

SVS Aubrey Capital Management Investment Funds

Annual Report

for the year ended 31 December 2022

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## SVS Aubrey Capital Management Investment Funds Report of the Authorised Corporate Director ('ACD')

St Vincent St Fund Administration (trading name of Evelyn Partners Fund Solutions Limited (previously Smith & Williamson Fund Administration Limited)), as ACD, presents herewith the Annual Report for SVS Aubrey Capital Management Investment Funds for the year ended 31 December 2022.

SVS Aubrey Capital Management Investment Funds ('the Company' or 'the Fund') is an authorised open-ended investment company with variable capital ('ICVC') further to an authorisation order dated 1 December 2006. The Company is incorporated under registration number IC000500. It 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 Company has been set up as an umbrella company. Provision exists for an unlimited number of sub-funds to be included within the umbrella and additional sub-funds may be established by the ACD with the agreement of the Depositary and the approval of the FCA. The sub-funds represent segregated portfolios of assets and, accordingly, the assets of a sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (indirectly or directly) the liabilities of claim against, any other person or body, and any other sub-fund and shall not be available for any such purpose.

The ACD 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 Company consist predominantly of securities which are readily realisable and, accordingly, the Company 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.

On 24 February 2022, Russian troops started invading Ukraine. In response, multiple jurisdictions have imposed economic sanctions on Russia and Belarus. In addition, a growing number of public and private companies have announced voluntary actions to curtail business activities with Russia and Belarus. As ACD we continue to monitor the events as they unfold. In particular, SVS Aubrey Capital Management Investment Funds does not have direct exposure to the Russian market.

The shareholders are not liable for the debts of the Company.

The Company has no Directors other than the ACD.

The Instrument of Incorporation can be inspected at the offices of the ACD.

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

### Sub-funds

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

SVS Aubrey Global Conviction Fund

SVS Aubrey Global Emerging Markets Fund

SVS Aubrey Europe Ex-UK Fund

SVS Aubrey China Fund

SVS Aubrey Citadel Fund

### Cross holdings

In the year no sub-fund held shares of any other sub-fund in the umbrella.

### Investment objective and policy

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

## Report of the Authorised Corporate Director (continued)

### Changes affecting the Company in the year

Tilney and Smith & Williamson merged in September 2020 and the name of the combined business changed to Evelyn Partners on 14 June 2022. As part of the re-brand, Smith & Williamson Fund Administration Limited changed name to Evelyn Partners Fund Solutions Limited on 10 June 2022.

On 12 August 2022 SVS Aubrey Global Emerging Markets Fund A share class merged with the B share class.

On 1 September 2022, SVS Aubrey Citadel Fund launched.

Further information in relation to the Company is illustrated on page 141.

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 ACD, Evelyn Partners Fund Solutions Limited (previously Smith & Williamson Fund Administration Limited).

Brian McLean

Director

Evelyn Partners Fund Solutions Limited (previously Smith & Williamson Fund Administration Limited)

14 April 2023

## Statement of the Authorised Corporate Director's responsibilities

The Collective Investment Schemes sourcebook ('COLL') published by the FCA, requires the Authorised Corporate Director ('ACD') to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Company and of the net revenue/expense and net capital losses on the property of the Company for the year.

In preparing the financial statements the ACD 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 the Financial Statements of UK Authorised Funds ('the SORP') issued by The Investment Association in May 2014 and amended in June 2017;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company'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 Company 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;
- taking reasonable steps for the prevention and detection of fraud and irregularities; and
- the maintenance and integrity of the Company's information on the ACD'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 ACD to carry out an Assessment of Value on the Company and publish these assessments within the Annual Report.

The ACD is responsible for the management of the Company in accordance with the Instrument of Incorporation, the Prospectus and COLL.




## Assessment of Value - SVS Aubrey Global Conviction Fund

In line with the provisions contained within COLL 6.6.20R, the Board of Evelyn Partners Fund Solutions Limited ('EPFL') (previously Smith and Williamson Fund Administration Limited) as Authorised Corporate Director ('ACD'), has carried out an Assessment of Value for SVS Aubrey Global Conviction Fund ('the sub-fund'). Furthermore, the rules require that EPFL publishes these assessments.

A high-level summary of the outcome of EPFL's rigorous review of the sub-fund, at share class level, for the year ended 31 December 2022, using the seven criteria set by the FCA is set out below:

Criteria	Institutional A Class	Retail A Class	Retail B Class
1. Quality of Service			
2. Performance			
3. ACD Costs			
4. Economies of Scale			
5. Comparable Market Rates			
6. Comparable Services			
7. Classes of Shares			
Overall Rating			

EPFL has adopted a traffic light system to show how it rated the sub-fund:

-  On balance, the Board believes the sub-fund is delivering value to shareholders, with no material issues noted.
-  On balance, the Board believes the sub-fund is delivering value to shareholders, but may require some action.
-  On balance, the Board believes the sub-fund has not delivered value to shareholders and significant remedial action is now planned by the Board.

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

EPFL has created an Assessment of Value Committee ('AVC'), for the review, challenge and approval of all funds' Assessments of Value. Ultimately the assessments will be subject to scrutiny by the 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 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 EPFL AVC has separately considered, the following seven criteria stipulated by the FCA. The Committee may also have considered other issues where it was deemed appropriate.

EPFL believes the Assessment of Value can make it easier for investors to both evaluate whether the sub-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 sub-fund performed, including whether it met targets and objectives, kept to relevant policy, followed relevant principles, kept to reasonable timescales;
- (3) ACD costs – the fairness and value of the sub-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 sub-fund compare with others in the marketplace;
- (6) Comparable services – how the charges applied to the sub-fund compare with those of other funds administered by EPFL;
- (7) Classes of shares – the appropriateness of the classes of shares in the sub-fund for investors.

## Assessment of Value – SVS Aubrey Global Conviction Fund (continued)

### 1. Quality of Service

What was assessed in this section?

#### Internal Factors

EPFL, as ACD, has overall responsibility for the sub-fund. The Board assessed, amongst other things: the day-to-day administration of the sub-fund; the maintenance of scheme documentation (such as prospectuses and key investor information documents ('KIIDs')); the pricing and valuation of shares; the calculation of income and distribution payments; the maintenance of accounting and other records; the preparation of annual audited and half-yearly Report & Accounts; the review of tax provisions and submission of tax computations to HMRC; the maintenance of the register of shareholders; and the dealing and settlement arrangements. EPFL delegates the Investment Management of the sub-fund to a delegated third-party Investment Management firm.

The Board reviewed information provided by EPFL's control functions on the adequacy of its internal services, including governance, operations and monitoring. Elements important to the investor experience such as the timely payment of settlement and distribution monies were also reviewed. Over the past year, EPFL has been audited by internal and external auditors, the sub-fund's Depositary and various EPFL delegated third-party Investment Managers.

#### External Factors

The Board assessed the delegate's 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 EPFL on the delegated third-party investment manager, Aubrey Capital Management Limited, where consideration was given to, amongst other things, the delegate's controls around the sub-fund's liquidity management.

The Board also considered the nature, extent and quality of administrative and shareholder services performed under separate agreements covering depositary 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 EPFL during the year. In addition, EPFL has performed its own independent analysis, using automated systems, of the sub-fund's liquidity. The Board concluded that EPFL had 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 benefitted and should continue to benefit the sub-fund and its shareholders.

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 sub-fund, after the deduction of all payments out of the scheme property as set out in the Prospectus. Performance, against its benchmark, was considered over appropriate timescales having regard to the sub-fund's investment objective, policy and strategy. The Board also considered whether an appropriate level of market risk had been taken.

#### Investment Objective

The sub-fund aims to achieve capital growth over the long term (at least five years).

#### Benchmark

As ACD, EPFL is 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.

## Assessment of Value - SVS Aubrey Global Conviction Fund (continued)

### 2. Performance (continued)

#### Benchmark (continued)

The benchmark for the sub-fund is the MSCI All Countries World Index (MSCI ACWI), which is a comparator. 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 sub-fund had performed against its comparator benchmark over various timescales can be found below.

Cumulative Performance as at 30 November 2022 (%)

	Currency	1 year	3 year	5 year
MSCI All Countries World Index (MSCI ACWI)	GBP	-1.82	31.68	55.11
SVS Aubrey Global Conviction Institutional A Class	GBX	-39.25	2.17	24.18
SVS Aubrey Global Conviction Retail A Acc	GBX	-39.42	1.14	21.69
SVS Aubrey Global Conviction Retail B Acc	GBX	-39.11	2.99	24.99

Data provided by FE fundinfo. Care has been taken to ensure that the information is correct but it neither warrants, represents nor guarantees the contents of the information, nor does it accept any responsibility for errors, inaccuracies, omissions or any inconsistencies herein.

Performance is calculated net of fees. Past performance is not a guide to future performance.

#### What was the outcome of the assessment?

The Board assessed the performance of the sub-fund over its minimum recommended holding period of five years and observed that it had underperformed its comparator benchmark, the MSCI All Countries World Index (MSCI ACWI), and therefore attracted an Amber rating.

This section was rated as Green at the last assessment. The Board expressed concern regarding the disappointing performance since the previous assessment, although it was acknowledged that the challenging environment for global equities in the last year, as evidenced by the one year figures in the table above, had impacted the rating this year. The sub-fund had also significantly underperformed its comparator benchmark over this one year period.

Consideration was given to the risk metrics associated with the sub-fund which focused on, amongst other things, volatility and risk adjusted returns where EPFL were comfortable that the outcomes were in line with expectations.

The Board found that the sub-fund is investing in the asset classes permitted by the investment policy and that there have been no breaches of the policy in the last 12 months.

#### Were there any follow up actions?

EPFL will continue to monitor performance through its normal oversight process and the sub-fund performance will be reviewed again within 6 months of the year end date.

### 3. ACD Costs

#### What was assessed in this section?

The Board reviewed each separate charge to ensure that they were reasonable and reflected the services provided. This included ACD's periodic charge, Investment Manager's fee, Depositary/Custodian 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 received and considered information about each of the sub-fund's costs, and concluded that they were fair, reasonable and provided on a competitive basis. It was noted that the Investment Management fee for Retail A Accumulation shares was reduced from 1.25% to 1.00% with effect from 1 November 2022.

#### 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 AUM of the sub-fund to examine the effect on the sub-fund to potential and existing investors should it increase or decrease in value.



## Assessment of Value - SVS Aubrey Global Conviction Fund (continued)

### 4. Economies of Scale (continued)

What was the outcome of the assessment?

The investment management fee and the ACD periodic charge are fixed percentage charges, meaning that there are no opportunities for savings going forward should the sub-fund grow in size.

The ancillary charges of the sub-fund represent 23 basis points<sup>1</sup>. Some of these costs are fixed and as the sub-fund grows in size may result in a small reduction in the basis point cost of these services.

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 figure ('OCF') of the sub-fund and how those charges affect its returns.

The OCF of the sub-fund's share classes were compared against the 'market rate' of similar external funds.

What was the outcome of the assessment?

The OCF<sup>2</sup> of the share classes, below, were found to have been more expensive than those of similar externally managed funds.

Institutional A Shares -1.38%

Retail A Accumulation shares -1.63%

Retail B Accumulation shares -1.13%

Note that EPFL has not charged an entry fee, exit fee or any other event-based fees on this sub-fund.

Were there any follow up actions?

There were no follow up actions as the Board were comfortable that the costs contained within the OCFs of the share classes were reasonable

### 6. Comparable Services

What was assessed in this section?

The Board compared the sub-fund's AMC with those of other funds administered by EPFL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

The AMCs of the share classes were found to be more expensive than that of other EPFL administered funds displaying similar characteristics.

Were there any follow up actions?

There were no follow-up actions required as the Board determined that there was no element within the AMC that gave cause for concern.

### 7. Classes of Shares

What was assessed in this section?

The Board reviewed the sub-fund's set-up to ensure that where there are multiple share classes shareholders were in the correct share class given the size of their holding.

What was the outcome of the assessment?

At the time of the assessment the Institutional A Shares, the Retail A Accumulation Shares and Retail B Accumulation Shares were the only active share classes in the sub-fund. Shareholders were in the correct share class given the size of their holding.

Were there any follow up actions?

There were no follow-up actions required.

<sup>1</sup> One basis point is equal to 1/100th of 1%, or 0.01%. Figure calculated at interim report, 30 June 2022.

<sup>2</sup> Figure calculated at interim report, 30 June 2022.

## Assessment of Value - SVS Aubrey Global Conviction Fund (continued)

### Overall Assessment of Value

Notwithstanding the issues raised in sections 2, 5 and 6, the Board concluded that the SVS Aubrey Global Conviction Fund had provided value to shareholders. However, the sub-fund merits further monitoring due to the significant underperformance against the benchmark over the 5 year holding period and, in particular, the disappointing performance over the course of the last 12 months.

Dean Buckley

Chairman of the Board of Evelyn Partners Fund Solutions Limited (previously Smith & Williamson Fund Administration Limited)

29 March 2023

### Consumer Feedback

On reviewing this Assessment of Value report, we would welcome invaluable feedback from investors via our short questionnaire which can be found online:

<https://www.evelyn.com/services/fund-solutions/assessment-of-value/>

















Investors views are invaluable to the development and delivery of this report.

Should you be unable to access the questionnaire online please contact us directly on 0141 222 1151 and we will provide you with a paper copy of the questionnaire.




## Assessment of Value - SVS Aubrey Global Emerging Markets Fund

In line with the provisions contained within COLL 6.6.20R, the Board of Evelyn Partners Fund Solutions Limited ('EPFL') (previously Smith & Williamson Fund Administration Limited) as Authorised Corporate Director ('ACD'), has carried out an Assessment of Value for SVS Aubrey Global Emerging Markets Fund ('the sub-fund'). Furthermore, the rules require that EPFL publishes these assessments.

A high-level summary of the outcome of EPFL's rigorous review of the sub-fund, at share class level, for the year ended 31 December 2022, using the seven criteria set by the FCA is set out below:

Criteria	B Accum Class (GBP)	B Accum Class (USD)
1. Quality of Service		
2. Performance		
3. ACD Costs		
4. Economies of Scale		
5. Comparable Market Rates		
6. Comparable Services		
7. Classes of Shares		
Overall Rating		

EPFL has adopted a traffic light system to show how it rated the sub-fund:

-  On balance, the Board believes the sub-fund is delivering value to shareholders, with no material issues noted.
-  On balance, the Board believes the sub-fund is delivering value to shareholders, but may require some action.
-  On balance, the Board believes the sub-fund has not delivered value to shareholders and significant remedial action is now planned by the Board.

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

EPFL has created an Assessment of Value Committee ('AVC'), for the review, challenge and approval of all funds' Assessments of Value. Ultimately the assessments will be subject to scrutiny by the 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 Board prior to communicating to investors if the sub-fund has delivered value, and if not, where improvements need to be made.

In carrying out the assessment, the EPFL AVC has separately considered, the following seven criteria stipulated by the FCA. The Committee may also have considered other issues where it was deemed appropriate.

EPFL believes the Assessment of Value can make it easier for investors to both evaluate whether the sub-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 sub-fund performed, including whether it met targets and objectives, kept to relevant policy, followed relevant principles, kept to reasonable timescales;
- (3) ACD costs – the fairness and value of the sub-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 sub-fund compare with others in the marketplace;
- (6) Comparable services – how the charges applied to the sub-fund compare with those of other funds administered by EPFL; and
- (7) Classes of shares – the appropriateness of the classes of shares in the sub-fund for investors.

## Assessment of Value - SVS Aubrey Global Emerging Markets Fund (continued)

### 1. Quality of Service

What was assessed in this section?

#### Internal Factors

EPFL, as ACD, has overall responsibility for the sub-fund. The Board assessed, amongst other things: the day-to-day administration of the sub-fund; the maintenance of scheme documentation (such as prospectuses and key investor information documents ('KIID's')); the pricing and valuation of shares; the calculation of income and distribution payments; the maintenance of accounting and other records; the preparation of annual audited and half-yearly Report & Accounts; the review of tax provisions and submission of tax computations to HMRC; the maintenance of the register of shareholders; and the dealing and settlement arrangements. EPFL delegates the Investment Management of the sub-fund to a delegated third-party Investment Management firm.

The Board reviewed information provided by EPFL's control functions on the adequacy of its internal services, including governance, operations and monitoring. Elements important to the investor experience such as the timely payment of settlement and distribution monies were also reviewed. Over the past year, EPFL has been audited by internal and external auditors, the sub-fund's Depositary and various EPFL delegated third-party Investment Managers.

#### External Factors

The Board assessed the delegate's 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 EPFL on the delegated third-party Investment Manager, Aubrey Capital Management Limited, where consideration was given to, amongst other things, the delegate's controls around the sub-fund's liquidity management.

The Board also considered the nature, extent and quality of administrative and shareholder services performed under separate agreements covering depositary 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 EPFL during the year. In addition, EPFL has performed its own independent analysis, using automated systems, of the sub-fund's liquidity. The Board concluded that EPFL had 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 benefitted and should continue to benefit the sub-fund and its shareholders.

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 sub-fund, after the deduction of all payments out of the scheme property as set out in the Prospectus. Performance, against its benchmark, was considered over appropriate timescales having regard to the sub-fund's investment objective, policy and strategy. The Board also considered whether an appropriate level of market risk had been taken.

#### Investment Objective

The sub-fund aims to achieve capital growth over the long term (at least five years).

#### Benchmark

As ACD, EPFL is 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.

## Assessment of Value - SVS Aubrey Global Emerging Markets Fund (continued)

### 2. Performance (continued)

#### Benchmark (continued)

The benchmark for the sub-fund is the MSCI Daily TR Net Emerging Markets USD index, which is a comparator. 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 sub-fund had performed against its comparator benchmark over various timescales can be found below.

#### Cumulative Performance (%)

Instrument	Currency	1 year	12/05/2021 to 30/11/2022
MSCI Daily TR Net Emerging Markets USD Index	GBP	-8.27	-8.67
SVS Aubrey Global Emerging Markets B Class Accumulation (GBP)	GBX	-16.32	-21.34
SVS Aubrey Global Emerging Markets B Class Accumulation (USD)	GBX	-16.52	-21.46

Data provided by FE fundinfo. Care has been taken to ensure that the information is correct but it neither warrants, represents nor guarantees the contents of the information, nor does it accept any responsibility for errors, inaccuracies, omissions or any inconsistencies herein.

Performance is calculated net of fees. Past performance is not a guide to future performance.

