now over to Governments to provide the fiscal stimulus and support that is needed on an economic basis and at a social level. Our new UK Chancellor appears confident and capable and hopefully is up to the task. Across all developed countries we can look forward to unprecedented levels of sovereign issuance, so debt ratios will undergo a seismic change.

The speed and intensity of recent moves across all asset classes have taken everyone by surprise, there is a case that these have been exacerbated and magnified by exchange-traded structures, possibly due to another regulatory lack of oversight.

^ Source: Bloomberg.

Church House Investments Limited
12 May 2020

Summary of portfolio changes

for the year ended 31 March 2020

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

Purchases:	Cost £
UK Treasury Gilt 2% 22/07/2020	13,185,270
UK Treasury Gilt 4.75% 07/03/2020	10,240,200
Royal Bank of Canada 0.65122% 03/10/2024	10,005,790
Nationwide Building Society 0.82425% 02/08/2022	7,500,000
Royal Bank of Canada 0.89239% 30/01/2025	7,001,440
Lloyds Bank 0.86579% 16/05/2024	6,000,000
Yorkshire Building Society 0.3254279% 21/11/2024	6,000,000
Tesco Personal Finance Group 3.5% 25/07/2025	5,172,362
Toronto-Dominion Bank 0.546% 24/06/2022	5,000,970
Export Development Canada 1.0207% 29/05/2024	5,000,000
Santander UK 1.4407% 12/02/2024	5,000,000
Nationwide Building Society 1.09261% 10/01/2025	5,000,000
Canadian Imperial Bank of Commerce 0.9165% 28/10/2022	5,000,000
National Australia Bank 0.8908% 04/02/2025	5,000,000
Coventry Building Society 0.92674% 13/11/2023	4,023,202
Marks & Spencer 3.25% 10/07/2027	3,973,820
Prudential 6.125% 19/12/2031	3,488,400
Clydesdale Bank 0.7775% 22/03/2024	3,019,410
Leeds Building Society 1.0681% 1501/2025	3,000,000
Diageo Finance 2.875% 27/03/2029	2,984,940

Sales:	Proceeds £
UK Treasury Gilt 4.75% 07/03/2020	20,204,284
Bank of Scotland 9.375% 15/05/2021	6,391,336
National Westminster Bank 1.12988% 15/05/2020	6,257,938
Yorkshire Building Society 0.3254279% 21/11/2024	5,967,000
Asian Development Bank 0.956% 12/10/2023	5,496,700
Close Brothers Finance 2.75% 19/10/2026	5,221,350
Santander UK 1.4407% 12/02/2024	5,042,200
European Investment Bank 0.4213% 29/06/2023	5,016,300
International Bank for Reconstruction & Development 0.3312% 04/10/2023	5,000,300
Export Development Canada 1.0207% 29/05/2024	5,000,229
Heathrow Funding 6% 20/03/2020	5,000,000
Nationwide Building Society 1.09261% 10/01/2025	5,000,000
RBC CMS Linked Reverse Convertible Notes 28/06/2019	5,000,000
Bank of Montreal 0.90913% 20/07/2020	4,502,880
Digital Stout Holding 3.75% 17/10/2030	4,433,600
Toronto-Dominion Bank 1.11313% 07/06/2021	4,002,800
Coventry Building Society 1.146% 17/03/2020	3,754,913
Marks & Spencer 3.25% 10/07/2027	3,438,000
Total Capital International 1.14088% 01/07/2019	3,050,000
UK Treasury Gilt 2% 22/07/2020	3,018,780

Portfolio statement
as at 31 March 2020

Investment	Nominal value or holding	Market value £	% of total net assets
Debt Securities* 88.73% (93.62%)			
Aaa to Aa2 38.05% (39.94%)			
Australia & New Zealand Banking Group 1.14467% 24/01/2022**	£7,000,000	6,978,650	1.99
Bank of Nova Scotia 0.95025% 30/09/2021**	£2,300,000	2,295,262	0.65
Bank of Scotland 4.875% 20/12/2024	£1,500,000	1,770,180	0.50
Barclays Bank UK 0.965% 22/05/2020**	£2,000,000	2,000,720	0.57
Berkshire Hathaway Finance 2.375% 19/06/2039	£2,500,000	2,471,975	0.70
Canadian Imperial Bank of Commerce 0.9165% 28/10/2022**	£5,000,000	4,950,000	1.41
Canadian Imperial Bank of Commerce 1.2115% 10/01/2022**	£3,500,000	3,490,025	0.99
Clydesdale Bank 0.7775% 22/03/2024**	£3,000,000	2,946,510	0.84
Clydesdale Bank 4.625% 08/06/2026	£1,250,000	1,520,850	0.43
Coventry Building Society 0.92674% 13/11/2023**	£10,750,000	10,565,100	3.01
Coventry Building Society 1.0481% 15/01/2025**	£1,500,000	1,453,710	0.41
Landesbank Baden-Wuerttemberg 1.02625% 18/05/2021**	£2,000,000	1,993,680	0.57
Lloyds Bank 0.5486% 13/09/2021**	£8,000,000	7,968,640	2.27
Lloyds Bank 0.86579% 16/05/2024**	£6,000,000	5,851,080	1.67
Lloyds Bank 1.13515% 14/01/2022**	£3,000,000	2,986,140	0.85
Lloyds Bank 5.125% 07/03/2025	£2,500,000	2,993,375	0.85
National Australia Bank 0.8908% 04/02/2025**	£5,000,000	4,823,600	1.37
National Bank of Canada 0.92625% 27/09/2021**	£3,000,000	2,994,090	0.85
National Westminster Bank 0.67739% 22/03/2023**	£4,000,000	3,938,160	1.12
Nationwide Building Society 1.29261% 10/01/2024**	£4,000,000	3,939,840	1.12
Royal Bank of Canada 0.65122% 03/10/2024**	£10,000,000	9,753,600	2.78
Royal Bank of Canada 0.89239% 30/01/2025**	£7,000,000	6,752,830	1.92
Santander UK 0.5117% 20/09/2021**	£9,000,000	8,968,680	2.55
Santander UK 1.0639% 12/02/2024**	£4,000,000	3,943,400	1.12
Toronto-Dominion Bank 0.546% 24/06/2022**	£5,000,000	4,949,150	1.41
TSB Bank 1.1734% 15/02/2024**	£5,000,000	4,934,650	1.41
UK Treasury Gilt 2% 22/07/2020	£10,000,000	10,056,000	2.86
Wellcome Trust Finance 4.75% 28/05/2021	£500,000	519,989	0.15
Yorkshire Building Society 0.8841% 19/11/2023**	£6,000,000	5,894,520	1.68
		133,704,406	38.05
Aa3 to A1 1.40% (4.61%)			
ABN AMRO Bank 1.02275% 29/05/2020**	£2,900,000	2,898,608	0.82
Close Brothers Finance 3.875% 27/06/2021	£2,000,000	2,026,594	0.58
Close Brothers Finance 2.75% 19/10/2026	£10,000	9,726	0.00
		4,934,928	1.40
A2 to A3 16.09% (15.97%)			
Aviva 4.375% 12/09/2049**	£4,000,000	3,757,120	1.07
Aviva 5.125% 04/06/2050**	£2,000,000	1,925,314	0.55
Aviva 6.125% Perpetual**	£1,500,000	1,462,088	0.42
Aviva 6.625% 03/06/2041**	£1,500,000	1,561,568	0.44