#### What was the outcome of the assessment?

The Board were mindful that the sub-fund has a long-term objective period of at least five years. However the Board were still required to assess the performance of the sub-fund since launch on 12 May 2021 and observed that it has performed behind that of its comparator benchmark, which attracted an Amber rating.

Consideration was given to the risk metrics associated with the sub-fund which focused on, amongst other things, volatility and risk adjusted returns where EPFL were comfortable that the outcomes were in line with expectations.

The Board found that the sub-fund is investing in the asset classes permitted by the investment policy and that there have been no breaches of the policy in the last 12 months.

#### Were there any follow up actions?

EPFL will continue to monitor sub-fund performance through the normal course of its oversight.

### 3. ACD Costs

#### What was assessed in this section?

The Board reviewed each separate charge to ensure that they were reasonable and reflected the services provided. This included the annual management charge ('AMC'), Depositary/Custodian 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 received and considered information about each of the sub-fund's costs, and 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 AUM of the sub-fund to examine the effect on the sub-fund to potential and existing investors should it increase or decrease in value.

#### What was the outcome of the assessment?

The ongoing charges figure ('OCF') of the 'B' share class was capped at 1.15%. Due to the small size of the sub-fund, the Investment Manager absorbs costs in order to maintain the OCF at this level, without which the OCF would be significantly higher. The Investment Manager's fee is a fixed percentage charge. The ACD fee is tiered meaning there are opportunities for savings going forward should the sub-fund grow in size.

The ancillary charges of the sub-fund represent 8 basis points<sup>1</sup>. Some of these costs are fixed and as the sub-fund grows in size may result in a small reduction in the basis point cost of these services.

#### Were there any follow up actions?

There were no follow-up actions required.

<sup>1</sup> One basis point is equal to 1/100th of 1%, or 0.01%. Figure calculated at interim report, 30 June 2022.

## Assessment of Value - SVS Aubrey Global Emerging Markets Fund (continued)

### 5. Comparable Market Rates

What was assessed in this section?

The Board reviewed the OCF of the sub-fund and how those charges affect its returns.

The OCF of the sub-fund was compared against the 'market rate' of similar external funds.

What was the outcome of the assessment?

The OCF of the 'B' share class was capped at 1.15%<sup>2</sup> and was found to have been more expensive than those of similar externally managed funds.

Note that there is no performance fee and EPFL has not charged an entry fee, exit fee or any other event-based fees on this sub-fund.

Were there any follow up actions?

There were no follow-up actions required as the OCF was capped at 115bps which the Board determined was not an excessive figure.

### 6. Comparable Services

What was assessed in this section?

The Board compared the sub-fund's AMC with those of other funds administered by EPFL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

There were no other EPFL administered funds displaying similar characteristics with which to make a meaningful comparison.

Were there any follow up actions?

There were no follow-up actions required.

### 7. Classes of Shares

What was assessed in this section?

The Board reviewed the sub-fund's set-up to ensure that where there are multiple share classes, shareholders were in the correct share class given the size of their holding.

What was the outcome of the assessment?

At the time of the assessment the B Class Accumulation (GBP) and B Class Accumulation (USD) share classes were the only active share classes in the sub-fund.

The Board noted that the 'A' share class holders on the share register at the previous assessment had converted into the B Class as intended during the period and that investors were in the correct share class given the size of their holding.

Were there any follow up actions?

There were no follow-up actions required.

### Overall Assessment of Value

Notwithstanding the issues raised in sections 2, and 5, the Board concluded that SVS Aubrey Global Emerging Markets Fund had provided value to shareholders.

Dean Buckley

Chairman of the Board of Evelyn Partners Fund Solutions Limited (previously Smith & Williamson Fund Administration Limited)

27 February 2023

### Consumer Feedback

On reviewing this Assessment of Value report, we would welcome invaluable feedback from investors via our short questionnaire which can be found online:

<https://www.evelyn.com/services/fund-solutions/assessment-of-value/>

Investors views are invaluable to the development and delivery of this report.

















Should you be unable to access the questionnaire online please contact us directly on 0141 222 1151 and we will provide you with a paper copy of the questionnaire.

<sup>2</sup> Figure calculated at interim report, 30 June 2022.




## Assessment of Value - SVS Aubrey Europe Ex-UK Fund

In line with the provisions contained within COLL 6.6.20R, the Board of Evelyn Partners Fund Solutions Limited ('EPFL') (previously Smith & Williamson Fund Administration Limited) as Authorised Corporate Director ('ACD'), has carried out an Assessment of Value for the SVS Aubrey Europe Ex-UK Fund (the 'sub-fund'). Furthermore, the rules require that EPFL publishes these assessments.

A high-level summary of the outcome of EPFL's rigorous review of the sub-fund, at share class level, for the year ended 31 December 2022, using the seven criteria set by the FCA is set out below:

Criteria	B Accum Class (GBP)	B Accum Class (USD)
1. Quality of Service		
2. Performance		
3. ACD Costs		
4. Economies of Scale		
5. Comparable Market Rates		
6. Comparable Services		
7. Classes of Shares		
Overall Rating		

EPFL has adopted a traffic light system to show how it rated the sub-fund:

-  On balance, the Board believes the sub-fund has delivered value to shareholders, with no material issues noted.
-  On balance, the Board believes the sub-fund has delivered value to shareholders, but may require some action.
-  On balance, the Board believes the sub-fund has not delivered value to shareholders and significant remedial action is now planned by the Board.

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

EPFL has created an Assessment of Value Committee ('AVC'), for the review, challenge and approval of all the funds' Assessments of Value. Ultimately the assessments will be subject to scrutiny by the 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 Board prior to communicating to investors if the sub-fund has delivered value, and if not, where improvements need to be made.

In carrying out the assessment, the EPFL AVC has separately considered, the following seven criteria stipulated by the FCA. The Committee may also have considered other issues where it was deemed appropriate.

EPFL believes the Assessment of Value can make it easier for investors to both evaluate whether the sub-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 sub-fund performed, including whether it met targets and objectives, kept to relevant policy, followed relevant principles, kept to reasonable timescales;
- (3) ACD costs – the fairness and value of sub-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 sub-fund compare with others in the marketplace;
- (6) Comparable services – how the charges applied to the sub-fund compare with those of other funds administered by EPFL; and
- (7) Classes of shares – the appropriateness of the classes of shares in the sub-fund for investors.

## Assessment of Value - SVS Aubrey Europe Ex-UK Fund (continued)

### 1. Quality of Service

What was assessed in this section?

#### Internal Factors

EPFL, as ACD, has overall responsibility for the sub-fund. The Board assessed, amongst other things: the day-to-day administration of the sub-fund; the maintenance of scheme documentation (such as prospectuses and key investor information documents ('KIIDs')); the pricing and valuation of shares; the calculation of income and distribution payments; the maintenance of accounting and other records; the preparation of annual audited and half-yearly Report & Accounts; the review of tax provisions and submission of tax computations to HMRC; the maintenance of the register of shareholders; and the dealing and settlement arrangements. EPFL delegates the Investment Management of the sub-fund to a delegated third-party Investment Management firm.

The Board reviewed information provided by EPFL's control functions on the adequacy of its internal services, including governance, operations and monitoring. Elements important to the investor experience such as the timely payment of settlement and distribution monies were also reviewed. Over the past year, EPFL has been audited by internal and external auditors, the Fund's Depositary and various EPFL delegated third-party Investment Managers.

#### External Factors

The Board assessed the delegate's skills, processes and experience. Also considered were any results from service review meetings as well as the annual due diligence performed by EPFL on the delegated third-party Investment Manager, Aubrey Capital Management Limited, where consideration was given to, amongst other things, the delegate's controls around sub-fund's liquidity management.

The Board also considered the nature, extent and quality of administrative and shareholder services performed under separate agreements covering depositary 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 EPFL during the year. In addition, EPFL has performed its own independent analysis, using automated systems, of the sub-fund's liquidity. The Board concluded that EPFL had 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 benefitted and should continue to benefit the sub-fund and its shareholders.

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 sub-fund, after the deduction of all payments out of the scheme property as set out in the Prospectus. Performance, against its benchmark, was considered over appropriate timescales having regard to sub-fund's investment objective, policy and strategy. The Board also considered whether an appropriate level of market risk had been taken.

#### Investment Objective

The sub-fund aims to achieve capital growth over the long term (at least five years).

#### Benchmark

As ACD, EPFL is 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.



## Assessment of Value - SVS Aubrey Europe Ex-UK Fund (continued)

### 2. Performance (continued)

#### Benchmark (continued)

The benchmark for the sub-fund is the MSCI Europe (Ex UK) Index, which is a comparator. 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 sub-fund had performed against its comparator benchmark over various timescales can be found below.

Cumulative Performance as at 30 November 2022 (%)

Instrument	Currency	3 Months	6 Months	1 Year	01/07/2021 to 30/11/2022
MSCI Europe (Ex UK) Index	GBP	7.05	2.45	-3.15	-2.29
SVS Aubrey Europe Ex-UK B Class Accumulation (GBP)	GBP	6.19	-4.16	-25.35	-26.55
SVS Aubrey Europe Ex-UK B Class Accumulation (USD)	GBP	6.20	-4.11	-25.37	-21.23

Data provided by FE fundinfo. Care has been taken to ensure that the information is correct but it neither warrants, represents nor guarantees the contents of the information, nor does it accept any responsibility for errors, inaccuracies, omissions or any inconsistencies herein.

Performance is calculated net of fees. Past performance is not a guide to future performance.

#### What was the outcome of the assessment?

The Board were mindful that the sub-fund has a long-term objective period of at least five years. However the Board were still required to assess the performance of the sub-fund since launch on 1 July 2021 and observed that it had performed significantly behind that of its comparator benchmark, the MSCI Europe ex-UK index, which attracted an Amber rating.

Consideration was given to the risk metrics associated with the sub-fund which focused on, amongst other things, volatility and risk adjusted returns where EPFL were comfortable that the outcomes were in line with expectations.

The Board found that the sub-fund is investing in the asset classes permitted by the investment policy and that there have been no breaches of the policy in the last 12 months.

#### Were there any follow up actions?

EPFL will continue to monitor performance through its normal oversight process.

### 3. ACD Costs

#### What was assessed in this section?

The Board reviewed each separate charge to ensure that they were reasonable and reflected the services provided. This included the annual management charge ('AMC'), Depositary/Custodian 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 received and considered information about each of the sub-fund's costs, and 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 AUM of the sub-fund to examine the effect on the sub-fund to potential and existing investors should it increase or decrease in value.

#### What was the outcome of the assessment?

The ongoing charges figure ('OCF') of the 'B' share class was capped at 1.15%. Due to the small size of the sub-fund, the Investment Manager absorbs costs in order to maintain the OCF at this level, without which the OCF would be significantly higher.

The Investment Manager's fee is a fixed percentage charge. The ACD fee is tiered meaning there are opportunities for savings going forward should the sub-fund grow in size.

The ancillary charges of the sub-fund represent 8 basis points<sup>1</sup>. Some of these costs are fixed and as the sub-fund grows in size may result in a small reduction in the basis point cost of these services.

<sup>1</sup> One basis point is equal to 1/100th of 1%, or 0.01%. Figure calculated at interim report, 30 June 2022.

## Assessment of Value - SVS Aubrey Europe Ex-UK Fund (continued)

### 4. Economies of Scale (continued)

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 sub-fund, and how those charges affect its returns.

The OCF of the sub-fund was compared against the 'market rate' of similar external funds.

What was the outcome of the assessment?

The OCF of the 'B' share class was capped at 1.15%<sup>2</sup> and was found to have been more expensive than those of similar externally managed funds.

Note that there is no performance fee and EPFL has not charged an entry fee, exit fee or any other event-based fees on this sub-fund.

Were there any follow up actions?

There were no follow-up actions required as the OCF was capped at 115bps which the Board determined was not an excessive figure.

### 6. Comparable Services

What was assessed in this section?

The Board compared the sub-fund's AMC with those of other funds administered by EPFL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

The AMC was found to be more expensive than that of other EPFL administered funds displaying similar characteristics.

Were there any follow up actions?

There were no follow-up actions required as the OCF was capped at 115bps and the Board determined that the AMC amount of 107bps was not an excessive figure.

### 7. Classes of Shares

What was assessed in this section?

The Board reviewed the sub-fund's set-up to ensure that where there are multiple share classes, shareholders are in the correct share class given the size of their holding.

What was the outcome of the assessment?

At the time of the assessment the B Class Accumulation Shares (GBP) and B Class Accumulation Shares (USD) share classes were the only active share classes in the sub-fund.

The Board noted that the 'A' share class holders on the share register at the previous assessment had converted into the B Class as intended during the period and that investors were in the correct share class given the size of their holding.

Were there any follow up actions?

There were no follow-up actions required.

<sup>2</sup> Figures at interim report 30 June 2022.

## Assessment of Value - SVS Aubrey Europe Ex-UK Fund (continued)

### Overall Assessment of Value

Notwithstanding the issues raised in sections 2,5 and 6, the Board concluded that the SVS Aubrey Europe Ex-UK Fund had provided value to shareholders, but merits further monitoring due to the significant underperformance of the sub-fund against the benchmark since launch.

Dean Buckley

Chairman of the Board of Evelyn Partners Fund Solutions Limited (previously Smith & Williamson Fund Administration Limited)

27 February 2023

### Consumer Feedback

On reviewing this Assessment of Value report, we would welcome invaluable feedback from investors via our short questionnaire which can be found online:

<https://www.evelyn.com/services/fund-solutions/assessment-of-value/>

















Investors views are invaluable to the development and delivery of this report.

Should you be unable to access the questionnaire online please contact us directly on 0141 222 1151 and we will provide you with a paper copy of the questionnaire.




## Assessment of Value - SVS Aubrey China Fund

In line with the provisions contained within COLL 6.6.20R, the Board of Evelyn Partners Fund Solutions Limited ('EPFL') as Authorised Corporate Director ('ACD'), has carried out an Assessment of Value for the SVS Aubrey China Fund (the 'sub-fund'). Furthermore, the rules require that EPFL publishes these assessments.

A high-level summary of the outcome of EPFL's rigorous review of the sub-fund, at share class level, for the year ended 31 December 2022, using the seven criteria set by the FCA is set out below:

Criteria	B Class Accum (GBP)	I Class Accum (GBP)
1. Quality of Service		
2. Performance		
3. ACD Costs		
4. Economies of Scale		
5. Comparable Market Rates		
6. Comparable Services		
7. Classes of Shares		
Overall Rating		

EPFL has adopted a traffic light system to show how it rated the sub-fund:

-  On balance, the Board believes the sub-fund is delivering value to shareholders, with no material issues noted.
-  On balance, the Board believes the sub-fund is delivering value to shareholders, but may require some action.
-  On balance, the Board believes the sub-fund has not delivered value to shareholders and significant remedial action is now planned by the Board.

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

EPFL has created an Assessment of Value Committee ('AVC'), for the review, challenge and approval of all the funds' Assessments of Value. Ultimately the assessments will be subject to scrutiny by the 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 Board prior to communicating to investors if the sub-fund has delivered value, and if not, where improvements need to be made.

In carrying out the assessment, the EPFL AVC has separately considered, the following seven criteria stipulated by the FCA. The Committee may also have considered other issues where it was deemed appropriate.

EPFL believes the Assessment of Value can make it easier for investors to both evaluate whether the sub-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 sub-fund performed, including whether it met targets and objectives, kept to relevant policy, followed relevant principles, kept to reasonable timescales;
- (3) ACD costs – the fairness and value of sub-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 sub-fund compare with others in the marketplace;
- (6) Comparable services – how the charges applied to the sub-fund compare with those of other funds administered by EPFL; and
- (7) Classes of shares – the appropriateness of the classes of shares in the sub-fund for investors.

## Assessment of Value - SVS Aubrey China Fund (continued)

### 1. Quality of Service

What was assessed in this section?

#### Internal Factors

EPFL, as ACD, has overall responsibility for the sub-fund. The Board assessed, amongst other things: the day-to-day administration of the sub-fund; the maintenance of scheme documentation (such as prospectuses and key investor information documents ('KIIDs')); the pricing and valuation of shares; the calculation of income and distribution payments; the maintenance of accounting and other records; the preparation of annual audited and half-yearly Report & Accounts; the review of tax provisions and submission of tax computations to HMRC; the maintenance of the register of shareholders; and the dealing and settlement arrangements. EPFL delegates the Investment Management of the sub-fund to a delegated third-party Investment Management firm.

The Board reviewed information provided by EPFL's control functions on the adequacy of its internal services, including governance, operations and monitoring. Elements important to the investor experience such as the timely payment of settlement and distribution monies were also reviewed. Over the past year, EPFL has been audited by internal and external auditors, the sub-fund's Depositary and various EPFL delegated third-party Investment Managers.

#### External Factors

The Board assessed the delegate's 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 EPFL on the delegated third-party investment manager, Aubrey Capital Management Limited, where consideration was given to, amongst other things, the delegate's controls around sub-fund's liquidity management.

The Board also considered the nature, extent and quality of administrative and shareholder services performed under separate agreements covering depositary 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 EPFL during the year. In addition, EPFL has performed its own independent analysis, using automated systems, of the sub-fund's liquidity. The Board concluded that EPFL had 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 benefitted and should continue to benefit the sub-fund and its shareholders.

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 sub-fund, after the deduction of all payments out of the scheme property as set out in the Prospectus. Performance, against its benchmark, was considered over appropriate timescales having regard to sub-fund's investment objective, policy and strategy. The Board also considered whether an appropriate level of market risk had been taken.

#### Investment Objective

The sub-fund aims to achieve capital growth over the long term (at least five years).

#### Benchmark

As ACD, EPFL is 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.

## Assessment of Value - SVS Aubrey China Fund (continued)

### 2. Performance (continued)

#### Benchmark (continued)

The benchmark for the sub-fund is the MSCI China All Share Index (USD), which is a comparator. 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 sub-fund had performed against its comparator benchmark over various timescales can be found below.

Cumulative Performance as at 30 November 2022 (%)

Instrument	Currency	1 year	01/07/2021 to 30/11/2022
MSCI China All Share Index (USD)	GBP	-19.65	-28.02
SVS Aubrey China B Class Accumulation (GBP)	GBX	-27.79	-35.26
SVS -Aubrey China I Class Accumulation (GBP)	GBX	-27.77	-35.14

Data provided by FE fundinfo. Care has been taken to ensure that the information is correct but FE fundinfo neither warrants, represents nor guarantees the contents of the information, nor does it accept any responsibility for errors, inaccuracies, omissions or any inconsistencies herein.

Performance is calculated net of fees. Past performance is not a guide to future performance.

What was the outcome of the assessment?

The Board were mindful that the Chinese Equity market had endured a challenging 12 months and provided a difficult backdrop for the performance of the sub fund since launch.

The sub-fund does, however, have a long-term objective period of at least five years and the hope is that going forward sentiment within the Chinese market will change and so allow the sub-fund to flourish.

The Board assessed the performance of the sub-fund since launch on 1 July 2021 and observed that it has performed behind that of its comparator benchmark, and had lost approximately one third of its value in that time. Accordingly an Amber rated was awarded.

Consideration was given to the risk metrics associated with the sub-fund which focused on, amongst other things, volatility and risk adjusted returns where EPFL were comfortable that the outcomes were in line with expectations.

The Board found that the sub-fund is investing in the asset classes permitted by the investment policy and that there have been no breaches of the policy in the last 12 months.

Were there any follow up actions?

EPFL will continue to monitor performance through the normal course of its oversight.

### 3. ACD Costs

What was assessed in this section?

The Board reviewed each separate charge to ensure that they were reasonable and reflected the services provided. This included annual management charge ('AMC'), Depository/Custodian 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 received and considered information about each of the sub-fund's costs, and 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 AUM of the sub-fund to examine the effect on the sub-fund to potential and existing investors should it increase or decrease in value.

What was the outcome of the assessment?

## Assessment of Value - SVS Aubrey China Fund (continued)

### 4. Economies of Scale (continued)

The ongoing charges figure ('OCF') of both the 'B' and 'I' share classes are currently capped at 1.15%<sup>1</sup> and 1.00%<sup>1</sup> respectively. Due to the small size of the sub-fund, the Investment Manager absorbs costs in order to maintain the OCF at this level, without which the OCF would be significantly higher.

The investment management fee is a fixed percentage charge. The ACD fee is tiered meaning there are opportunities for savings going forward should the sub-fund grow in size.

The ancillary charges of the sub-fund represent 12 basis points<sup>1</sup>. Some of these costs are fixed and as the sub-fund grows in size may result in a small reduction in the basis point cost of these services.

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 OCF of the sub-fund and how those charges affect its returns.

The OCF of the sub-fund was compared against the 'market rate' of similar external funds.

What was the outcome of the assessment?

The OCF of the 'B' share classes was capped at 1.15%<sup>2</sup> and found to have been more expensive than those of similar externally managed funds.

The OCFs of the 'I' share class was capped at 1.00%<sup>2</sup> and found to have compared favourably with those of similar externally managed funds.

Note that there is no performance fee and EPFL has not charged an entry fee, exit fee or any other event-based fees on this sub-fund.

Were there any follow up actions?

There were no follow-up actions required.

### 6. Comparable Services

What was assessed in this section?

The Board compared sub-fund's AMC with those of other funds administered by EPFL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

There were no other EPFL administered funds displaying similar characteristics with which to make a meaningful comparison.

Were there any follow up actions?

There were no follow-up actions required.

### 7. Classes of Shares

What was assessed in this section?

The Board reviewed the sub-fund's set-up to ensure that where there are multiple share classes, shareholders are in the correct share class given the size of their holding.

What was the outcome of the assessment?

At the time of the assessment the B Class Accumulation Shares and I Class Accumulation Shares share classes were the only active share classes in the sub-fund.

The Board noted that the 'A' share class holders on the share register at the previous assessment had converted into the B and I Class as intended during the period and that investors were in the correct share class given the size of their holding.

Were there any follow up actions?

There were no follow-up actions required.

<sup>1</sup> One basis point is equal to 1/100th of 1%, or 0.01%. Figure calculated at interim report, 30 June 2022.

<sup>2</sup> Figure calculated at interim report, 30 June 2022.

## Assessment of Value - SVS Aubrey China Fund (continued)

### Overall Assessment of Value

Notwithstanding the issues raised in sections two and five, the Board concluded that SVS Aubrey China Fund had provided value to shareholders, but merits further monitoring due to performance issues since launch.

Dean Buckley

Chairman of the Board of Evelyn Partners Fund Solutions Limited (previously Smith & Williamson Fund Administration Limited)

8 March 2023

### Consumer Feedback

On reviewing this Assessment of Value report, we would welcome invaluable feedback from investors via our short questionnaire which can be found online:

<https://www.evelyn.com/services/fund-solutions/assessment-of-value/>

Investors views are invaluable to the development and delivery of this report.









Should you be unable to access the questionnaire online please contact us directly on 0141 222 1151 and we will provide you with a paper copy of the questionnaire.






## Assessment of Value - SVS Aubrey Citadel Fund

In line with the provisions contained within COLL 6.6.20R, the Board of Evelyn Partners Fund Solutions Limited ('EPFL') (previously Smith and Williamson Fund Administration Limited) as Authorised Corporate Director ('ACD'), has carried out an Assessment of Value for SVS Aubrey Citadel Fund ('the sub-fund'). Furthermore, the rules require that EPFL publishes these assessments.

A high-level summary of the outcome of EPFL's rigorous review of the sub-fund for the year ended 31 December 2022, using the seven criteria set by the FCA is set out below:

Criteria	A Class (GBP)
1. Quality of Service	
2. Performance	
3. ACD Costs	
4. Economies of Scale	
5. Comparable Market Rates	
6. Comparable Services	
7. Classes of Shares	
Overall Rating	

EPFL has adopted a traffic light system to show how it rated the sub-fund:

-  On balance, the Board believes the sub-fund is delivering value to shareholders, with no material issues noted.
-  On balance, the Board believes the sub-fund is delivering value to shareholders, but may require some action.
-  On balance, the Board believes the sub-fund has not delivered value to shareholders and significant remedial action is now planned by the Board.

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

EPFL has created an Assessment of Value Committee ('AVC'), for the review, challenge and approval of all funds' Assessments of Value. Ultimately the assessments will be subject to scrutiny by the 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 Board prior to communicating to investors if the sub-fund has delivered value, and if not, where improvements need to be made.

In carrying out the assessment, the EPFL AVC has separately considered, the following seven criteria stipulated by the FCA. The Committee may also have considered other issues where it was deemed appropriate.

EPFL believes the Assessment of Value can make it easier for investors to both evaluate whether the sub-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) ACD costs – the fairness and value of the sub-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 sub-fund compare with others in the marketplace;
- (6) Comparable services – how the charges applied to the sub-fund compare with those of other funds administered by EPFL; and
- (7) Classes of shares – the appropriateness of the classes of shares in the sub-fund for investors.

## Assessment of Value – SVS Aubrey Citadel Fund (continued)

### 1. Quality of Service

What was assessed in this section?

#### Internal Factors

EPFL, as ACD, has overall responsibility for the sub-fund. The Board assessed, amongst other things: the day-to-day administration of the sub-fund; the maintenance of scheme documentation (such as prospectuses and key investor information documents ('KIIDs')); the pricing and valuation of shares; the calculation of income and distribution payments; the maintenance of accounting and other records; the preparation of annual audited and half-yearly Report & Accounts; the review of tax provisions and submission of tax computations to HMRC; the maintenance of the register of shareholders; and the dealing and settlement arrangements. EPFL delegates the Investment Management of the sub-fund to a delegated third-party Investment Management firm.

The Board reviewed information provided by EPFL's control functions on the adequacy of its internal services, including governance, operations and monitoring. Elements important to the investor experience such as the timely payment of settlement and distribution monies were also reviewed. Over the past year, EPFL has been audited by internal and external auditors, the sub-fund's Depositary and various EPFL delegated third-party Investment Managers.

#### External Factors

The Board assessed the delegate's 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 EPFL on the delegated third-party investment manager, Aubrey Capital Management Limited, where consideration was given to, amongst other things, the delegate's controls around the sub-fund's liquidity management.

The Board also considered the nature, extent and quality of administrative and shareholder services performed under separate agreements covering depositary 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 EPFL during the year. In addition, EPFL has performed its own independent analysis, using automated systems, of the sub-fund's liquidity. The Board concluded that EPFL had 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 benefitted and should continue to benefit the sub-fund and its shareholders.

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 sub-fund, after the deduction of all payments out of the scheme property as set out in the Prospectus. Performance, against its benchmark, was considered over appropriate timescales having regard to the sub-fund's investment objective, policy and strategy. The Board also considered whether an appropriate level of market risk had been taken.

#### Investment Objective

The sub-fund aims to provide a balance of capital growth and income over the medium term (at least 3 years).

#### Benchmark

As ACD, EPFL is 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.

## Assessment of Value - SVS Aubrey Citadel Fund (continued)

### 2. Performance (continued)

#### Benchmark (continued)

The benchmark for the sub-fund is the IA Mixed 20-60 Sector, which is a comparator. 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 sub-fund had performed against its comparator benchmark since launch can be found below.

#### Cumulative Performance (%)

Instrument	Currency	31/08/2022 to 30/11/2022
IA Mixed 20-60 Sector	GBP	-1.08
SVS Aubrey Citadel Fund A Class Accumulation (GBP)	GBX	-1.55

Data provided by FE fundinfo. Care has been taken to ensure that the information is correct but FE fundinfo neither warrants, represents nor guarantees the contents of the information, nor does it accept any responsibility for errors, inaccuracies, omissions or any inconsistencies herein.

Performance shown is representative of all share classes. Performance is calculated net of fees. Past performance is not a guide to future performance.

#### What was the outcome of the assessment?

The Board assessed the performance of the sub-fund since launch on 31 August 2022 and observed that, although it had performed marginally behind its comparator benchmark, it was too early to reach any meaningful conclusions.

Consideration was given to the risk metrics associated with the sub-fund which focused on, amongst other things, volatility and risk adjusted returns where EPFL were comfortable that the outcomes were in line with expectations.

The Board found that the sub-fund is investing in the asset classes permitted by the investment policy and that there have been no breaches of the policy in the last 12 months.

#### Were there any follow up actions?

There were no follow-up actions required.

### 3. ACD Costs

#### What was assessed in this section?

The Board reviewed each separate charge to ensure that they were reasonable and reflected the services provided. This included annual management charge ('AMC'), Depositary/Custodian 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 received and considered information about each of sub-fund's costs, and 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 AUM of the sub-fund to examine the effect on the sub-fund to potential and existing investors should it increase or decrease in value.

#### What was the outcome of the assessment?

The investment management fee is a fixed percentage charge. The ACD fee is tiered meaning there are opportunities for savings going forward should the sub-fund grow in size.

The ancillary charges of the sub-fund represent 18 basis points<sup>1</sup>. Some of these costs are fixed and as the sub-fund grows in size may result in a small reduction in the basis point cost of these services.

#### Were there any follow up actions?

There were no follow-up actions required.

<sup>1</sup> One basis point is equal to 1/100th of 1%, or 0.01%. Estimated figure calculated at launch, 31 August 2022.

## Assessment of Value - SVS Aubrey Citadel Fund (continued)

### 5. Comparable Market Rates

What was assessed in this section?

The Board reviewed the ongoing charges figure ('OCF') of the sub-fund and how those charges affect its returns. The OCF of the sub-fund was compared against the 'market rate' of similar external funds.

What was the outcome of the assessment?

The OCF of 1.00%<sup>2</sup> for the 'A' share class was found to have been more expensive than those of similar externally managed funds.

Note that there is no performance fee and EPFL has not charged an entry fee, exit fee or any other event-based fees on this sub-fund.

Were there any follow up actions?

There were no actions required as the Board appreciated that the sub-fund has launched recently on 31 August 2022 and a more reliable OCF would soon become available against which a more accurate assessment could be made.

### 6. Comparable Services

What was assessed in this section?

The Board compared the sub-fund's AMC with those of other funds administered by EPFL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

The AMC was found to have compared favourably with other EPFL administered funds displaying similar characteristics.

Were there any follow up actions?

There were no follow-up actions required.

### 7. Classes of Shares

What was assessed in this section?

The Board reviewed the sub-fund's set-up to ensure that where there are multiple share classes, shareholders were in the correct share class given the size of their holding.

What was the outcome of the assessment?

There is only one share class in the sub-fund, therefore this part of the assessment does not apply.

Were there any follow up actions?

There were no follow-up actions required.

### Overall Assessment of Value

Although section 5 attracted an Amber rating, the Board concluded that it was too early to reach a conclusion as to whether the SVS Aubrey Citadel Fund had provided to shareholders.

Dean Buckley

Chairman of the Board of Evelyn Partners Fund Solutions Limited (previously Smith & Williamson Fund Administration Limited)

27 February 2023

#### Consumer Feedback

On reviewing this Assessment of Value report, we would welcome invaluable feedback from investors via our short questionnaire which can be found online:

<https://www.evelyn.com/services/fund-solutions/assessment-of-value/>

Investors views are invaluable to the development and delivery of this report.

Should you be unable to access the questionnaire online please contact us directly on 0141 222 1151 and we will provide you with a paper copy of the questionnaire.

<sup>2</sup> Estimated figure calculated at launch, 31 August 2022.

## Report of the Depositary to the shareholders of SVS Aubrey Capital Management Investment Funds

### Depositary's responsibilities

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

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

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

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's revenue is applied in accordance with the Regulations; and
- the instructions of the Authorised Corporate Director ('ACD') are carried out (unless they conflict with the Regulations).

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

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

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

NatWest Trustee and Depositary Services Limited

14 April 2023

## Independent Auditor's report to the shareholders of SVS Aubrey Capital Management Investment Funds

### Opinion

We have audited the financial statements of SVS Aubrey Capital Management Investment Funds (the 'Company') for the year ended 31 December 2022 which comprise the Statements of Total Return, Statements of Change in Net Assets Attributable to Shareholders, Balance Sheets, the related Notes to the Financial Statements, including significant accounting policies and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the financial position of the Company at 31 December 2022 and of the net revenue/expense and the net capital losses on the property of the Company for the year then ended; and
- have been properly prepared in accordance with the IA Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes sourcebook of the Financial Conduct Authority and the Instrument of Incorporation.

### 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 described further in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

### Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Authorised Corporate Director is responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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:

- Proper accounting records for the Company have been kept and the accounts are in agreement with those records;
- We have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- The information given in the Authorised Corporate Director's report for the year is consistent with the financial statements.

## Independent Auditor's report to the shareholders of SVS Aubrey Capital Management Investment Funds (continued)

### Responsibilities of the Authorised Corporate Director

As explained more fully in the Statement of the Authorised Corporate Director's responsibilities set out on page 4, the Authorised Corporate Director 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 Authorised Corporate Director 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 Authorised Corporate Director is responsible for assessing the Company'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 Authorised Corporate Director either intends to liquidate the Company or to cease operations, or has 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.

### *Extent to which the audit is considered capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- UK Generally Accepted Accounting Practice including Financial Reporting Standard 102 and the IA Statement of Recommended Practice for Authorised Funds;
- the Financial Conduct Authority's Collective Investment Schemes sourcebook; and
- the Company's Prospectus.

We gained an understanding of how the Company is complying with these laws and regulations by making enquiries of the Authorised Corporate Director. We corroborated these enquiries through our review of any relevant correspondence with regulatory bodies and the Company's breaches register.

## Independent Auditor's report to the shareholders of SVS Aubrey Capital Management Investment Funds (continued)

### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

#### *Extent to which the audit is considered capable of detecting irregularities, including fraud (continued)*

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where it was considered there was susceptibility to fraud. This evaluation also considered how the Authorised Corporate Director was remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how the Authorised Corporate Director oversees the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity and reviewing judgements made by the Authorised Corporate Director in its calculation of accounting estimates for potential management bias; and
- Assessing the Company's compliance with the key requirements of the Collective Investment Schemes sourcebook, and its Prospectus.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>  
This description forms part of our auditor's report.

#### Use of Our Report

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders 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 Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP  
Chartered Accountants  
Statutory Auditor  
Bishop's Court  
29 Albyn Place  
Aberdeen AB10 1YL  
14 April 2023



## Accounting policies of SVS Aubrey Capital Management Investment Funds for the year ended 31 December 2022

### 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 and amended in June 2017.

The ACD has considered a detailed assessment of the sub-funds' 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 sub-funds continue to be open for trading and the ACD is satisfied the sub-funds have 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 December 2022.

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

The quoted investments of the sub-funds have been valued at the global closing bid-market prices excluding any accrued interest in the case of debt securities ruling on the principal markets on which the stocks are quoted on the last business day of the accounting year.

Collective investment schemes are valued at the bid price for dual priced funds and at the single price for single priced funds and are valued at their most recent published price prior to the close of business valuation on 31 December 2022.

### c *Foreign exchange*

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

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

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

### d *Revenue*

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

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

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

Dividends from unquoted equity shares are recognised when declared.

Zero dividend preference shares carry no entitlement to dividends but give a preferential right to receive a repayment of capital and a premium from the capital reserves of an investment company. Accordingly, the returns are recognised as capital and do not form part of the sub-fund's distribution.

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 sub-fund's distribution.

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

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

## Accounting policies of SVS Aubrey Capital Management Investment Funds (continued)

### d Revenue (continued)

Compensation received is treated as either revenue or as payment of capital depending on the facts of each particular case.

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 sub-fund. The amortised amounts are accounted for as revenue or as an expense and form part of the distributable revenue of the sub-fund. Amortisation is calculated at each month end.

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

### e Expenses

*For SVS Aubrey Global Conviction Fund, SVS Aubrey Global Emerging Markets Fund, SVS Aubrey Europe Ex-UK Fund and SVS Aubrey China Fund:*

All expenses, other than those relating to the purchase and sale of investments, are charged to revenue on an accrual basis. For research costs please refer to policy f.

Bank interest paid is charged to revenue.

*For SVS Aubrey Citadel Fund:*

All expenses, other than those relating to the purchase and sale of investments, are charged to revenue then 60% of these expenses on an accrual basis are reallocated to capital, net of any tax effect.

Bank interest paid is charged to revenue.

### f Research costs

The Investment Manager uses research to inform its decision making. The Investment Manager is authorised to pay for the research out of the scheme property of SVS Aubrey Global Conviction Fund, SVS Aubrey Global Emerging Markets Fund, SVS Aubrey Europe Ex-UK Fund and SVS Aubrey China Fund. The sub-funds will pay for external investment research costs via a research payment account and these costs are charged to revenue then reallocated to capital.