Portfolio statement (continued)
as at 31 March 2020

Investment	Nominal value or holding	Market value £	% of total net assets
Debt Securities (continued)			
A2 to A3 (continued)			
Bank of America 7% 31/07/2028	£6,400,000	7,963,814	2.27
BUPA Finance 2% 05/04/2024	£3,000,000	2,971,680	0.84
BUPA Finance 6.125% Perpetual**	£500,000	484,225	0.14
Citigroup 5.15% 21/05/2026	£4,683,000	5,208,432	1.48
Close Brothers Group 2.75% 26/04/2023	£2,000,000	2,030,820	0.58
Close Brothers Group 4.25% 24/01/2027**	£1,835,000	1,858,837	0.53
Diageo Finance 2.875% 27/03/2029	£3,000,000	3,021,810	0.86
Goldman Sachs Group 3.125% 25/07/2029	£3,000,000	2,848,860	0.81
Goldman Sachs Group 7.25% 10/04/2028	£6,000,000	7,434,546	2.12
HSBC Holdings 3% 22/07/2028**	£2,000,000	1,967,500	0.56
Legal & General Group 10% 23/07/2041**	£2,000,000	2,176,680	0.62
M&G 5.625% 20/10/2051**	£4,000,000	3,915,000	1.11
Prudential 6.125% 19/12/2031	£2,584,000	3,006,827	0.85
Rio Tinto Finance 4% 11/12/2029	£2,700,000	2,951,057	0.84
		56,546,178	16.09
Baa1 to Baa2 13.27% (12.49%)			
Barclays 2.375% 06/10/2023**	£3,500,000	3,390,625	0.96
Cadent Finance 1.125% 22/09/2021	£100,000	98,799	0.03
Cadent Finance 2.125% 22/09/2028	£2,500,000	2,460,625	0.70
CK Hutchison Group Telecom Finance 2% 17/10/2027	£2,000,000	1,888,110	0.54
Credit Suisse Group 2.125% 12/09/2025**	£2,000,000	1,891,580	0.54
Digital Stout Holding 4.75% 13/10/2023	£3,000,000	3,215,700	0.92
Eastern Power Networks 4.75% 30/09/2021	£1,500,000	1,563,330	0.44
Experian Finance 3.25% 07/04/2032	£2,000,000	2,010,000	0.57
Fidelity International 7.125% 13/02/2024	£2,445,000	2,808,586	0.80
Glencore Finance Europe 3.125% 26/03/2026	£3,500,000	3,092,390	0.88
Hammerson 3.5% 27/10/2025	£2,000,000	1,757,852	0.50
HSBC Bank 6.5% 07/07/2023	£1,000,000	1,095,649	0.31
Investec Bank 4.25% 24/07/2028**	£2,500,000	2,349,175	0.67
Leeds Building Society 3.75% 25/04/2029**	£2,000,000	1,871,960	0.53
London Power Networks 5.125% 31/03/2023	£500,000	545,379	0.16
National Express Group 2.5% 11/11/2023	£1,400,000	1,337,728	0.38
Scotland Gas Networks 3.25% 08/03/2027	£1,350,000	1,438,384	0.41
Scottish Widows 5.5% 16/06/2023	£3,500,000	3,703,770	1.05
SSE 8.375% 20/11/2028	£250,000	355,396	0.10
Tesco Personal Finance Group 3.5% 25/07/2025	£5,155,000	5,001,329	1.42
Thames Water Utilities Finance 4% 19/06/2025	£1,500,000	1,633,296	0.47
Wessex Water Services Finance 4% 24/09/2021	£450,000	464,137	0.13
Western Power Distribution West Midlands 6% 09/05/2025	£500,000	587,559	0.17
Yorkshire Building Society 3.375% 13/09/2028**	£2,250,000	2,062,283	0.59
		46,623,642	13.27

Portfolio statement (continued)
as at 31 March 2020

Investment	Nominal value or holding	Market value £	% of total net assets
Debt Securities (continued)			
Baa3 to unrated 19.92% (20.61%)			
AP Moller - Maersk 4% 04/04/2025	£8,626,000	8,678,558	2.47
Barclays Bank 2% 13/05/2020**	£1,350,000	1,348,474	0.38
BG Energy Capital 5.125% 01/12/2025	£750,000	843,075	0.24
British Land 2.375% 14/09/2029	£2,500,000	2,494,478	0.71
Goldman Sachs Group 2.1% 08/09/2021**	£2,000,000	1,958,000	0.56
Heathrow Funding 5.225% 15/02/2023	£500,000	527,031	0.15
Heathrow Funding 6.75% 03/12/2026	£2,629,000	3,144,755	0.90
J Sainsbury 6.5% Perpetual**	£3,000,000	2,988,000	0.85
Liverpool Victoria Friendly Society 6.5% 22/05/2043**	£1,500,000	1,574,153	0.45
Lloyds Bank 1.75% 19/06/2020**	£1,300,000	1,302,288	0.37
Nationwide Building Society 0.82425% 02/08/2022**	£7,500,000	7,418,550	2.11
Northumbrian Water Finance 6.875% 06/02/2023	£4,000,000	4,545,632	1.29
Orange 5.875% Perpetual**	£5,255,000	5,443,155	1.55
Phoenix Group Holdings 5.75% Perpetual**	£3,000,000	2,506,800	0.71
Rothesay Life 5.5% 17/09/2029**	£3,000,000	3,018,390	0.86
Rothesay Life 6.875% Perpetual**	£4,000,000	3,240,640	0.92
Rothesay Life 8% 30/10/2025	£4,190,000	4,465,660	1.27
Segro 2.375% 11/10/2029	£4,000,000	3,953,080	1.12
Shaftesbury Chinatown 2.348% 30/09/2027	£2,500,000	2,415,150	0.69
SSE 3.875% Perpetual**	£3,000,000	2,952,660	0.84
Virgin Money UK 4% 25/09/2026**	£3,000,000	2,786,010	0.79
Wales & West Utilities Finance 1.875% 28/05/2041	£2,700,000	2,416,365	0.69
		70,020,904	19.92
Default 0.00% (0.00%)			
Cattles 7.875% 17/01/2014***	£250,000	-	-
Total debt securities		311,830,058	88.73
Closed-Ended Funds 3.58% (3.12%)			
Closed-Ended Funds - incorporated in the United Kingdom 0.92 % (0.00%)			
HICL Infrastructure	2,000,000	3,236,000	0.92
Closed-Ended Funds - incorporated outwith the United Kingdom 2.66% (3.12%)			
GCP Infrastructure Investments	5,338,680	6,011,354	1.71
International Public Partnerships	2,137,500	3,330,225	0.95
Total closed-ended funds - incorporated outwith the United Kingdom		9,341,579	2.66
Total closed-ended funds		12,577,579	3.58

Portfolio statement (continued)
as at 31 March 2020

Investment	Nominal value or holding	Market value £	% of total net assets
Offshore Collective Investment Schemes 0.48% (0.63%)			
WisdomTree Gilts 10Y 3x Daily Short	50,000	1,696,500	0.48
Structured Products 1.43% (2.96%)			
RBC CMS Linked Reverse Convertible Notes 5% 09/04/2020	5,000,000	5,005,940	1.43
Portfolio of investments		331,110,077	94.22
Other net assets		20,320,162	5.78
Total net assets		351,430,239	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 2019.

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

** Variable interest security.

*** Cattles 7.785% 17/01/2014 is valued at zero as it is in default.

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

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

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

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

For further information please refer to the 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.

	Income			Accumulation		
	2020	2019	2018	2020	2019	2018
	p	p	p	p	p	p
Change in net assets per unit						
Opening net asset value per unit	113.71	114.11	115.60	168.53	165.54	164.30
Return before operating charges	(0.15)	3.05	1.93	(0.29)	4.37	2.74
Operating charges	(0.96)	(1.00)	(1.04)	(1.43)	(1.38)	(1.50)
Return after operating charges *	(1.11)	2.05	0.89	(1.72)	2.99	1.24
Distributions^	(2.44)	(2.45)	(2.38)	(3.64)	3.58	(3.40)
Retained distributions on accumulation units^	-	-	-	3.64	(3.58)	3.40
Closing net asset value per unit	110.16	113.71	114.11	166.81	168.53	165.54
Performance						
Return after charges	(0.98%)	1.80%	0.77%	(1.02%)	1.81%	0.75%
Other information						
Closing net asset value (£)	268,794,605	255,912,996	277,520,399	22,363,685	21,413,459	17,279,611
Closing number of units	243,993,458	225,063,466	243,210,264	13,406,824	12,705,767	10,438,625
Operating charges^^	0.83%	0.83%	0.84%	0.83%	0.83%	0.84%
Prices						
Highest offer unit price	123.3	120.7	123.5	185.7	177.4	176.8
Lowest bid unit price	108.3	111.9	114.3	163.1	164.7	164.3

^ Rounded to 2 decimal places.

^^ The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF 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. It is indicative of the charges which the unit class may incur in a year as it is calculated on historical data.

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

Comparative table (continued)

XL Institutional Income launched on 1 November 2018 at 113.7p per unit.

	XL Institutional Income	
	2020	2019
	p	p
Change in net assets per unit		
Opening net asset value per unit	114.18	113.70
Return before operating charges	(0.15)	2.34
Operating charges	(0.74)	(0.74)
Return after operating charges *	(0.89)	1.60
Distributions^	(2.56)	(1.12)
Closing net asset value per unit	110.73	114.18
Performance		
Return after charges	(0.78%)	1.41%
Other information		
Closing net asset value (£)	60,271,949	61,803,745
Closing number of units	54,429,219	54,126,422
Operating charges^^	0.64%	^^^0.64%
Prices		
Highest offer unit price	124.0	120.9
Lowest bid unit price	108.9	112.3

^ Rounded to 2 decimal places.

^^ The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF 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. It is indicative of the charges which the unit class may incur in a year as it is calculated on historical data.

^^^ Annualised based on the expenses incurred during the period 1 November 2018 to 31 March 2019.