### g Allocation of revenue and expenses to multiple share classes

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

### h 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 December 2022 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.

## Accounting policies of SVS Aubrey Capital Management Investment Funds (continued)

### *i 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.

### *j Dilution adjustment*

A dilution adjustment is an adjustment to the share price which is determined by the ACD in accordance with the COLL Sourcebook. The ACD may make a dilution adjustment to the price of a share (which means that the price of a share is above or below that which would have resulted from mid-market valuation) for the purposes of reducing dilution in the sub-fund (or to recover an amount which it has already paid or is reasonably expected to pay in the future) in relation to the issue or cancellation of shares. Please refer to the Prospectus for further information.

### *k 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 accumulation shares are re-invested in the relevant class on behalf of the shareholders.

#### *ii Unclaimed distributions*

Distributions to shareholders outstanding after 6 years are taken to the capital property of the sub-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 sub-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 and f.

#### *v Equalisation*

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

#### *vi Revenue deficit*

*For SVS Aubrey Global Conviction Fund and SVS Aubrey Europe Ex-UK Fund:*

As expenses exceed the revenue of the sub-fund no distribution will be made and the revenue deficit will be met by the capital property of the sub-fund.

## SVS Aubrey Global Conviction Fund Investment Manager's report

### Investment objective and policy

The sub-fund aims to achieve capital growth over the long term (at least five years).

The sub-fund is actively managed and will invest at least 95% in equities and equity related securities of global companies, which the Investment Manager considers are best positioned to take advantage of economic growth opportunities. In times of distressed, volatile or otherwise abnormal market conditions, the sub-fund may hold slightly less than 95% of its portfolio in shares. The Investment Manager will aim to revert to at least 95% as soon as market conditions allow and the Investment Manager considers it in the best interests of investors to do so.

Subject to the Investment Manager's focus on growth opportunities, the sub-fund may be invested anywhere in the world and in companies of any market capitalisation and, subject to certain exclusions, in any industry sector.

As part of its investment process, the Investment Manager integrates environmental, social and governance ('ESG') factors into its routine analysis. Through this process, the Investment Manager uses a bespoke ESG framework to score companies in which it invests. The ESG scores are based on the United Nations Global Compact focussing on the following four themes: (1) Human Rights - companies should respect the internationally declared human rights laws; (2) Labour - elimination of discrimination in the workplace as well as all forms of forced labour; (3) Environment - encourage companies to develop and create initiatives that promote sustainability; and (4) Anti-Corruption - businesses should eliminate corruption in all forms including bribery.

The Investment Manager uses the ESG framework to exclude companies that have a low score, as well as to select companies that show strong sustainability risk management processes or that the Investment Manager considers are well placed to take advantage of opportunities offered by increased focus on ESG factors. In addition, the Investment Manager excludes companies that operate in sectors subject to controversies such as for example: controversial weapons, tobacco, addictive gambling services, controversial methods of energy production, coal mining.

To the extent that the sub-fund is not fully invested in shares of companies, the sub-fund may also invest in other transferable securities and collective investment schemes (including depositary receipts, cash, near cash, money market instruments and warrants, including PNotes).

The sub-fund may enter into currency hedging transactions in order to hedge, in whole or in part, currency fluctuations. The sub-fund may use financial derivatives (contracts between two or more parties that derive their value from the underlying asset they reference) for efficient portfolio management and to protect against investment risks.

### Investment performance\*

The year ended as it had started, with the market both volatile and falling. It was a thoroughly bad year for growth stocks, reflected by a fall of 38.1% in the sub-fund.

The war in Ukraine together with the effect of lockdowns and the unconstrained money printing throughout the Covid-19 panic, have combined to produce disrupted supply chains, a barely working "working population", and higher energy costs, all of which have resulted in a wave of high inflation.

This proved to be a disastrous cocktail for growth stocks, particularly at the smaller end of the scale where we prefer to focus. There were very few beneficiaries in 2022, and all were in areas where we rarely find interesting growth opportunities. For obvious reasons energy stocks enjoyed a good year, while bank stocks generally outperformed as rising interest rates allowed margins to expand. Insurance stocks, a typically defensive sector, also had a good year. In contrast, anything in services, technology, or the consumer sectors suffered a terrible mauling.

\* Source: Evelyn Partners Fund Solutions Limited and Bloomberg (Retail A Accumulation GBP) as at 10pm mid-prices, net returns in GBP.

## Investment Manager's report (continued)

### Investment activities\*

In America, which generally accounts for more than half the sub-fund, the Federal Reserve has been raising interest rates throughout the year to combat inflation, and the US 10 year yield rose from 1.51% in January, to 4.22% in late October. This higher interest rate greatly reduced the value of future earnings for growth counters and translated into some astonishingly sharp falls in share prices. Reassuringly, very few of our companies produced disappointing results, but the market treated any stock very harshly at the slightest hint of a slowdown or more difficult future trading conditions. So universal was the destruction that at one point in the last quarter of the year 49.3% of all Nasdaq listed stocks had fallen by over 50%. Faced with such wholesale slaughter the sub-fund took a step back to more defensive growth stocks, such as Ulta Beauty (cosmetics), Tractor Supply, (farm supplies), or AutoZone (car repair). While all these holdings, and others like them ended the year slightly higher or little changed, that was the best one could really hope for against the alternative of plunging share prices. It was a year when the best expectations were for stability rather than price appreciation.

The problems were compounded by a truly dreadful year in China, which also governs sentiment towards Asian stock markets. In a vain attempt to eradicate Covid-19, the government pursued an aggressive zero Covid-19 lockdown policy which had little effect, except to cripple the economy and which became increasingly unpopular as the year progressed. There were several moments during the year when infection data suggested that an end to the restrictions was likely, tempting one to increase exposure to China, only to find the government reiterating its harsh stance and keeping restrictions in place. In October, at the National People's Congress in a discouragingly nationalistic speech, Xi Jinping reaffirmed that lockdowns would continue well into 2023, and that the invasion of Taiwan remained a key policy objective. Unsurprisingly, the Hang Seng China Enterprises Index fell by 16.4% in October, following that depressing declaration, reducing it to 1997 levels when Hong Kong was handed back to China. Subsequent street protests have, very surprisingly, brought an end to the lockdowns and China now appears to be normalising and the market has already had a decent rebound. But it was hard to take advantage of such a rapid change in sentiment and policy.

For most of the year the sub-fund has had a reasonable weighting in India, where all pretence of Covid-19 restrictions ended in late 2021. Although a rising oil price traditionally spells trouble for India, the market held up very well throughout 2022, before declining a little at the end of the year, as investor interest in China revived. Inflation has risen, although it has been no worse than anywhere else, and in fact has been ameliorated by the unprincipled decision to buy discounted Russian oil.

Nevertheless, the Reserve Bank of India increased rates by 2.25% over the year, and inflation looks set to fall quite materially over the next few months. Macrotech Developers one of the country's largest residential property developers struggled in the face of higher rates, and Maruti Suzuki India, traded quietly higher on the back of encouraging sales data, until a sell off in the last two months sent the shares lower. In short, although little was made or lost in India over the year, it felt like a successful investment destination in the face of such a difficult environment, and especially in contrast to China.

In the first half of the year, especially the first quarter, European stocks were very roughly handled, and several of the sub-fund's holdings suffered heavy losses. Indeed, all but the largest and most established stocks in Europe had a difficult year. The two most notable successes in the sub-fund were LVMH Moët Hennessy Louis Vuitton (luxury goods), and Novo Nordisk (insulin), both bought mid year, and both agreeably ahead by year end. Also providing good safe havens, Deutsche Boerse, and Ashtead Group (tool hire), also held up reasonably well, while in an encouraging sign for the sector, ASML Holding (semiconductor equipment) had a strong rebound into the year end, having had a very sharp correction in the middle of the year, alongside every other semiconductor player.

### Investment strategy and outlook

In our view, a stock market recovery in 2023 seems highly probable. Although employment conditions in most developed economies remain tight, inflation should moderate, since energy and commodity prices have been falling since the middle of 2022, with both oil and natural gas now much lower than they were before the invasion of Ukraine. There remain a good many uncertainties, most notably interest rates in America, where the Federal Reserve looks likely to continue to raise rates until at least May. Employment remains strong in America, and although wage growth is moderating, there is still a labour shortage in many service sectors and wage inflation pressure is still a problem. Much the same dynamic seems to be apparent in Europe too, as can be seen in the current and seemingly intractable round of pay disputes and strikes sweeping the continent.

\* Source: Bloomberg.

## Investment Manager's report (continued)

### Investment strategy and outlook (continued)

Finally, the progress of the Covid-19 virus in China will determine the strength or otherwise of the Chinese economic revival this year and will be a key determinant of world growth. There is huge scope for a rebound from a very low base in 2022, and undoubtedly there is significant pent-up demand from Chinese citizens newly released from their chains, which, should have a very beneficial effect on all travel and luxury goods companies. Most importantly, following one of the most difficult years ever, there has been a massive reset in stock market valuations, while all the companies which interest us are in excellent financial condition. As a result, we believe that there are now a great many very attractive growth opportunities on offer.

Aubrey Capital Management Limited  
22 March 2023

## Summary of portfolio changes for the year ended 31 December 2022

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

	Cost £
Purchases:	
Meituan Dianping	2,188,314
Doximity	1,877,765
Maruti Suzuki India	1,751,429
HEICO	1,713,667
Sprout Social	1,706,152
Triumph Bancorp	1,668,444
Airbnb	1,642,692
AutoZone	1,518,320
Zillow Group	1,498,255
Johnson Controls International	1,472,978
Godrej Properties	1,461,971
ASML Holding	1,428,536
Robert Half International	1,394,417
Befesa	1,377,530
ICICI Bank ADR	1,344,343
JD.com	1,308,841
UnitedHealth Group	1,306,197
Mastercard	1,303,211
Novo Nordisk	1,204,646
Tractor Supply	1,178,425

	Proceeds £
Sales:	
NVIDIA	3,377,930
Alphabet 'A'	2,854,044
Meituan Dianping	2,614,945
Descartes Systems	2,488,571
HelloFresh	2,227,819
Adobe	2,175,361
Avery Dennison	2,071,458
Tencent Holdings	2,013,174
Sprout Social	1,821,072
Align Technology	1,710,606
HDFC Bank	1,701,445
MIPS	1,597,611
Sesa SpA	1,597,365
Shopify	1,553,961
Ashtead Group	1,531,411
Mastercard	1,288,697
Certara	1,255,622
DexCom	1,246,752
Godrej Properties	1,171,564
Upstart Holdings	1,166,534

Portfolio statement  
as at 31 December 2022

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities 99.76% (99.88%)			
Equities - United Kingdom 10.12% (15.47%)			
Equities - incorporated in the United Kingdom 4.98% (6.04%)			
Industrials 2.63% (2.90%)			
Ashtead Group	22,600	<u>1,066,720</u>	<u>2.63</u>
Consumer Discretionary 2.35% (3.14%)			
Watches of Switzerland Group	116,150	<u>953,011</u>	<u>2.35</u>
Total equities - incorporated in the United Kingdom		<u>2,019,731</u>	<u>4.98</u>
Equities - incorporated outwith the United Kingdom 5.14% (9.43%)			
Consumer Discretionary 5.14% (2.86%)			
DiDi Global ADR	230,000	608,031	1.50
Haidilao International Holding	329,000	784,956	1.94
Meituan Dianping	37,000	<u>688,093</u>	<u>1.70</u>
		<u>2,081,080</u>	<u>5.14</u>
Communication Services 0.00% (6.57%)		-	-
Total equities - incorporated outwith the United Kingdom		<u>2,081,080</u>	<u>5.14</u>
Total equities - United Kingdom		<u>4,100,811</u>	<u>10.12</u>
Equities - Europe 26.98% (17.79%)			
Equities - Denmark 3.46% (0.00%)			
Novo Nordisk	12,500	<u>1,400,530</u>	<u>3.46</u>
Equities - France 2.31% (0.00%)			
LVMH Moët Hennessy Louis Vuitton	1,550	<u>935,006</u>	<u>2.31</u>
Equities - Germany 5.46% (6.23%)			
Deutsche Boerse	7,000	1,002,085	2.47
PVA TePla	73,500	<u>1,211,631</u>	<u>2.99</u>
Total equities - Germany		<u>2,213,716</u>	<u>5.46</u>
Equities - Ireland 3.28% (0.00%)			
Johnson Controls International	25,000	<u>1,330,119</u>	<u>3.28</u>
Equities - Italy 0.00% (2.61%)		-	-
Equities - Netherlands 3.03% (0.00%)			
ASML Holding	2,750	<u>1,229,216</u>	<u>3.03</u>



Portfolio statement (continued)  
as at 31 December 2022

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities (continued)			
Equities - Europe (continued)			
Equities - Poland 2.78% (0.00%)			
Dino Polska	16,000	<u>1,127,771</u>	<u>2.78</u>
Equities - Sweden 0.00% (3.78%)		-	-
Equities - Switzerland 6.66% (5.17%)			
Inficon Holding	1,800	1,303,621	3.22
Sika	7,000	<u>1,394,465</u>	<u>3.44</u>
Total equities - Switzerland		<u>2,698,086</u>	<u>6.66</u>
Total equities - Europe		<u>10,934,444</u>	<u>26.98</u>
Equities - North America 54.16% (57.63%)			
Equities - Canada 4.45% (2.96%)			
Descartes Systems	18,500	1,071,182	2.64
Novanta	6,500	<u>733,162</u>	<u>1.81</u>
Total equities - Canada		<u>1,804,344</u>	<u>4.45</u>
Equities - United States 49.71% (54.67%)			
AutoZone	800	1,639,252	4.04
Axon Enterprise	13,300	1,834,513	4.53
Chart Industries	7,800	747,319	1.84
DexCom	22,100	2,080,476	5.13
Doximity	31,200	870,197	2.15
HEICO	11,000	1,404,514	3.47
Old Dominion Freight Line	6,200	1,461,269	3.61
Poolcorp	4,600	1,156,099	2.85
Progressive	9,000	970,554	2.39
SiTime	17,600	1,484,931	3.66
Sprout Social	19,300	905,876	2.23
STAAR Surgical	28,800	1,162,151	2.87
Tractor Supply	6,500	1,215,163	3.00
Ulta Beauty	5,200	2,027,434	5.00
UnitedHealth Group	2,700	<u>1,190,231</u>	<u>2.94</u>
Total equities - United States		<u>20,149,979</u>	<u>49.71</u>
Total equities - North America		<u>21,954,323</u>	<u>54.16</u>
Equities - Israel 0.00% (4.05%)		-	-

## Portfolio statement (continued)

as at 31 December 2022

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - India 8.50% (4.94%)			
ICICI Bank ADR	67,500	1,227,783	3.03
Macrotech Developers	100,000	1,095,352	2.70
Maruti Suzuki India	13,300	1,124,371	2.77
Total equities - India		<u>3,447,506</u>	<u>8.50</u>
Total equities		<u>40,437,084</u>	<u>99.76</u>
Portfolio of investments		40,437,084	99.76
Other net assets		95,826	0.24
Total net assets		<u>40,532,910</u>	<u>100.00</u>

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

The comparative figures in brackets are as at 31 December 2021.

United Kingdom equities are grouped in accordance with Global Industry Classification Standard ('GICS').

GICS was developed by and is the exclusive property and a service mark of MSCI Inc. ('MSCI') and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ('S&P') and is licensed for use by Evelyn Partners Services Limited (previously Smith & Williamson Services Ltd). Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

## Risk and reward profile

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

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

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

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

Where the sub-fund invests in warrants, these may be hard to buy and sell and their prices may move up and down suddenly. This could significantly impact investment performance. Where the sub-fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. This is usually a greater risk for bonds that produce a higher level of income. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond's market value.

The sub-fund may invest in China A-Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect programmes (the 'Stock Connect'), this allows foreign investors to trade certain Shanghai Stock Exchange or Shenzhen Stock Exchanges listed China A-Shares through their Hong Kong based brokers. Please see the prospectus for full details on the risk factors associated with investing via Stock Connect.

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

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

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

The sub-fund may hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the sub-fund's value than if it held a larger number of investments.

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

For further information please refer to the KIID.

For full details on risk factors for the sub-fund, please refer to the Prospectus.

There have been no changes to the risk and reward indicator in the year.

## Comparative table

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

	Retail A Accumulation (GBP)			Institutional A Accumulation (GBP)		
	2022 p	2021 p	2020 p	2022 p	2021 p	2020 p
Change in net assets per share						
Opening net asset value per share	500.38	480.77	322.25	538.25	515.83	344.07
Return before operating charges	(185.16)	27.20	165.74	(199.24)	29.24	177.47
Operating charges	(5.72)	(7.59)	(7.22)	(5.39)	(6.82)	(5.71)
Return after operating charges *	(190.88)	19.61	158.52	(204.63)	22.42	171.76
Closing net asset value per share	309.50	500.38	480.77	333.62	538.25	515.83
* after direct transaction costs of:	0.71	1.01	0.82	0.77	1.08	0.89
Performance						
Return after charges	(38.15%)	4.08%	49.19%	(38.02%)	4.35%	49.92%
Other information						
Closing net asset value (£)	5,443,763	9,944,401	12,811,871	28,113,479	58,370,629	52,003,662
Closing number of shares	1,758,907	1,987,351	2,664,874	8,426,858	10,844,563	10,081,455
Operating charges <sup>#</sup>	1.57%	1.54%	1.83%	1.36%	1.29%	1.34%
Direct transaction costs	0.19%	0.20%	0.21%	0.19%	0.20%	0.21%
Published prices						
Highest share price (p)	485.9	569.0	498.1	522.7	611.9	534.1
Lowest share price (p)	300.4	412.6	281.4	323.5	443.1	300.7

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

<sup>#</sup> The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD'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 may occur in a year as it is calculated on historical data.