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

Financial statements - SVS Church House Investment Grade Fixed Interest Fund

Statement of total return
for the year ended 31 March 2020

	Notes	2020		2019	
		£	£	£	£
Income:					
Net capital (losses) / gains	2		(10,515,881)		189,020
Revenue	3	9,090,595		7,999,968	
Expenses	4	(2,869,282)		(2,544,399)	
Net revenue before taxation		6,221,313		5,455,569	
Taxation	5	-		-	
Net revenue after taxation			6,221,313		5,455,569
Total return before distributions			(4,294,568)		5,644,589
Distributions	6		(7,656,803)		(6,727,361)
Change in net assets attributable to unitholders from investment activities			(11,951,371)		(1,082,772)

Statement of change in net assets attributable to unitholders
for the year ended 31 March 2020

	2020		2019	
	£	£	£	£
Opening net assets attributable to unitholders		339,130,200		294,800,010
Amounts receivable on issue of units	48,914,393		55,185,247	
Amounts payable on cancellation of units	(25,150,050)		(10,193,211)	
		23,764,343		44,992,036
Change in net assets attributable to unitholders from investment activities		(11,951,371)		(1,082,772)
Retained distributions on accumulation units		487,067		420,926
Closing net assets attributable to unitholders		351,430,239		339,130,200

Balance sheet
as at 31 March 2020

	Notes	2020	2019
		£	£
Assets:			
Fixed assets:			
Investments		331,110,077	340,254,485
Current assets:			
Debtors	7	7,458,276	6,101,919
Cash and bank balances	8	17,061,541	280,102
Total assets		355,629,894	346,636,506
Liabilities:			
Creditors:			
Distribution payable		(1,741,212)	(1,744,423)
Other creditors	9	(2,458,443)	(5,761,883)
Total liabilities		(4,199,655)	(7,506,306)
Net assets attributable to unitholders		351,430,239	339,130,200

Notes to the financial statements

for the year ended 31 March 2020

1. Accounting policies

   The accounting policies are disclosed on pages 11 to 13.

2. Net capital (losses) / gains	2020	2019
	£	£
Non-derivative securities - realised gains	1,212,052	668,956
Non-derivative securities - movement in unrealised losses	(11,682,660)	(517,867)
Derivative contracts - movement in unrealised (losses) / gains	(33,445)	41,500
Compensation	(7,349)	-
Transaction charges	(4,479)	(3,569)
Total net capital (losses) / gains	(10,515,881)	189,020

3. Revenue	2020	2019
	£	£
UK revenue	44,319	-
Unfranked revenue	103,272	-
Overseas revenue	424,288	586,967
Interest on debt securities	8,515,312	7,411,022
Bank and deposit interest	3,404	1,979
Total revenue	9,090,595	7,999,968

4. Expenses	2020	2019
	£	£
Payable to the Manager and associates		
Annual management charge	2,731,152	2,424,119
Registration fees	3,268	3,032
	2,734,420	2,427,151
Payable to the Trustee		
Trustee fees	93,979	81,895
Other expenses:		
Audit fee	8,520	8,238
Non-executive directors' fees	596	350
Safe custody fees	25,656	24,545
Bank interest	1,310	277
FCA fee	3,516	1,657
KIID production fee	1,285	286
	40,883	35,353
Total expenses	2,869,282	2,544,399

5. Taxation

	2020	2019
	£	£
a. Analysis of the tax charge for the year		
Total taxation (note 5b)	-	-

b. Factors affecting the tax charge for the year

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

	2020	2019
	£	£
Net revenue before taxation	6,221,313	5,455,569
Corporation tax @ 20%	1,244,263	1,091,114
Effects of:		
Tax deductible interest distributions	(1,244,564)	(1,091,060)
Movement in short term timing differences	301	(54)
Total taxation (note 5a)	-	-

6. Distributions

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

	2020	2019
	£	£
Quarter 1 income distribution	1,800,294	1,493,951
Quarter 1 accumulation distribution	119,998	95,693
Interim income distribution	1,896,533	1,539,318
Interim accumulation distribution	130,948	101,758
Quarter 3 income distribution	1,786,911	1,572,688
Quarter 3 accumulation distribution	119,482	107,725
Final income distribution	1,741,212	1,744,423
Final accumulation distribution	116,639	115,750
	7,712,017	6,771,306
Equalisation:		
Amounts deducted on cancellation of units	72,849	28,021
Amounts added on issue of units	(128,059)	(154,815)
Net equalisation on conversions	(4)	82,849
Total net distributions	7,656,803	6,727,361

Reconciliation between net revenue and distributions:	2020	2019
	£	£
Net revenue after taxation per Statement of total return	6,221,313	5,455,569
Undistributed revenue brought forward	2,340	2,071
Expenses paid from capital	1,433,986	1,272,061
Undistributed revenue carried forward	(836)	(2,340)
Distributions	7,656,803	6,727,361

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

Notes to the financial statements (continued)

for the year ended 31 March 2020

7. Debtors

	2020	2019
	£	£
Amounts receivable on issue of units	518,024	361,914
Sales awaiting settlement	3,532,836	2,093,800
Accrued revenue	3,407,416	3,646,205
Total debtors	7,458,276	6,101,919