## Comparative table (continued)

	Institutional A Income (GBP)			Retail B Accumulation (GBP)		
	2022 p	2021 p	2020 p	2022 p	2021 p	2020 p
Change in net assets per share						
Opening net asset value per share	538.55	516.12	344.27	517.76	494.93	329.17
Return before operating charges	(199.41)	29.25	177.58	(191.60)	28.04	170.31
Operating charges	(5.28)	(6.82)	(5.73)	(4.46)	(5.21)	(4.55)
Return after operating charges*	(204.69)	22.43	171.85	(196.06)	22.83	165.76
Closing net asset value per share	333.86	538.55	516.12	321.70	517.76	494.93
* after direct transaction costs of:	0.77	1.08	0.92	0.77	1.03	1.04
Performance						
Return after charges	(38.01%)	4.35%	49.92%	(37.87%)	4.61%	50.36%
Other information						
Closing net asset value (£)	2,473,293	4,033,960	3,730,993	4,502,375	13,578,184	10,418,228
Closing number of shares	740,828	749,044	722,895	1,399,559	2,622,465	2,104,974
Operating charges <sup>#</sup>	1.36%	1.29%	1.34%	1.11%	1.04%	1.09%
Direct transaction costs	0.19%	0.20%	0.21%	0.19%	0.20%	0.21%
Published prices						
Highest share price (p)	523.0	612.2	534.4	502.8	588.4	512.2
Lowest share price (p)	323.7	443.3	300.9	311.5	425.5	287.8

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

<sup>#</sup> The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD'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 may occur in a year as it is calculated on historical data.

## Financial statements - SVS Aubrey Global Conviction Fund

Statement of total return  
for the year ended 31 December 2022

	Notes	2022		2021	
		£	£	£	£
Income:					
Net capital (losses) / gains	2		(31,296,232)		4,111,252
Revenue	3	243,093		101,221	
Expenses	4	<u>(757,011)</u>		<u>(1,085,383)</u>	
Net expense before taxation		(513,918)		(984,162)	
Taxation	5	<u>(33,500)</u>		<u>(15,397)</u>	
Net expense after taxation			<u>(547,418)</u>		<u>(999,559)</u>
Total return before distributions			(31,843,650)		3,111,693
Distributions	6		-		-
Change in net assets attributable to shareholders from investment activities			<u><u>(31,843,650)</u></u>		<u><u>3,111,693</u></u>

Statement of change in net assets attributable to shareholders  
for the year ended 31 December 2022

		2022		2021	
		£	£	£	£
Opening net assets attributable to shareholders			85,927,174		78,964,754
Amounts receivable on issue of shares		2,542,705		10,332,780	
Amounts payable on cancellation of shares		<u>(16,093,319)</u>		<u>(6,482,053)</u>	
			(13,550,614)		3,850,727
Change in net assets attributable to shareholders from investment activities			(31,843,650)		3,111,693
Closing net assets attributable to shareholders			<u><u>40,532,910</u></u>		<u><u>85,927,174</u></u>

Balance sheet  
as at 31 December 2022

	Notes	2022 £	2021 £
Assets:			
Fixed assets:			
Investments		40,437,084	85,828,156
Current assets:			
Debtors	7	9,777	19,163
Cash and bank balances	8	126,654	119,708
Total assets		<u>40,573,515</u>	<u>85,967,027</u>
Liabilities:			
Creditors:			
Other creditors	9	(40,605)	(39,853)
Total liabilities		<u>(40,605)</u>	<u>(39,853)</u>
Net assets attributable to shareholders		<u><u>40,532,910</u></u>	<u><u>85,927,174</u></u>

## Notes to the financial statements

for the year ended 31 December 2022

## 1. Accounting policies

The accounting policies are disclosed on pages 32 to 34.

## 2. Net capital (losses) / gains

	2022	2021
	£	£
Non-derivative securities - realised (losses) / gains	(7,569,287)	2,965,626
Non-derivative securities		
- movement in unrealised (losses) / gains	(23,771,060)	1,079,322
Derivative contracts - realised gains	-	1,909,014
Derivative contracts - movement in unrealised losses	-	(1,595,787)
Currency gains / (losses)	10,305	(246,880)
Forward currency contracts gains	-	3,243
Compensation	37,741	-
Transaction charges	(3,931)	(3,286)
Total net capital (losses) / gains	<u>(31,296,232)</u>	<u>4,111,252</u>

## 3. Revenue

	2022	2021
	£	£
UK revenue	3,906	11,900
Overseas revenue	235,809	89,321
Bank and deposit interest	3,378	-
Total revenue	<u>243,093</u>	<u>101,221</u>

## 4. Expenses

	2022	2021
	£	£
Payable to the ACD and associates		
ACD's periodic charge*	84,385	126,977
Investment manager's fees*	<u>556,486</u>	<u>843,228</u>
	<u>640,871</u>	<u>970,205</u>
Payable to the Depositary		
Depositary fees	<u>18,306</u>	<u>26,895</u>
Other expenses:		
Audit fee	7,273	6,325
Non-executive directors' fees	1,478	1,150
Safe custody fees	3,581	6,257
Bank interest	2,448	1,200
FCA fee	798	908
KIID production fee	4,500	1,713
Research costs	65,772	61,448
Listing fee	1,948	1,928
Legal fee	10,036	7,354
	<u>97,834</u>	<u>88,283</u>
Total expenses	<u>757,011</u>	<u>1,085,383</u>

\* For the year ended 31 December 2022, the annual management charge for each share class is as follows:

Retail A Accumulation (GBP)	1.36%
Institutional A Accumulation (GBP)	1.15%
Institutional A Income (GBP)	1.15%
Retail B Accumulation (GBP)	0.90%

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



## Notes to the financial statements (continued)

for the year ended 31 December 2022

5. Taxation	2022	2021
	£	£
<i>a. Analysis of the tax charge for the year</i>		
Overseas tax withheld	33,500	15,397
Total taxation (note 5b)	<u>33,500</u>	<u>15,397</u>
<i>b. Factors affecting the tax charge for the year</i>		
The tax assessed for the year is higher (2021: higher) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2021: 20%). The differences are explained below:		
	2022	2021
	£	£
Net expense before taxation	<u>(513,918)</u>	<u>(984,162)</u>
Corporation tax @ 20%	(102,784)	(196,832)
Effects of:		
UK revenue	(781)	(2,380)
Overseas revenue	(47,162)	(17,224)
Overseas tax withheld	33,500	15,397
Excess management expenses	150,727	216,436
Total taxation (note 5a)	<u>33,500</u>	<u>15,397</u>
<i>c. Provision for deferred taxation</i>		
At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of asset not recognised is £1,879,296 (2021: £1,728,569).		
6. Distributions		
The distributions take account of revenue added on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
	2022	2021
	£	£
Net expense after taxation per Statement of total return	(547,418)	(999,559)
Expenses paid from capital	65,772	61,448
Revenue shortfall to be transferred from capital	481,646	938,111
Distributions	<u>-</u>	<u>-</u>
7. Debtors	2022	2021
	£	£
Amounts receivable on issue of shares	984	18,130
Accrued revenue	7,274	-
Recoverable overseas withholding tax	1,336	785
Prepaid expenses	183	248
Total debtors	<u>9,777</u>	<u>19,163</u>
8. Cash and bank balances	2022	2021
	£	£
Total cash and bank balances	<u>126,654</u>	<u>119,708</u>

Notes to the financial statements (continued)  
for the year ended 31 December 2022

9. Other creditors	2022	2021
	£	£
Amounts payable on cancellation of shares	20,902	23,265
Accrued expenses:		
Payable to the ACD and associates		
ACD's periodic charge	167	-
Investment manager's fees	1,080	-
	<u>1,247</u>	<u>-</u>
Other expenses:		
Depositary fees	37	-
Safe custody fees	1,692	1,040
Audit fee	7,273	6,325
Non-executive directors' fees	841	623
Legal fee	5,547	5,645
Listing fee	2,717	2,717
Transaction charges	349	238
	<u>18,456</u>	<u>16,588</u>
Total accrued expenses	<u>19,703</u>	<u>16,588</u>
Total other creditors	<u><u>40,605</u></u>	<u><u>39,853</u></u>

10. Commitments and contingent liabilities

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

11. Share classes

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

	Retail A Accumulation (GBP)
Opening shares in issue	1,987,351
Total shares issued in the year	7,151
Total shares cancelled in the year	<u>(235,595)</u>
Closing shares in issue	<u><u>1,758,907</u></u>
	Institutional A Accumulation (GBP)
Opening shares in issue	10,844,563
Total shares issued in the year	60,613
Total shares cancelled in the year	<u>(2,478,318)</u>
Closing shares in issue	<u><u>8,426,858</u></u>
	Institutional A Income (GBP)
Opening shares in issue	749,044
Total shares cancelled in the year	<u>(8,216)</u>
Closing shares in issue	<u><u>740,828</u></u>
	Retail B Accumulation (GBP)
Opening shares in issue	2,622,465
Total shares issued in the year	548,990
Total shares cancelled in the year	<u>(1,771,896)</u>
Closing shares in issue	<u><u>1,399,559</u></u>

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

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 11. Share classes (continued)

On the winding up of a sub-fund all the assets of the sub-fund will be realised and apportioned to the share classes in relation to the net asset value on the closure date. Shareholders 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 share class has the same rights on winding up.

## 12. Related party transactions

Evelyn Partners Fund Solutions Limited (previously Smith & Williamson Fund Administration Limited), as ACD is a related party due to its ability to act in respect of the operations of the sub-fund.

The ACD acts as principal in respect of all transactions of shares in the sub-fund. The aggregate monies received and paid through the creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders of the sub-fund.

Amounts payable to the ACD and its associates are disclosed in note 4. The amount due to the ACD 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 Retail A Accumulation (GBP) has increased from 309.5p to 325.9p, the Institutional A Accumulation (GBP) has increased from 333.6p to 351.3p, the Institutional A Income (GBP) has increased from 333.9p to 351.5p, and the Retail B Accumulation (GBP) has increased from 321.7p to 338.9p as at 11 April 2023. 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		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£
2022								
Equities	44,679,190	51,934	0.12%	-	-	-	-	44,731,124
	Purchases before transaction costs	Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£
2021								
Equities	83,944,563	89,281	0.11%	1,962	0.00%	2,497	0.00%	84,038,303

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 14. Transaction costs (continued)

## a Direct transaction costs (continued)

	Sales before transaction costs	Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£
2022								
Equities	58,839,146	(57,297)	0.10%	-	-	-	-	58,781,849
	Sales before transaction costs	Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£
2021								
Equities	76,461,336	(59,561)	0.08%	-	-	-	-	76,401,775
Structured Products	4,924,359	(19,672)	0.40%	-	-	-	-	4,904,687
Total	81,385,695	(79,233)	0.48%	-	-	-	-	81,306,462

## Summary of direct transaction costs

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

2022	£	% of average net asset value
Commission	109,231	0.19%
2021	£	% of average net asset value
Commission	168,514	0.20%
Taxes	1,962	0.00%
Financial transaction tax	2,497	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 0.12% (2021: 0.11%).

## 15. Risk management policies

In pursuing the sub-fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the sub-fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the ACD'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 ACD, 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 sub-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.

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15. Risk management policies (continued)

## a Market risk (continued)

## (i) Other price risk

The sub-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 sub-fund is exposed to price fluctuations, which are monitored by the ACD 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 sub-fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 31 December 2022, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £2,021,854 (2021: £4,291,408).

## (ii) Currency risk

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

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

The foreign currency risk profile of the sub-fund's financial instruments and cash holdings at the balance sheet date is as follows:

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2022	£	£	£
Danish krone	1,400,530	-	1,400,530
Euro	4,377,938	451	4,378,389
Hong Kong dollar	1,473,049	-	1,473,049
Indian rupee	2,219,723	-	2,219,723
Polish zloty	1,127,771	-	1,127,771
Swiss franc	2,698,086	-	2,698,086
US dollar	25,120,256	8,159	25,128,415
Total foreign currency exposure	38,417,353	8,610	38,425,963

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15. Risk management policies (continued)

## a Market risk (continued)

## (ii) Currency risk (continued)

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2021	£	£	£
Euro	7,601,259	-	7,601,259
Hong Kong dollar	5,049,102	-	5,049,102
Indian rupee	4,248,216	-	4,248,216
Swedish krona	3,245,385	-	3,245,385
Swiss franc	4,436,027	-	4,436,027
US dollar	56,059,036	785	56,059,821
Total foreign currency exposure	<u>80,639,025</u>	<u>785</u>	<u>80,639,810</u>

At 31 December 2022, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £1,921,298 (2021: £4,031,991).

## (iii) Interest rate risk

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

During the year the sub-fund's direct exposure to interest rates consisted of cash and bank balances. The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. In the event of a change in interest rates, there would be no material impact upon the net assets of the sub-fund.

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

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

## b Credit risk

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

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

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

## c Liquidity risk

A significant risk is the cancellation of shares 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 shares 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 shares in the sub-fund.

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15. Risk management policies (continued)

## c Liquidity risk (continued)

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

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

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

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the sub-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 sub-fund.

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the sub-fund to meet large redemptions, 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 ACD 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 sub-fund's price should the constituent investments be exposed to closed markets during general market volatility or instability.

	Investment assets	Investment liabilities
Basis of valuation	2022	2022
	£	£
Quoted prices	40,437,084	-
Observable market data	-	-
Unobservable data	-	-
	<u>40,437,084</u>	<u>-</u>
	Investment assets	Investment liabilities
Basis of valuation	2021	2021
	£	£
Quoted prices	85,828,156	-
Observable market data	-	-
Unobservable data	-	-
	<u>85,828,156</u>	<u>-</u>

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

## Notes to the financial statements (continued)

for the year ended 31 December 2022

### 15. Risk management policies (continued)

#### e Assets subject to special arrangements arising from their illiquid nature

There are no assets held in the portfolio of investments which are subject to special arrangements arising from their illiquid nature.

#### f Derivatives

The sub-fund may employ derivatives with the aim of reducing the sub-fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with Efficient Portfolio Management.

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

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

During the year there were no derivative transactions.

#### (i) Counterparties

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

The sub-fund may transact in derivative contracts which potentially exposes the sub-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 Depositary.

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.

There have been no leveraging arrangements in the year.

#### (iii) Global exposure

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

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

There have been no collateral arrangements in the year.



## SVS Aubrey Global Emerging Markets Fund

### Investment Manager's report

#### Investment objective and policy

The sub-fund aims to achieve capital growth over the long term (at least five years).

The sub-fund is actively managed and will invest at least 95% in shares of emerging market companies. These are companies which are listed, quoted or traded in emerging market countries (i.e. those included in the MSCI Emerging Markets Index) or which have their headquarters or a significant part of their activities in emerging markets but which are quoted on a regulated market elsewhere, as well as others which are, in the Investment Manager's opinion, developing economies.

In times of distressed, volatile or otherwise abnormal market conditions, the sub-fund may hold slightly less than 95% of its portfolio in shares. The Investment Manager will aim to revert to at least 95% as soon as market conditions allow and the Investment Manager considers it in the best interests of investors to do so.

The sub-fund may be invested in any industry sector and in companies of any market capitalisation, however the Investment Manager's focus is on growth companies, that is companies that expect to deliver increasing revenue and profit from the expansion of their business over the medium to long term.

As part of its investment process, the Investment Manager integrates environmental, social and governance ('ESG') factors into its routine analysis. Through this process, the Investment Manager uses a bespoke ESG framework to score companies in which it invests. The ESG scores are based on the United Nations Global Compact focussing on the following four themes: (1) Human Rights - Companies should respect the internationally declared human rights laws; (2) Labour - Elimination of discrimination in the workplace as well as all forms of forced labour; (3) Environment - Encourage companies to develop and create initiatives that promote sustainability; and (4) Anti-Corruption- Businesses should eliminate corruption in all forms including bribery.

The Investment Manager uses the ESG framework to exclude companies that have a low score, as well as to select companies that show strong sustainability risk management processes or that the Investment Manager considers are well placed to take advantage of opportunities offered by increased focus on ESG factors. In addition, the Investment Manager excludes companies that operate in sectors subject to controversies such as for example: controversial weapons, tobacco, addictive gambling services, controversial methods of energy production, coal mining.

To the extent that the sub-fund is not fully invested in shares of emerging market companies, the sub-fund may also invest in other transferable securities and collective investment schemes (including depositary receipts, cash, near cash, money market instruments and warrants, including PNotes).

The sub-fund may enter into currency hedging transactions in order to hedge, in whole or in part, currency fluctuations. The sub-fund may use financial derivatives (contracts between two or more parties that derive their value from the underlying asset they reference) for efficient portfolio management and to protect against investment risks.

#### Investment performance\*

In what was a thoroughly difficult and volatile year for Emerging Markets the sub-fund fell by 15.6%. Regrettably, this compares poorly with a decline of 10.6% in the MSCI Daily TR Net Emerging Markets USD Index. Historically, over the ten-year life of the strategy the sole focus on consumer stocks has proved very defensive in difficult markets. But this year mining and energy stocks, areas where we have no participation and which comprise a reasonable weighting in the index, have been very resilient for obvious reasons, while the relative strength of banks in a rising rate environment has also been unhelpful.

\* Source: Evelyn Partners Fund Solutions Limited and Bloomberg (B Class Accumulation (GBP) as at 10pm mid-prices, net returns in GBP)

## Investment Manager's report (continued)

### Investment activities\*

The big challenge of the year was to make the right call on China, which is perpetually the most important investment opportunity in Emerging Markets. On a number of occasions, it seemed that an end to the zero Covid-19 policy was imminent, leading to revived optimism only for Xi Jinping to reiterate his stance, and for the market to slump. Pessimism reached a crescendo in October following Xi's speech to the National People's Congress, which smacked of authoritarianism, aggressive nationalism, and increased state control in many areas. The Hang Seng China Index fell by 16.5% that month alone, leaving it on a par with the levels it reached in 1997 at the time of the handover of Hong Kong. Agreeable as it would be to say that we avoided much of the damage from China, it would also be something of an exaggeration, since many of our stocks took a terrible mauling. What we can say with some certainty is that unless the Chinese economy collapses, our stocks look extremely cheap. Given that the zero Covid-19 strategy has now been abandoned, and despite the well documented difficulties facing the property sector, we expect a more normalised year for China in 2023.

Much more successfully, and contrary to analyst consensus, maintaining a very substantial overweight position in India was an unequivocal success. Although it traded quietly into the year end, and the market made little progress, the sub-fund's holdings were generally highly successful. The best was Varun Beverages which distributes Pepsi products throughout India, and which gained 123%. Our two property stocks struggled as interest rates rose, but at year end the Indian weighting was nearly 40% and the overall contribution very meaningful indeed.