8. Cash and bank balances

	2020	2019
	£	£
Total cash and bank balances	17,061,541	280,102

9. Other creditors

	2020	2019
	£	£
Amounts payable on cancellation of units	458,794	730,246
Purchases awaiting settlement	1,985,920	5,000,000
Accrued expenses:		
Payable to the Manager and associates		
Annual management charge	-	14,197
Registration fees	-	19
	-	14,216
Other expenses:		
Trustee fees	-	490
Safe custody fees	4,245	6,139
Audit fee	8,520	8,478
Non-executive directors' fees	547	350
FCA fee	-	1,606
KIID production fee	286	143
Transaction charges	131	215
	13,729	17,421
Total accrued expenses	13,729	31,637
Total other creditors	2,458,443	5,761,883

10. Commitments and contingent liabilities

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

11. Unit classes

The following reflects the change in units in issue in the year:

	Income
Opening units in issue	225,063,466
Total units issued in the year	35,087,274
Total units cancelled in the year	(16,262,415)
Total units converted in the year	105,133
Closing units in issue	243,993,458

	Accumulation
Opening units in issue	12,705,767
Total units issued in the year	2,360,388
Total units cancelled in the year	(1,589,502)
Total units converted in the year	(69,829)
Closing units in issue	13,406,824

	XL Institutional Income
Opening units in issue	54,126,422
Total units issued in the year	3,707,965
Total units cancelled in the year	(3,405,168)
Closing units in issue	54,429,219

For the year ended 31 March 2020, the annual management charge is as follows:

Income:	0.79%
Accumulation:	0.79%
XL Institutional Income:	0.60%

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.

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per Income unit has increased from 110.2p to 117.6p, Accumulation unit has increased from 166.8p to 179.0p and XL Institutional Income unit has increased from 110.7p to 118.3p as at 28 September 2020. 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.

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

	Purchases before transaction costs	Commission		Taxes		Purchases after transaction costs
2020	£	£	%	£	%	£
Equities	3,767,451	1,289	0.03%	6,156	0.16%	3,774,896
Bonds	143,021,683	2	0.00%	-	-	143,021,685
Total	146,789,134	1,291	0.03%	6,156	0.16%	146,796,581

	Purchases before transaction costs	Commission		Taxes		Purchases after transaction costs
2019	£	£	%	£	%	£
Bonds*	175,315,405	-	-	-	-	175,315,405
Structured Products*	5,000,000	-	-	-	-	5,000,000
Total	180,315,405	-	-	-	-	180,315,405

	Sales before transaction costs	Commission		Taxes		Sales after transaction costs
2020	£	£	%	£	%	£
Equities	1,322,111	(1,326)	0.10%	-	-	1,320,785
Bonds	137,194,466	(1)	0.00%	-	-	137,194,465
Structured Products*	5,000,000	-	-	-	-	5,000,000
Total	143,516,577	(1,327)	0.10%	-	-	143,515,250

* No direct transaction costs were incurred in these transactions.

14. Transaction costs (continued)

a Direct transaction costs (continued)

2019	Sales before transaction costs	Commission		Taxes		Sales after transaction costs
	£	£	%	£	%	£
Equities*	1,084,372	-	-	-	-	1,084,372
Bonds	119,898,393	-	-	(1)	0.00%	119,898,392
Structured Products*	6,500,000	-	-	-	-	6,500,000
Total	127,482,765	-	-	(1)	0.00%	127,482,764

* No direct transaction costs were incurred 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:

2020	£	% of average net asset value
Commission	2,618	0.00%
Taxes	6,156	0.00%

2019	£	% of average net asset value
Taxes	1	0.00%

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 0.53% (2019: 0.34%).

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.

15. Risk management policies (continued)

a Market risk (continued)

(i) Other price risk

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

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

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

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

At 31 March 2020, 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 of the Fund would increase or decrease by approximately £713,704 (2019: £635,495).

(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 Fund had no significant exposure to foreign currency in the year.

(iii) Interest rate risk

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

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

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

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

At 31 March 2020, if interest rates increased or decreased by 25 basis points, with all other variables remaining constant, then the net assets attributable to unitholders of the Fund would increase or decrease by approximately £2,263,540 (2019: £2,403,365).

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

15. Risk management policies (continued)

a Market risk (continued)

(iii) Interest rate risk (continued)

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

2020	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
	£	£	£	£	£	£
UK sterling	201,543,261	-	132,354,278	21,732,355	(4,199,655)	351,430,239
	201,543,261	-	132,354,278	21,732,355	(4,199,655)	351,430,239

2019	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
	£	£	£	£	£	£
UK sterling	108,400,961	-	219,423,723	18,811,822	(7,506,306)	339,130,200
	108,400,961	-	219,423,723	18,811,822	(7,506,306)	339,130,200

b Credit risk

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

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

In addition to the interest rate risk, bond investments are exposed to issuer risk which reflects the ability for the bond issuer to meet its obligations to pay interest and return the capital on the redemption date. Change in issuer risk will change the value of the investments and is dealt with further in note 15a. The majority of debt securities held within the portfolio are investment grade bonds. These are made across a variety of industry sectors, and geographical markets, so as to avoid concentrations of credit risk. A breakdown is provided in the Portfolio statement. The credit quality of the debt securities is disclosed in the Portfolio statement.

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

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

c Liquidity risk

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

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.

15. Risk management policies (continued)

c Liquidity risk (continued)

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.

Basis of valuation	Investment assets 2020 £	Investment liabilities 2020 £
Quoted prices	301,774,058	-
Observable market data	24,330,079	-
Unobservable data*	5,005,940	-
	331,110,077	-

Basis of valuation	Investment assets 2019 £	Investment liabilities 2019 £
Quoted prices	23,086,903	-
Observable market data	307,128,197	-
Unobservable data*	10,039,385	-
	340,254,485	-

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

*The following security is valued in the portfolio of investments using a valuation technique:

Cattles 6.875% 17/01/2014: The fair value pricing committee feels that it is appropriate to value the holding at nil value due to the security being in default.

15. Risk management policies (continued)

e Assets subject to special arrangements arising from their illiquid nature

The following assets held in the portfolio of investments are subject to special arrangements arising from their illiquid nature:

	2020	2019
	% of the total net asset value	% of the total net asset value
Cattles 7.875% 17/01/2014	0.00%	0.00%
Total	0.00%	0.00%

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.

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

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

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

Derivatives may be used for investment purposes and as a result could potentially impact upon the risk factors outlined above.

(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

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

As at the balance sheet date, the leverage was 101.44%.

15. Risk management policies (continued)

f Derivatives (continued)

(iii) Global exposure

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

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

	Gross exposure value £	% of the total net asset value
Investment		
Structured Products		
RBC CMS Linked Reverse Convertible Notes 5% 09/04/2020	5,062,155	1.44%

There have been no collateral arrangements in the year.

Distribution table

for the year ended 31 March 2020

Distributions on Income units in pence per unit

Payment date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.08.19	group 1	quarter 1	0.627	-	0.627	0.594
31.08.19	group 2	quarter 1	0.328	0.299	0.627	0.594
30.11.19	group 1	interim	0.647	-	0.647	0.604
30.11.19	group 2	interim	0.355	0.292	0.647	0.604
29.02.20	group 1	quarter 3	0.588	-	0.588	0.629
29.02.20	group 2	quarter 3	0.275	0.313	0.588	0.629
31.05.20	group 1	final	0.578	-	0.578	0.619
31.05.20	group 2	final	0.283	0.295	0.578	0.619

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.

Quarter 1 distribution:

Group 1	Units purchased before 1 April 2019
Group 2	Units purchased 1 April 2019 to 30 June 2019

Interim distribution:

Group 1	Units purchased before 1 July 2019
Group 2	Units purchased 1 July 2019 to 30 September 2019

Quarter 3 distribution:

Group 1	Units purchased before 1 October 2019
Group 2	Units purchased 1 October 2019 to 31 December 2019

Final distribution:

Group 1	Units purchased before 1 January 2020
Group 2	Units purchased 1 January 2020 to 31 March 2020

Distribution table (continued)

for the year ended 31 March 2020

Distributions on Accumulation units in pence per unit

Allocation date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.08.19	group 1	quarter 1	0.928	-	0.928	0.861
31.08.19	group 2	quarter 1	0.406	0.522	0.928	0.861
30.11.19	group 1	interim	0.966	-	0.966	0.880
30.11.19	group 2	interim	0.496	0.470	0.966	0.880
29.02.20	group 1	quarter 3	0.879	-	0.879	0.923
29.02.20	group 2	quarter 3	0.429	0.450	0.879	0.923
31.05.20	group 1	final	0.870	-	0.870	0.911
31.05.20	group 2	final	0.441	0.429	0.870	0.911

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.