Outside these two areas, which will almost inevitably comprise most of the portfolio, we met with mixed success. Vietnam suffered what seems to have been a mini liquidity and banking crisis, in October, despite a robust economy, causing our two holdings there, to suffer severely. The crisis now appears to have dissipated, and we used the correction to add to one of the positions, while there was no stock available to allow us to increase the other. Attracted by the low valuations and hoping that Brazil would enjoy a post-election rally, we initiated two small positions there. We expect the two houses of parliament to be able to frustrate any excessively left-wing Lula policies, and we see interest rates coming down from today's very high levels. In Mexico, Grupo Aeroportuario del Pacifico and Arca Continental have respectively been resilient and quite profitable, while Bumrungrad in Thailand, which we have held for most of the year ended 2022 around 50% higher. Dino Polska, (Polish supermarkets), suffered acutely post the invasion of Ukraine, but rallied strongly to end the year slightly higher.

### Investment strategy and outlook

The ingredients of a much better year are apparent in the shape of peaking interest rates, a weaker dollar, falling energy prices, and a more normalised economy in China. While it may take a while for some or all of these dynamics to play out, we see good reason to be optimistic, and reiterate that our stocks are now very cheaply priced.

Aubrey Capital Management Limited  
3 February 2023

\* Source: Bloomberg.

## Summary of portfolio changes

for the year ended 31 December 2022

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

	Cost
	£
Purchases:	
Mobile World Investment	484,253
Maruti Suzuki India	413,107
Khang Dien House Trading and Investment	402,329
East Money Information	393,151
ICICI Bank	385,452
E.Sun Financial Holding	372,971
Pinduoduo	361,498
PVR	359,509
LPP	337,000
Eicher Motors	333,558
China Merchants Bank	319,993
Kalbe Farma	316,103
JD Health International	316,075
Arca Continental	301,745
Bank Rakyat Indonesia Persero	300,584
Bumrungrad	295,104
H World Group	285,802
Sumber Alfaria Trijaya	284,723
Airports of Thailand	283,473
JD.com	279,851

	Proceeds
	£
Sales:	
East Money Information	617,456
Tencent Holdings	534,269
Varun Beverages	371,121
Avenue Supermarts	358,917
HDFC Bank	337,570
Voltas	316,308
E.Sun Financial Holding	313,743
PT Bank Jago	288,970
China Mengniu Dairy	266,137
Jubilant Foodworks	255,899
NAVER	249,915
Wuliangye Yibin	243,615
China Meidong Auto Holdings	240,953
China Tourism Group Duty Free	237,264
Telkom Indonesia Persero	228,772
Sea	220,099
LPP	216,413
China Merchants Bank	214,044
Yihai International Holding	204,476
Apollo Hospitals Enterprise	197,600

Portfolio statement  
as at 31 December 2022

Investment	Nominal value or holding	Market value £	% of total net assets
Equities 94.99% (98.15%)			
Equities - United Kingdom 24.04% (29.26%)			
Consumer Discretionary 24.04% (17.76%)			
Bosideng International Holdings	798,000	314,489	2.24
Chow Tai Fook Jewellery Group	204,800	347,276	2.48
H World Group	102,000	364,497	2.60
JD Health International	50,000	379,984	2.71
Li Ning	51,000	368,028	2.63
Meituan Dianping	28,400	528,158	3.77
NIO	28,600	231,815	1.65
Pinduoduo	6,600	447,499	3.20
Yadea Group Holdings	278,000	386,714	2.76
		<u>3,368,460</u>	<u>24.04</u>
Consumer Staples 0.00% (2.21%)		-	-
Communication Services 0.00% (9.29%)		-	-
Total equities - United Kingdom		<u>3,368,460</u>	<u>24.04</u>
Equities - Europe 3.72% (3.52%)			
Equities - Poland 3.72% (3.52%)			
Dino Polska	7,400	521,594	3.72
Equities - East Asia 8.31% (16.91%)			
Equities - China 8.31% (12.82%)			
Bumrungrad	75,600	384,692	2.74
BYD 'H'	11,000	225,658	1.61
Proya Cosmetics	27,680	554,381	3.96
Total equities - China		<u>1,164,731</u>	<u>8.31</u>
Equities - South Korea 0.00% (4.09%)		-	-
Total equities - East Asia		<u>1,164,731</u>	<u>8.31</u>
Equities - South Asia 52.18% (46.74%)			
Equities - Indonesia 7.09% (2.74%)			
Bank Rakyat Indonesia Persero	1,300,000	342,249	2.44
Kalbe Farma	2,860,000	313,092	2.23
Sumber Alfaria Trijaya	2,400,000	339,632	2.42
Total equities - Indonesia		<u>994,973</u>	<u>7.09</u>

Portfolio statement (continued)  
as at 31 December 2022

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - South Asia (continued)			
Equities - India 38.55% (44.00%)			
Apollo Hospitals Enterprise	7,700	346,251	2.47
Bajaj Finance	4,825	318,825	2.27
Eicher Motors	9,600	311,501	2.22
Godrej Properties	35,170	431,868	3.08
ICICI Bank ADR	19,300	351,055	2.51
Macrotech Developers	30,640	335,616	2.39
Maruti Suzuki India	4,900	414,242	2.96
Pidilite Industries	15,000	384,813	2.75
PVR	17,200	296,086	2.11
Tata Consumer Products	52,900	409,311	2.92
Titan	13,500	352,036	2.51
Trent	42,500	574,961	4.10
Varun Beverages	66,000	877,527	6.26
Total equities - India		<u>5,404,092</u>	<u>38.55</u>
Equities - Thailand 2.12% (0.00%)			
Airports of Thailand	165,000	297,030	2.12
Equities - Vietnam 4.42% (0.00%)			
Khang Dien House Trading and Investment	360,000	336,409	2.40
Mobile World Investment	188,000	283,077	2.02
Total equities - Vietnam		<u>619,486</u>	<u>4.42</u>
Total equities - South Asia		<u>7,315,581</u>	<u>52.18</u>
Equities - Brazil 2.47% (0.00%)			
Itau Unibanco Holding	41,000	160,196	1.14
Raia Drogasil	50,000	186,742	1.33
Total equities - Brazil		<u>346,938</u>	<u>2.47</u>

Portfolio statement (continued)  
as at 31 December 2022

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities (continued)			
Equities - Mexico 4.27% (0.00%)			
Arca Continental	50,000	336,096	2.40
Grupo Aeroportuario del Pacifico	22,000	262,231	1.87
Total equities - Mexico		<u>598,327</u>	<u>4.27</u>
Equities - United States 0.00% (1.72%)		-	-
Total equities		<u>13,315,631</u>	<u>94.99</u>
Portfolio of investments		13,315,631	94.99
Other net assets		701,719	5.01
Total net assets		<u>14,017,350</u>	<u>100.00</u>

All investments are listed on recognised stock exchanges or 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 December 2021.

United Kingdom equities are grouped in accordance with Global Industry Classification Standard ('GICS').

GICS was developed by and is the exclusive property and a service mark of MSCI Inc. ('MSCI') and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ('S&P') and is licensed for use by Evelyn Partners Services Limited (previously Smith & Williamson Services Ltd). Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

## Risk and reward profile

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

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

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

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

Where the sub-fund invests in warrants, these may be hard to buy and sell and their prices may move up and down suddenly. This could significantly impact investment performance. Where the sub-fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. This is usually a greater risk for bonds that produce a higher level of income. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond's market value.

The sub-fund may invest in China A-Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect programmes (the 'Stock Connect'), this allows foreign investors to trade certain Shanghai Stock Exchange or Shenzhen Stock Exchanges listed China A-Shares through their Hong Kong based brokers. Please see the prospectus for full details on the risk factors associated with investing via Stock Connect.

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

The sub-fund is entitled to use derivative instruments for Efficient Portfolio Management. Derivatives may not achieve their intended purpose. Their prices may move up or down significantly over relatively short periods of time which may result in losses greater than the amount paid. This could adversely impact the value of the sub-fund. The organisation from which the sub-fund buys a derivative may fail to carry out its obligations, which could also cause losses to the sub-fund.

The sub-fund may hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the sub-fund's value than if it held a larger number of investments.

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

For further information please refer to the KIID.

For full details on risk factors for the sub-fund, please refer to the Prospectus.

There have been no changes to the risk and reward indicator in the year.

## Comparative table

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

A Class Accumulation (GBP) shares launched on 2 July 2021 at 104.87p per share.

A Class Accumulation (USD) shares launched on 12 May 2021 at 141.00 cents per share.

	A Class Accumulation (GBP)		A Class Accumulation (USD)	
	2022 <sup>^</sup> p	2021 <sup>^^</sup> p	2022 <sup>^</sup> cents	2021 <sup>^^^</sup> cents
Change in net assets per share				
Opening net asset value per share	89.81	104.87	121.47	141.00
Return before operating charges	(7.90)	(14.73)	(22.48)	(18.68)
Operating charges	(0.49)	(0.33)	(0.49)	(0.85)
Return after operating charges *	(8.39)	(15.06)	(22.97)	(19.53)
Closing net asset value per share	81.42	89.81	98.50	121.47
* after direct transaction costs of:	0.16	0.33	0.16	0.55
Performance				
Return after charges	(9.34%)	(14.36%)	(18.91%)	(13.85%)
Other information				
Closing net asset value (£)	-	25,788	-	8,904,567
Closing net asset value (\$)	N/A	N/A	-	12,060,743
Closing number of shares	-	28,715	-	9,929,078
Operating charges <sup>#</sup>	**1.00%	***1.00%	**1.00%	****1.00%
Direct transaction costs	0.17%	0.40%	0.17%	0.40%
Published prices				
Highest share price	88.85	104.3	121.1	148.5
Lowest share price	71.10	86.87	87.31	115.0

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

<sup>^</sup> For the period 1 January 2022 to 12 August 2022.

<sup>^^</sup> For the period 2 July 2021 to 31 December 2021.

<sup>^^^</sup> For the period 12 May 2021 to 31 December 2021.

\*\* Annualised based on the expenses incurred during the period 1 January 2022 to 12 August 2022

\*\*\* Annualised based on the expenses incurred during the period 2 July 2021 to 31 December 2021.

\*\*\*\* Annualised based on the expenses incurred during the period 12 May 2021 to 31 December 2021.

<sup>#</sup> The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD'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 may occur in a year as it is calculated on historical data.



## Comparative table (continued)

B Class Accumulation (GBP) shares launched on 26 July 2021 at 96.87p per share.

B Class Accumulation (USD) launched on 15 August 2022 at 98.46cents per share.

	B Class Accumulation (GBP)		B Class Accumulation (USD)
	2022 p	2021 <sup>^</sup> p	2022 <sup>^^</sup> cents
Change in net assets per share			
Opening net asset value per share	89.81	96.87	98.46
Return before operating charges	(12.87)	(6.72)	(6.94)
Operating charges	(0.88)	(0.34)	(0.37)
Return after operating charges*	(13.75)	(7.06)	(7.31)
Distributions <sup>#</sup>	(0.19)	-	-
Closing net asset value per share	75.87	89.81	91.15
* after direct transaction costs of:	0.21	0.17	0.07
Performance			
Return after charges	(15.31%)	(7.29%)	(7.42%)
Other information			
Closing net asset value (£)	6,493,887	2,639,763	7,523,463
Closing net asset value (\$)	N/A	N/A	9,050,020
Closing number of shares	8,558,853	2,939,356	9,929,078
Operating charges <sup>##</sup>	1.15%	**1.15%	***1.15%
Direct transaction costs	0.17%	0.40%	0.17%
Published prices			
Highest share price	88.83	101.50	98.50
Lowest share price	71.08	86.86	83.46

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

<sup>^</sup> For the period 26 July 2021 to 31 December 2021.

<sup>^^</sup> For the period 15 August 2022 to 31 December 2022

<sup>\*\*</sup> Annualised based on the expenses incurred during the period 26 July 2021 to 31 December 2021.

<sup>\*\*\*</sup> Annualised based on the expenses incurred during the period 15 August 2022 to 31 December 2022.

<sup>#</sup> Rounded to 2 decimal places.

<sup>##</sup> The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD'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 may occur in a year as it is calculated on historical data.

## Financial statements - SVS Aubrey Global Emerging Markets Fund

Statement of total return  
for the year ended 31 December 2022

	Notes	1 January 2022 to 31 December 2022		12 May 2021 to 31 December 2021	
		£	£	£	£
Income:					
Net capital losses	2		(2,044,081)		(1,263,550)
Revenue	3	187,084		31,096	
Expenses	4	<u>(142,663)</u>		<u>(69,126)</u>	
Net revenue / (expense) before taxation		44,421		(38,030)	
Taxation	5	<u>(16,521)</u>		<u>(1,643)</u>	
Net revenue / (expense) after taxation			<u>27,900</u>		<u>(39,673)</u>
Total return before distributions			(2,016,181)		(1,303,223)
Distributions	6		(43,782)		19
Change in net assets attributable to shareholders from investment activities			<u><u>(2,059,963)</u></u>		<u><u>(1,303,204)</u></u>

Statement of change in net assets attributable to shareholders  
for the year ended 31 December 2022

		1 January 2022 to 31 December 2022		12 May 2021 to 31 December 2021	
		£	£	£	£
Opening net assets attributable to shareholders			11,570,118		-
Amounts receivable on issue of shares		5,535,905		13,036,618	
Amounts payable on cancellation of shares		<u>(1,044,629)</u>		<u>(163,296)</u>	
			4,491,276		12,873,322
Change in net assets attributable to shareholders from investment activities			(2,059,963)		(1,303,204)
Retained distributions on accumulation shares			15,919		-
Closing net assets attributable to shareholders			<u><u>14,017,350</u></u>		<u><u>11,570,118</u></u>

Balance sheet  
as at 31 December 2022

	Notes	2022 £	2021 £
Assets:			
Fixed assets:			
Investments		13,315,631	11,355,545
Current assets:			
Debtors	7	31,128	13,018
Cash and bank balances	8	706,085	231,521
Total assets		<u>14,052,844</u>	<u>11,600,084</u>
Liabilities:			
Creditors:			
Other creditors	9	(35,494)	(29,966)
Total liabilities		<u>(35,494)</u>	<u>(29,966)</u>
Net assets attributable to shareholders		<u><u>14,017,350</u></u>	<u><u>11,570,118</u></u>

## Notes to the financial statements

for the year ended 31 December 2022

## 1. Accounting policies

The accounting policies are disclosed on pages 32 to 34.

	1 January 2022 to 31 December 2022	12 May 2021 to 31 December 2021
	£	£
2. Net capital losses		
Non-derivative securities - realised losses	(2,332,252)	(821,740)
Non-derivative securities - movement in unrealised gains / (losses)	309,088	(217,554)
Currency losses	(34,925)	(218,445)
Forward currency contracts losses	(231)	(194)
Compensation	19,398	-
Transaction charges	(5,159)	(5,617)
Total net capital losses	<u>(2,044,081)</u>	<u>(1,263,550)</u>

	1 January 2022 to 31 December 2022	12 May 2021 to 31 December 2021
	£	£
3. Revenue		
Overseas revenue	142,728	31,096
Bank and deposit interest	2,197	-
Stock dividends	42,159	-
Total revenue	<u>187,084</u>	<u>31,096</u>

	1 January 2022 to 31 December 2022	12 May 2021 to 31 December 2021
	£	£
4. Expenses		
Payable to the ACD and associates		
Annual management charge*	133,846	-
ACD's periodic charge*	-	32,054
Investment manager's fee*	-	15,932
	<u>133,846</u>	<u>47,986</u>
Payable to the Depositary		
Depositary fees	<u>764</u>	<u>5,770</u>
Other expenses:		
Audit fee	-	6,000
Non-executive directors' fees	1,439	597
Safe custody fees	294	2,467
Bank interest	466	2,989
KIID production fee	3,900	600
Listing fee	1,954	2,717
	<u>8,053</u>	<u>15,370</u>
Total expenses	<u>142,663</u>	<u>69,126</u>

\* For the year ended 31 December 2022, the annual management charge for each share class is as follows:

A Class Accumulation (GBP)	0.93%
A Class Accumulation (USD)	0.93%
B Class Accumulation (GBP)	1.08%
B Class Accumulation (USD)	1.08%

The annual management charge includes the ACD's periodic charge and the Investment Manager's fee. The Ongoing Charges Figure ('OCF') is capped at 1% for A Class Accumulation and 1.15% for B Class Accumulation. The Investment Manager's fee is the balance between ACD's periodic charge, depositary fees and the other expenses charged to the sub-fund and the capped OCF. The Investment Manager has paid the sub-fund's research costs since launch.

Notes to the financial statements (continued)  
for the year ended 31 December 2022

5. Taxation	1 January 2022 to 31 December 2022	12 May 2021 to 31 December 2021
	£	£
<i>a. Analysis of the tax charge for the year</i>		
Overseas tax withheld	16,521	1,643
Total taxation (note 5b)	<u>16,521</u>	<u>1,643</u>

*b. Factors affecting the tax charge for the year*

The tax assessed for the year is higher (2021: higher) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2021: 20%). The differences are explained below:

	1 January 2022 to 31 December 2022	12 May 2021 to 31 December 2021
	£	£
Net revenue / (expense) before taxation	<u>44,421</u>	<u>(38,030)</u>
Corporation tax @ 20%	8,884	(7,606)
Effects of:		
Overseas revenue	(36,958)	(6,133)
Overseas tax withheld	16,521	1,643
Excess management expenses	<u>28,074</u>	<u>13,739</u>
Total taxation (note 5a)	<u>16,521</u>	<u>1,643</u>

*c. Provision for deferred taxation*

At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of asset not recognised is £41,813 (2021: £13,739).

6. Distributions

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

	1 January 2022 to 31 December 2022	12 May 2021 to 31 December 2021
	£	£
Final accumulation distribution	<u>15,919</u>	<u>-</u>
Equalisation:		
Amounts deducted on cancellation of shares	1,684	-
Amounts added on issue of shares	(4,891)	(19)
Net equalisation on conversions	<u>31,070</u>	<u>-</u>
Total net distributions	<u>43,782</u>	<u>(19)</u>

Reconciliation between net revenue / (expense) and distributions:

Net revenue / (expense) after taxation per Statement of total return	27,900	(39,673)
Revenue shortfall to be transferred from capital	15,888	39,654
Undistributed revenue carried forward	(6)	-
Distributions	<u>43,782</u>	<u>(19)</u>

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

Notes to the financial statements (continued)  
for the year ended 31 December 2022

7. Debtors	2022	2021
	£	£
Amounts receivable on issue of shares	24,439	10,496
Accrued revenue	6,689	2,522
Total debtors	<u>31,128</u>	<u>13,018</u>
8. Cash and bank balances	2022	2021
	£	£
Total cash and bank balances	<u>706,085</u>	<u>231,521</u>
9. Other creditors	2022	2021
	£	£
Amounts payable on cancellation of shares	7,755	5,598
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	23,008	-
Investment management fees	-	12,842
Other expenses:		
Safe custody fees	-	741
Audit fee	-	6,000
Non-executive directors' fees	814	597
KIID production fee	-	600
Listing fee	2,722	2,717
Transaction charges	1,195	871
	<u>4,731</u>	<u>11,526</u>
Total accrued expenses	<u>27,739</u>	<u>24,368</u>
Total other creditors	<u>35,494</u>	<u>29,966</u>
10. Commitments and contingent liabilities		
At the balance sheet date there are no commitments or contingent liabilities.		

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 11. Share classes

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

	A Class Accumulation (GBP)
Opening shares in issue	28,715
Total shares converted in the year	<u>(28,715)</u>
Closing shares in issue	<u><u>-</u></u>
	A Class Accumulation (USD)
Opening shares in issue	9,929,078
Total shares converted in the year	<u>(9,929,078)</u>
Closing shares in issue	<u><u>-</u></u>
	B Class Accumulation (GBP)
Opening shares in issue	2,939,356
Total shares issued in the year	6,925,697
Total shares cancelled in the year	(1,334,930)
Total shares converted in the year	<u>28,730</u>
Closing shares in issue	<u><u>8,558,853</u></u>
	B Class Accumulation (USD)
Total shares converted in the year	<u>9,929,078</u>
Closing shares in issue	<u><u>9,929,078</u></u>

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

On the winding up of a sub-fund all the assets of the sub-fund will be realised and apportioned to the share classes in relation to the net asset value on the closure date. Shareholders 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 share class has the same rights on winding up.

## 12. Related party transactions

Evelyn Partners Fund Solutions Limited (previously Smith & Williamson Fund Administration Limited), as ACD is a related party due to its ability to act in respect of the operations of the sub-fund.

The ACD acts as principal in respect of all transactions of shares in the sub-fund. The aggregate monies received and paid through the creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders of the sub-fund.

Amounts payable to the ACD and its associates are disclosed in note 4. The amount due to the ACD 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 B Class Accumulation (GBP) has decreased from 75.87p to 72.75p and B Class Accumulation (USD) has decreased from 91.15c to 90.42c as at 11 April 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 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:

1 January 2022 to 31 December 2022	Purchases before transaction costs		Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£	
	Equities	11,464,249	19,392	0.17%	-	-	-	-	11,483,641

12 May 2021 to 31 December 2021	Purchases before transaction costs		Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£	
	Equities	19,946,418	29,315	0.15%	41	0.00%	-	-	19,975,774
Exchange Traded Commodities	905,869	544	0.06%	-	-	-	-	906,413	
Total	20,852,287	29,859	0.21%	41	0.00%	-	-	20,882,187	

1 January 2022 to 31 December 2022	Sales before transaction costs		Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£	
	Equities	7,559,500	(16,950)	0.22%	-	-	-	-	7,542,550

12 May 2021 to 31 December 2021	Sales before transaction costs		Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£	
	Equities	7,580,361	(9,443)	0.12%	(246)	0.00%	(2,444)	0.03%	7,568,228
Exchange Traded Commodities	896,811	(5)	0.00%	-	-	-	-	896,806	
Total	8,477,172	(9,448)	0.12%	(246)	0.00%	(2,444)	0.03%	8,465,034	



## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 14 Transaction costs (continued)

## a Direct transaction costs (continued)

Summary of direct transaction costs

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

1 January 2022 to 31 December 2022	£	% of average net asset value
Commission	36,342	0.17%

12 May 2021 to 31 December 2021	£	% of average net asset value
Commission	39,307	0.38%
Taxes	287	0.00%
Financial transaction tax	2,444	0.02%

## 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 0.27% (2021: 0.18%).

## 15. Risk management policies

In pursuing the sub-fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the sub-fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the ACD'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 ACD, 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 sub-fund's financial instruments will fluctuate as a result of changes in market prices and comprise three elements: other price risk, currency risk, and interest rate risk.

## (i) Other price risk

The sub-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 sub-fund is exposed to price fluctuations, which are monitored by the ACD 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 sub-fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 31 December 2022, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £665,782 (2021: £567,777).

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15. Risk management policies (continued)

## a Market risk (continued)

## (ii) Currency risk

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

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

The foreign currency risk profile of the sub-fund's financial instruments and cash holdings at the balance sheet date is as follows:

2022	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
	£	£	£
Brazilian Real	186,742	-	186,742
Chinese Yuan	554,381	-	554,381
Hong Kong dollar	2,914,804	3,826	2,918,630
Indian rupee	5,053,037	-	5,053,037
Indonesian rupiah	994,973	-	994,973
Mexican Peso	598,327	-	598,327
Poland złoty	521,594	-	521,594
Thai Baht	681,722	-	681,722
US dollar	1,190,565	2,863	1,193,428
Vietnamese Dong	649,897	-	649,897
Total foreign currency exposure	13,346,042	6,689	13,352,731

2021	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
	£	£	£
Chinese Yuan	1,482,936	-	1,482,936
Hong Kong dollar	2,622,128	2,327	2,624,455
Indonesian rupiah	317,442	-	317,442
Korean won	238,432	195	238,627
Indian rupee	5,090,574	-	5,090,574
Poland złoty	407,507	-	407,507
US dollar	1,196,526	-	1,196,526
Total foreign currency exposure	11,355,545	2,522	11,358,067

At 31 December 2022, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £667,637 (2021: £567,903).

## Notes to the financial statements (continued)

for the year ended 31 December 2022

### 15 Risk management policies (continued)

#### a Market risk (continued)

##### (iii) Interest rate risk

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

During the year the sub-fund's direct exposure to interest rates consisted of cash and bank balances. The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. In the event of a change in interest rates, there would be no material impact upon the net assets of the sub-fund.

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

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

#### b Credit risk

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

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

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

#### c Liquidity risk

A significant risk is the cancellation of shares 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 shares 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 shares in the sub-fund.

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

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

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

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the sub-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 sub-fund.

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the sub-fund to meet large redemptions, 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.

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15 Risk management policies (continued)

## d Fair value of financial assets and financial liabilities

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

To ensure this, the fair value pricing committee is a body appointed by the ACD 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 sub-fund's price should the constituent investments be exposed to closed markets during general market volatility or instability.

	Investment assets	Investment liabilities
Basis of valuation	2022	2022
	£	£
Quoted prices	13,315,631	-
Observable market data	-	-
Unobservable data	-	-
	<u>13,315,631</u>	<u>-</u>
	Investment assets	Investment liabilities
Basis of valuation	2021	2021
	£	£
Quoted prices	11,355,545	-
Observable market data	-	-
Unobservable data	-	-
	<u>11,355,545</u>	<u>-</u>

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

## e Assets subject to special arrangements arising from their illiquid nature

There are no assets held in the portfolio of investments which are subject to special arrangements arising from their illiquid nature.

## f Derivatives

The sub-fund may employ derivatives with the aim of reducing the sub-fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with Efficient Portfolio Management.

The ACD monitors that any exposure is covered globally to ensure adequate cover is available to meet the sub-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 there was direct exposure to derivatives. 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 sub-fund to calculate the percentage global exposure. Global exposure is a risk mitigation technique that monitors the overall commitment to derivatives in the sub-fund at any given time and may not exceed 100% of the net asset value of the property of the sub-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.

## Notes to the financial statements (continued)

for the year ended 31 December 2022

### 15 Risk management policies (continued)

#### f Derivatives (continued)

##### (i) Counterparties

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

The sub-fund may transact in derivative contracts which potentially exposes the sub-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 Depositary.

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.

There have been no leveraging arrangements in the year.

##### (iii) Global exposure

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

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

There have been no collateral arrangements in the year.

## Distribution table

for the year ended 31 December 2022

Distributions on B Class Accumulation Shares (GBP) in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	*Distribution current period
31.03.23	group 1	final	0.186	-	0.186	0.186
31.03.23	group 2	final	0.109	0.077	0.186	0.186

Distributions on B Class Accumulation (USD) in cents per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	*Distribution current period
31.03.23	group 1	final	-	-	-
31.03.23	group 2	final	-	-	-

## Equalisation

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

## Accumulation distributions

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

## Final distributions:

Group 1 Shares purchased before 31 December 2021

Group 2 Shares purchased 1 January 2022 to 31 December 2022

\*As expenses exceeded income in the year no distribution will be allocated

## SVS Aubrey Europe Ex-UK Fund

### Investment Manager's report

#### Investment objective and policy

The sub-fund follows an asset allocation policy that seeks to achieve capital growth over the long term (at least 5 years).

The sub-fund is actively managed and will invest at least 80% in shares listed on the stock exchanges of European countries equities and equity related securities of companies based, or carrying out much of their business, in Europe (excluding UK) ('European Shares').

The sub-fund may be invested in any industry sector and in companies of any market capitalisation, however, the Investment Manager uses a financially disciplined and growth-based approach investing in strong, stable and competitive businesses exhibiting high earnings growth and sound balance sheets.

As part of its investment process, the Investment Manager integrates environmental, social and governance ("ESG") factors into its routine analysis. Through this process, the Investment Manager uses a bespoke ESG framework to score companies in which it invests. The ESG scores are based on the United Nations Global Compact focussing on the following four themes: (1) Human Rights - Companies should respect the internationally declared human rights laws; (2) Labour - Elimination of discrimination in the workplace as well as all forms of forced labour; (3) Environment - Encourage companies to develop and create initiatives that promote sustainability; and (4) Anti-Corruption- Businesses should eliminate corruption in all forms including bribery. The Investment Manager uses the ESG framework to exclude companies that have a low score, as well as to select companies that show strong sustainability risk management processes or that the Investment Manager considers are well placed to take advantage of opportunities offered by increased focus on ESG factors. In addition, the Investment Manager excludes companies that operate in sectors subject to controversies such as for example: controversial weapons, tobacco, addictive gambling services, controversial methods of energy production, coal mining.

To the extent that the sub-fund is not fully invested in European Shares, the sub-fund may also invest in other transferable securities and collective investment schemes (including depositary receipts, cash, near cash, money market instruments and warrants, including PNotes).

The sub-fund may enter into currency hedging transactions in order to hedge, in whole or in part, currency fluctuations. The sub-fund may use financial derivatives (contracts between two or more parties that derive their value from the underlying asset they reference) for efficient portfolio management and to protect against investment risks.

#### Investment performance\*

The sub-fund in 2022 returned -25.7% versus -10.0% for the MSCI Europe ex UK index (GBP) and since inception -26.9% versus -5.7% (1st July 2021).

2022 proved to be the worst year for European equities since 2018. This was due to the unwinding of central bank policies of ultra-low interest rates in place since the Global Financial Crisis, inflationary money printing during the pandemic and the spike in energy prices following Russia's war on Ukraine. The reversal in the direction of interest rates was most keenly felt by growth stocks as the discount rate rose. Few sectors remained unscathed, with Energy, where the sub-fund has little exposure, the only sector contributing an overall positive return. Banks and insurers, to which the sub-fund had no exposure, also made a positive contribution to the index return, as interest rates rose.

\*Source: Evelyn Partners Fund Solutions Limited and Bloomberg (B Class Accumulation (GBP) as at 10pm mid-prices, net returns in GBP).

## Investment Manager's report (continued)

### Investment activities\*

The top contributors (in percentage points) to performance in 2022 were made by:

- Hexatronic Group (fibre optics) 2.68
- Burckhardt Compression Holding (compressors) 1.77
- Aixtron (deposition equipment) 0.40
- Dino Polska (supermarkets) 0.39
- K+S (fertilizers) 0.31
- Ringkjoebing Landbobank (Danish bank) 0.13
- Comer Industries (agricultural/industrial equipment) 0.13
- Deutsche Boerse (stock exchange) 0.11
- Grupo Ecoener (renewables) 0.0
- Vitesco Technologies (automotive components) 0.0

Hexatronic Group is benefitting from the rollout of fibre optics in Europe and the US and delivered strong earnings 'beats' as the year progressed. Burckhardt Compression Holding, which supplies compressors to the gas sector, including 'green' hydrogen, also delivered strong earnings. Aixtron, a world leader in deposition equipment for compound semi-conductors expects earnings uplift as demand for gallium nitride and silicon carbide chips takes off. Dino Polska is a supermarket retailer in Poland, which continues to deliver strong GDP growth and consumer demand. K+S is a German based fertilizer company which benefitted in the early part of the year from rising potash prices, but has subsequently been sold. Ringkjoebing Landbobank is a specialist lender in Denmark which is benefitting from the higher interest rate environment. Comer Industries has become a €1 billion sales company following the acquisition of German Walterschied's power train business, with a focus on electrification following acquisitions of Benevelli and Sitem in Italy. Deutsche Boerse has been resilient due to its leading position in the derivatives markets, which have seen solid growth on the back of heightened market volatility. Grupo Ecoener in the renewable energy sector, was resilient on good results and growth prospects for its business. Technology company, Vitesco Technologies has positioned itself as a leading Tier 1 components supplier for the transition to electric vehicles.

The largest detractors (in percentage points) were:

- NetCompany Group (IT services) -2.05
- Steico (wood fibre insulation products) -1.98
- PVA TePla (semiconductor materials production equipment) -1.96
- Duerr (automotive and wood making machinery) -1.80
- MIPS (helmet/brain protection systems) -1.63
- Puma (sporting apparel) -1.58
- Sika (specialty chemicals) -1.53
- Digital Value (Italian IT services) -1.48
- Hypoport (mortgage and insurance platform) -1.47
- Inficon Holding (vacuum control systems) -1.33

NetCompany Group suffered in the tech sell-off and from margin pressure. The stock is under review. Steico produced solid figures but may suffer in a construction slowdown in Germany and is being sold. PVA TePla is a small cap name which suffered disproportionately in the tech sell-off. We expect strong growth in 2023. Duerr suffered due the China lockdown and was sold. MIPS was sold from the portfolio at the start of the year after a price decline. Puma suffered as its China business contracted in the lockdowns. Sika is a widely held quality growth stock which fell in line with reducing demand for growth stocks. Digital Value suffered in the tech rout but continues to prosper. Hypoport as the main mortgage platform in Germany has suffered due to market slowdown and was sold. Inficon Holding's growth rate declined due to supply chain shortages but the company should enjoy better prospects in 2023.

\*\* Source: Bloomberg.



## Investment Manager's report (continued)

### Investment strategy and outlook\*

As mentioned in last year's report the tried and tested financial disciplines of applying 15% Return on Equity (ROE), Cash Return On Assets (CROA) and 15% Earnings Per Share (EPS) growth hurdle rates and a Price/Earnings to Growth (PEG) ratio below 1.5x for a stock's inclusion in the portfolio do not guarantee absolute returns in any given year, but they may deliver real rates of return well above the benchmark and the peer group over longer periods of time. Following the drawdown in 2022 the same financial criteria are being applied but the PEG ratio on the portfolio is proportionately lower. Coming from a lower base, the chances of delivering positive returns in 2023 are therefore enhanced. From a portfolio management point of view, we will have to stay vigilant since what has worked in the past will not necessarily work in the future and we will have no hesitation in selling down positions in companies which may be challenged to deliver on our earnings and return targets. The portfolio companies do not need to leverage their balance sheets to achieve double digit earnings growth and are not highly leveraged with average net debt to equity of 14%. Average cashflow return on assets of 33% is sufficient to self-finance average expected EPS growth of 33%.

Aubrey Capital Management Limited

13 February 2023

\* Source: Bloomberg.

## Summary of portfolio changes

for the year ended 31 December 2022

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

	Cost £
Purchases:	
Hexatronic Group	307,164
Duerr	267,489
Befesa	262,581
AMG Advanced Metallurgical Group	261,507
Deutsche Boerse	229,442
Aixtron	227,707
K + S	219,449
Verbund	193,278
Jeronimo Martins	151,042
SOITEC	146,236
Vitesco Technologies	139,488
Dino Polska	130,342
Wirtualna Polska Holding	126,357
Ringkjoebing Landbobank	125,754
Digital Value	60,367
Hypoport	59,050
Atea	57,443
VAT Group	51,125
Burckhardt Compression Holding	43,125
EQT	42,742

	Proceeds £
Sales:	
Duerr	282,527
K + S	250,893
MELEXIS	250,218
MIPS	246,206
Deutsche Post	199,619
AMG Advanced Metallurgical Group	174,721
Befesa	166,590
Elmos Semiconductor	156,527
Burckhardt Compression Holding	101,146
Grupo Ecoener	98,487
Partners Group Holding	96,294
Hypoport	74,655
Dino Polska	36,025

Portfolio statement  
as at 31 December 2022

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities 98.08% (89.57%)			
Equities - Europe 98.08% (89.57%)			
Equities - Austria 1.85% (0.00%)			
Verbund	2,074	<u>144,818</u>	<u>1.85</u>
Equities - Belgium 0.00% (3.39%)		-	-
Equities - Denmark 3.90% (3.68%)			
Netcompany Group	4,837	169,781	2.17
Ringkjoebing Landbobank	1,200	<u>135,725</u>	<u>1.73</u>
Total equities - Denmark		<u>305,506</u>	<u>3.90</u>
Equities - France 6.51% (4.87%)			
Soitec	2,839	384,755	4.91
Trigano	1,110	<u>125,664</u>	<u>1.60</u>
Total equities - France		<u>510,419</u>	<u>6.51</u>
Equities - Germany 18.15% (19.82%)			
Aixtron	10,982	262,687	3.35
Deutsche Boerse	1,662	237,924	3.04
Elmos Semiconductor	5,789	276,327	3.53
Puma	3,817	192,086	2.45
PVA TePla	11,000	181,333	2.32
Steico	3,469	133,115	1.70
Vitesco Technologies	2,866	<u>137,947</u>	<u>1.76</u>
Total equities - Germany		<u>1,421,419</u>	<u>18.15</u>
Equities - Italy 12.87% (11.35%)			
Comer Industries	15,000	380,623	4.86
Digital Value	5,696	337,080	4.30
Sesa Spa	2,825	<u>290,746</u>	<u>3.71</u>
Total equities - Italy		<u>1,008,449</u>	<u>12.87</u>
Equities - Netherlands 3.91% (4.44%)			
Adyen	135	154,320	1.97
ASML Holding	340	<u>151,976</u>	<u>1.94</u>
Total equities - Netherlands		<u>306,296</u>	<u>3.91</u>
Equities - Norway 3.86% (3.06%)			
Atea	31,389	<u>301,977</u>	<u>3.86</u>
Equities - Poland 10.27% (6.47%)			
Dino Polska	6,443	454,139	5.80
Wirtualna Polska Holding	18,473	<u>350,116</u>	<u>4.47</u>
Total equities - Poland		<u>804,255</u>	<u>10.27</u>

## Portfolio statement (continued)

as at 31 December 2022

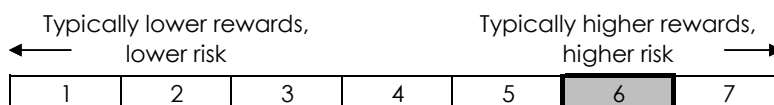
Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - Europe (continued)			
Equities - Portugal 1.79% (0.00%)			
Jeronimo Martins	7,820	<u>139,873</u>	<u>1.79</u>
Equities - Spain 3.82% (3.74%)			
Grenergy Renovables	12,153	<u>298,892</u>	<u>3.82</u>
Equities - Sweden 11.53% (9.28%)			
BTS Group	10,158	234,222	2.99
EQT	7,375	129,981	1.66
Hexatronic Group	47,778	<u>539,014</u>	<u>6.88</u>
Total equities - Sweden		<u>903,217</u>	<u>11.53</u>
Equities - Switzerland 19.62% (19.47%)			
Burckhardt Compression Holding	1,012	501,044	6.40
Inficon Holding	451	326,630	4.17
Partners Group Holding	174	127,643	1.63
Sika	1,493	297,419	3.80
VAT Group	1,247	<u>283,261</u>	<u>3.62</u>
Total equities - Switzerland		<u>1,535,997</u>	<u>19.62</u>
Total equities - Europe		<u>7,681,118</u>	<u>98.08</u>
Portfolio of investments		7,681,118	98.08
Other net assets		150,703	1.92
Total net assets		<u>7,831,821</u>	<u>100.00</u>

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

The comparative figures in brackets are as at 31 December 2021.