Quarter 1 distribution:

Group 1	Units purchased before 1 April 2019
Group 2	Units purchased 1 April 2019 to 30 June 2019

Interim distribution:

Group 1	Units purchased before 1 July 2019
Group 2	Units purchased 1 July 2019 to 30 September 2019

Quarter 3 distribution:

Group 1	Units purchased before 1 October 2019
Group 2	Units purchased 1 October 2019 to 31 December 2019

Final distribution:

Group 1	Units purchased before 1 January 2020
Group 2	Units purchased 1 January 2020 to 31 March 2020

Distribution table (continued)

for the year ended 31 March 2020

Distributions on XL Institutional Income units in pence per unit

Payment date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior period
31.08.19	group 1	quarter 1	0.656	-	0.656	n/a
31.08.19	group 2	quarter 1	0.341	0.315	0.656	n/a
30.11.19	group 1	interim	0.679	-	0.679	n/a
30.11.19	group 2	interim	0.347	0.332	0.679	n/a
29.02.20	group 1	quarter 3	0.617	-	0.617	0.473
29.02.20	group 2	quarter 3	0.271	0.346	0.617	0.473
31.05.20	group 1	final	0.608	-	0.608	0.649
31.05.20	group 2	final	0.305	0.303	0.608	0.649

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.

Quarter 1 distribution:

Group 1	Units purchased before 1 April 2019
Group 2	Units purchased 1 April 2019 to 30 June 2019

Interim distribution:

Group 1	Units purchased before 1 July 2019
Group 2	Units purchased 1 July 2019 to 30 September 2019

Quarter 3 distribution:

Group 1	Units purchased before 1 October 2019
Group 2	Units purchased 1 October 2019 to 31 December 2019

Final distribution:

Group 1	Units purchased before 1 January 2020
Group 2	Units purchased 1 January 2020 to 31 March 2020

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

Remuneration policy

The main principles of the remuneration policy are:

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

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

Remuneration systems

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

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

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

Aggregate quantitative information

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

Remuneration (continued)

Aggregate quantitative information (continued)

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

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

Investment Manager

The Manager delegates the management of the Fund's portfolio of investments to Church House Investments Limited and pays to Church House Investments Limited, out of the Manager's annual management charge, a monthly fee calculated on the total value of the portfolio of investments at each valuation point. Church House Investments Limited are compliant with the Capital Requirements Directive regarding remuneration and therefore Church House Investments Limited staff are covered by remuneration regulatory requirements.

Further information

Distributions and reporting dates

Where net revenue is available it will be distributed/allocated quarterly on 31 May (final), 31 August (quarter 1), 30 November (interim) and the last day in February (quarter 3). In the event of a distribution, unitholders will receive a tax voucher.

XD dates:	1 April	final
	1 July	quarter 1
	1 October	interim
	1 January	quarter 3
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 a bank holiday in England and Wales, or the last business day prior to these days annually where the valuation maybe carried out at a time agreed in advance between the Manager and the Trustee; and the prices of the Fund 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.

Income units and Accumulation units

The minimum initial investment in these unit classes 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.

The Manager may impose a charge on the sale of units to investors, which is based on the amount invested by the prospective investor. The preliminary charge is 5% of the value of each unit.

XL Institutional Income units and XL Institutional Accumulation units

The minimum initial investment in these unit classes is £50,000,000. The minimum subsequent investment is £5,000. The Manager reserves the right to terminate holdings where the value is less than £50,000,000. The Manager may waive the minimum levels at its discretion.

The Manager may impose a charge on the sale of units to investors, which is based on the amount invested by the prospective investor. The preliminary charge is 5% of the value of each unit.

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.

Benchmark

Unitholders may compare the performance of the Trust against the ICE BofAML 7-10 Years AA Sterling Corporate & Collateralised Index and the IA £ Corporate Bond sector.

Comparison of the Trust's performance against IA £ Corporate Bond sector will give unitholders an indication of how the Trust is performing against other similar funds in this peer group sector. The Manager has selected ICE BofAML 7-10 Years AA Sterling Corporate & Collateralised Index as a comparator benchmark as the Manager believes it best reflects the asset allocation of the Trust.

The benchmarks are not targets for the Trust, nor is the Trust constrained by the benchmarks.

Appointments

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

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

Directors of the Manager
Brian McLean
David Cobb
James Gordon
Kevin Stopps
Paul Wyse - resigned 8 December 2019

Independent Non-Executive Directors of the Manager
Dean Buckley
Linda Robinson
Victoria Muir

Non-Executive Directors of the Manager
Paul Wyse - appointed 9 December 2019

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

Trustee
NatWest Trustee & Depositary Services Limited
2nd Floor
Drummond House
1 Redheughs Avenue
Edinburgh EH12 9RH
Authorised and regulated by the Financial Conduct Authority

Auditor
Mazars LLP
Tower Bridge House
St Katherine's Way
London E1W 1DD