## Risk and reward profile

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



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

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

Where the sub-fund invests in warrants, these may be hard to buy and sell and their prices may move up and down suddenly. This could significantly impact investment performance. Where the sub-fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. This is usually a greater risk for bonds that produce a higher level of income. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond's market value

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

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

The sub-fund may hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the sub-fund's value than if it held a larger number of investments.

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

For further information please refer to the KIID.

For full details on risk factors for the sub-fund, please refer to the Prospectus.

There have been no changes to the risk and reward indicator in the year.

## Comparative table

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

A Class Accumulation (GBP) shares launched on 1 July 2021 at 100.00p per share.

A Class Accumulation (USD) shares launched on 1 July 2021 at 137.80 cents per share.

	A Class Accumulation (GBP)		A Class Accumulation (USD)	
	2022 <sup>^</sup> p	2021 <sup>^^</sup> p	2022 <sup>^</sup> cents	2021 <sup>^^</sup> cents
Change in net assets per				
Opening net asset value per share	105.03	100.00	142.16	137.80
Return before operating charges	(36.69)	5.50	(65.22)	5.06
Operating charges	(0.65)	(0.47)	(0.64)	(0.70)
Return after operating charges *	(37.34)	5.03	(65.86)	4.36
Closing net asset value per share	67.69	105.03	76.30	142.16
* after direct transaction costs of:	0.04	0.13	0.04	0.20
Performance				
Return after charges	(35.55%)	(5.03%)	(46.33%)	3.16%
Other information				
Closing net asset value (£)	-	2,384,800	-	7,923,862
Closing net asset value (\$)	N/A	N/A	-	10,732,432
Closing number of shares	-	2,270,546	-	7,549,538
Operating charges <sup>#</sup>	**1.00%	***1.00%	**1.00%	***1.00%
Direct transaction costs	0.04%	0.14%	0.04%	0.14%
Published prices				
Highest share price	104.2	110.1	141.1	150.1
Lowest share price	66.95	97.71	73.83	132.8

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

<sup>^</sup> For the period 1 January 2022 to 3 October 2022

<sup>^^</sup> For the period 1 July 2021 to 31 December 2021

\*\* Annualised based on the expenses incurred during the period 1 January 2022 to 3 October 2022.

\*\*\* Annualised based on the expenses incurred during the period 1 July 2021 to 31 December 2021.

<sup>#</sup> The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD'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 may occur in a year as it is calculated on historical data.

## Comparative table (continued)

B Class Accumulation (GBP) shares launched on 31 August 2021 at 100.00p per share.

B Class Accumulation (USD) launched on 14 January 2022 at 133.00 cents per share.

	B Class Accumulation (GBP)		B Class Accumulation (USD)
	2022 p	2021 <sup>^</sup> p	2022 <sup>^^</sup> cents
Change in net assets per			
Opening net asset value per share	97.84	100.00	133.00
Return before operating charges	(24.30)	(1.77)	(38.37)
Operating charges	(0.62)	(0.39)	(0.59)
Return after operating charges *	(24.92)	(2.16)	(38.96)
Closing net asset value per share	72.92	97.84	94.04
* after direct transaction costs of:	0.02	0.04	0.01
Performance			
Return after charges	(25.47%)	(2.16%)	(29.29%)
Other information			
Closing net asset value (£)	1,796,295	147,489	6,035,526
Closing net asset value (\$)	N/A	N/A	7,260,172
Closing number of shares	2,463,327	150,739	7,720,145
Operating charges <sup>#</sup>	1.15%	**1.15%	***1.15%
Direct transaction costs	0.04%	0.14%	0.04%
Published prices			
Highest share price	97.09	102.3	133.7
Lowest share price	61.80	91.05	73.75

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

<sup>^</sup> For the period 31 August 2021 to 31 December 2021

<sup>^^</sup> For the period 14 January 2022 to 31 December 2022

\*\* Annualised based on the expenses incurred during the period 31 August 2021 to 31 December 2021.

\*\*\* Annualised based on the expenses incurred during the period 14 January 2022 to 31 December 2022.

<sup>#</sup> The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD'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 may occur in a year as it is calculated on historical data.

## Financial statements - SVS Aubrey Europe Ex-UK Fund

Statement of total return  
for the year ended 31 December 2022

	Notes	1 January 2022 to 31 December 2022		1 July 2021 to 31 December 2021	
		£	£	£	£
Income:					
Net capital (losses) / gains	2		(2,710,553)		461,308
Revenue	3	85,429		15,495	
Expenses	4	<u>(85,696)</u>		<u>(39,832)</u>	
Net expense before taxation		(267)		(24,337)	
Taxation	5	<u>(16,204)</u>		<u>(1,653)</u>	
Net expense after taxation			<u>(16,471)</u>		<u>(25,990)</u>
Total return before distributions			(2,727,024)		435,318
Distributions	6		4		8
Change in net assets attributable to shareholders from investment activities			<u>(2,727,020)</u>		<u>435,326</u>

Statement of change in net assets attributable to shareholders  
for the year ended 31 December 2022

	1 January 2022 to 31 December 2022		1 July 2021 to 31 December 2021	
	£	£	£	£
Opening net assets attributable to shareholders		10,456,151		-
Amounts receivable on issue of shares	564,395		10,126,371	
Amounts payable on cancellation of shares	<u>(461,705)</u>		<u>(105,546)</u>	
		102,690		10,020,825
Change in net assets attributable to shareholders from investment activities		(2,727,020)		435,326
Closing net assets attributable to shareholders		<u>7,831,821</u>		<u>10,456,151</u>



Balance sheet  
as at 31 December 2022

	Notes	2022 £	2021 £
Assets:			
Fixed assets:			
Investments		7,681,118	9,365,308
Current assets:			
Debtors	7	928	1,031
Cash and bank balances	8	170,244	1,128,502
Total assets		<u>7,852,290</u>	<u>10,494,841</u>
Liabilities:			
Creditors:			
Other creditors	9	(20,469)	(38,690)
Total liabilities		<u>(20,469)</u>	<u>(38,690)</u>
Net assets attributable to shareholders		<u>7,831,821</u>	<u>10,456,151</u>

Notes to the financial statements  
for the year ended 31 December 2022

1. Accounting policies

The accounting policies are disclosed on pages 32 to 34.

	1 January 2022 to 31 December 2022	1 July 2021 to 31 December 2021
	£	£
2. Net capital (losses) gains		
Non-derivative securities - realised losses	(585,913)	(305,336)
Non-derivative securities - movement in unrealised (losses)/gains	(2,149,617)	869,185
Currency losses	(5,548)	(100,786)
Compensation	31,481	-
Transaction charges	(956)	(2,085)
Total net capital (losses)/gains	<u>(2,710,553)</u>	<u>461,308</u>
3. Revenue		
	£	£
Overseas revenue	83,323	15,495
Bank and deposit interest	2,106	-
Total revenue	<u>85,429</u>	<u>15,495</u>
4. Expenses		
	£	£
Payable to the ACD and associates		
Annual management charge*	77,498	-
Investment manager's fee*	-	35,755
	<u>77,498</u>	<u>35,755</u>
Payable to the Depositary		
Depositary fees	-	-
Other expenses:		
Non-executive directors' fees	1,740	-
Safe custody fees	-	309
Bank interest	4	1,051
KIID production fee	4,500	-
Listing fee	1,954	2,717
	<u>8,198</u>	<u>4,077</u>
Total expenses	<u>85,696</u>	<u>39,832</u>

\*For the year ended 31 December 2022, the annual management charge for each share class is as follows:

A Class Accumulation (GBP)	0.93%
A Class Accumulation (USD)	0.93%
B Class Accumulation (GBP)	1.08%
B Class Accumulation (USD)	1.08%

The annual management charge includes the ACD's periodic charge and the Investment Manager's fee. The Ongoing Charges Figure ('OCF') is capped at 1% for A Class Accumulation and 1.15% for B Class Accumulation. The Investment Manager's fee is the balance between ACD's periodic charge, depositary fees and the other expenses charged to the sub-fund and the capped OCF. The Investment Manager has paid the sub-fund's research costs since launch.

## Notes to the financial statements (continued)

for the year ended 31 December 2022

5. Taxation	1 January 2022 to 31 December 2022	1 July 2021 to 31 December 2021
	£	£
<i>a. Analysis of the tax charge for the year</i>		
Overseas tax withheld	16,204	1,653
Total taxation (note 5b)	<u>16,204</u>	<u>1,653</u>

*b. Factors affecting the tax charge for the year*

The tax assessed for the year is higher (2021: higher) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2021: 20%). The differences are explained below:

	1 January 2022 to 31 December 2022	1 July 2021 to 31 December 2021
	£	£
Net expense before taxation	<u>(267)</u>	<u>(24,337)</u>
Corporation tax @ 20%	(53)	(4,867)
<i>Effects of:</i>		
Overseas revenue	(16,665)	(3,099)
Overseas tax withheld	16,204	1,653
Excess management expenses	<u>16,718</u>	<u>7,966</u>
Total taxation (note 5a)	<u>16,204</u>	<u>1,653</u>

*c. Provision for deferred taxation*

At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of asset not recognised is £24,684 (2021: £7,966).

## 6. Distributions

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

	1 January 2022 to 31 December 2022	1 July 2021 to 31 December 2021
	£	£
<i>Equalisation:</i>		
Amounts deducted on cancellation of shares	16	-
Amounts added on issue of shares	<u>(20)</u>	<u>(8)</u>
Total net distributions	<u>(4)</u>	<u>(8)</u>

## Reconciliation between net expense and distributions:

Net expense after taxation per Statement of total return	(16,471)	(25,990)
Revenue shortfall to be transferred from capital	<u>16,467</u>	<u>25,982</u>
Distributions	<u>(4)</u>	<u>(8)</u>

## Notes to the financial statements (continued)

for the year ended 31 December 2022

7. Debtors	2022	2021
	£	£
Recoverable overseas withholding tax	928	1,031
Total debtors	<u>928</u>	<u>1,031</u>
8. Cash and bank balances	2022	2021
	£	£
Total cash and bank balances	<u>170,244</u>	<u>1,128,502</u>
9. Other creditors	2022	2021
	£	£
Amounts payable on cancellation of shares	3,029	-
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	13,902	-
Investment management fees	-	35,755
	<u>13,902</u>	<u>35,755</u>
Other expenses:		
Non-executive directors' fees	696	-
Listing fee	2,722	2,717
Transaction charges	120	218
	<u>3,538</u>	<u>2,935</u>
Total accrued expenses	<u>17,440</u>	<u>38,690</u>
Total other creditors	<u>20,469</u>	<u>38,690</u>

## 10. Commitments and contingent liabilities

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

## 11. Share classes

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

	A Class Accumulation (GBP)
Opening shares in issue	2,270,546
Total shares issued in the year	270,875
Total shares cancelled in the year	(500,648)
Total shares converted in the year	<u>(2,040,773)</u>
Closing shares in issue	<u>-</u>
	A Class Accumulation (USD)
Opening shares in issue	7,549,538
Total shares converted in the year	<u>(7,549,538)</u>
Closing shares in issue	<u>-</u>
	B Class Accumulation (GBP)
Opening shares in issue	150,739
Total shares issued in the year	412,111
Total shares cancelled in the year	(117,189)
Total shares converted in the year	<u>2,017,666</u>
Closing shares in issue	<u>2,463,327</u>

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 11. Share classes (continued)

	B Class Accumulation (USD)
Total shares converted in the year	7,720,145
Closing shares in issue	<u>7,720,145</u>

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

On the winding up of a sub-fund all the assets of the sub-fund will be realised and apportioned to the share classes in relation to the net asset value on the closure date. Shareholders 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 share class has the same rights on winding up.

## 12. Related party transactions

Evelyn Partners Fund Solutions Limited (previously Smith & Williamson Fund Administration Limited), as ACD is a related party due to its ability to act in respect of the operations of the sub-fund.

The ACD acts as principal in respect of all transactions of shares in the sub-fund. The aggregate monies received and paid through the creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders of the sub-fund.

Amounts payable to the ACD and its associates are disclosed in note 4. The amount due to the ACD 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 the B Class Accumulation (GBP) share has decreased from 73.73p to 76.54p and B Class Accumulation (USD) share has decreased from 94.04c to 102.0c as at 11 April 2023. 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:

1 January 2022 to 31 December 2022	Purchases before transaction costs		Commission		Taxes		Financial transaction tax		Purchases after transaction costs	
	£		£	%	£	%	£	%	£	
Equities	3,182,709		2,093	0.07%	-		-	446	0.01%	3,185,248

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 14. Transaction costs (continued)

## a Direct transaction costs (continued)

	Purchases before transaction costs	Commission		Taxes		Financial transaction tax		Purchases after transaction costs
1 July 2021 to 31 December 2021	£	£	%	£	%	£	%	£
Equities	10,951,534	7,192	0.07%	341	0.00%	2,332	0.02%	10,961,399
	Sales before transaction costs	Commission		Taxes		Financial transaction tax		Sales after transaction costs
1 January 2022 to 31 December 2022	£	£	%	£	%	£	%	£
Equities	2,135,144	(1,236)	0.06%	-	-	-	-	2,133,908
	Sales before transaction costs	Commission		Taxes		Financial transaction tax		Sales after transaction costs
1 July 2021 to 31 December 2021	£	£	%	£	%	£	%	£
Equities	2,161,237	(1,297)	0.06%	-	-	-	-	2,159,940

## Summary of direct transaction costs

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

1 January 2022 to 31 December 2022	£	% of average net asset value
Commission	3,329	0.03%
Financial transaction tax	446	0.01%

1 July 2021 to 31 December 2021	£	% of average net asset value
Commission	8,489	0.11%
Taxes	341	0.00%
Financial transaction tax	2,332	0.03%

## 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 0.47% (2021: 0.42%).

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15. Risk management policies

In pursuing the sub-fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the sub-fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the ACD'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 ACD, 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 sub-fund's financial instruments will fluctuate as a result of changes in market prices and comprise three elements: other price risk, currency risk, and interest rate risk.

## (i) Other price risk

The sub-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 sub-fund is exposed to price fluctuations, which are monitored by the ACD 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 sub-fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 31 December 2022, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £384,056 (2021: £468,265).

## (ii) Currency risk

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

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

The foreign currency risk profile of the sub-fund's financial instruments and cash holdings at the balance sheet date is as follows:

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2022	£	£	£
Danish krone	305,506	-	305,506
Euro	3,830,166	928	3,831,094
Norwegian krone	301,977	-	301,977
Polish złoty	804,255	-	804,255
Swedish krona	903,217	-	903,217
Swiss franc	1,535,997	-	1,535,997
Total foreign currency exposure	7,681,118	928	7,682,046

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15. Risk management policies (continued)

## (ii) Currency risk (continued)

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2021	£	£	£
Danish krone	384,680	-	384,680
Euro	4,976,659	1,031	4,977,690
Norwegian krone	320,396	-	320,396
Polish złoty	676,631	-	676,631
Swedish krona	970,210	-	970,210
Swiss franc	2,036,732	-	2,036,732
Total foreign currency exposure	<u>9,365,308</u>	<u>1,031</u>	<u>9,366,339</u>

At 31 December 2022, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £384,102 (2021: £468,317).

## (iii) Interest rate risk

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

During the year the sub-fund's direct exposure to interest rates consisted of cash and bank balances. The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. In the event of a change in interest rates, there would be no material impact upon the net assets of the sub-fund.

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

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

## b Credit risk

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

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

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

## c Liquidity risk

A significant risk is the cancellation of shares 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 shares 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 shares in the sub-fund.



## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15. Risk management policies (continued)

## c Liquidity risk (continued)

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

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

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

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the sub-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 sub-fund.

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the sub-fund to meet large redemptions, 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 ACD 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 sub-fund's price should the constituent investments be exposed to closed markets during general market volatility or instability.

	Investment assets	Investment liabilities
Basis of valuation	2022	2022
	£	£
Quoted prices	7,681,118	-
Observable market data	-	-
Unobservable data	-	-
	<u>7,681,118</u>	<u>-</u>
	Investment assets	Investment liabilities
Basis of valuation	2021	2021
	£	£
Quoted prices	9,365,308	-
Observable market data	-	-
Unobservable data	-	-
	<u>9,365,308</u>	<u>-</u>

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

## Notes to the financial statements (continued)

for the year ended 31 December 2022

### 15. Risk management policies (continued)

#### e Assets subject to special arrangements arising from their illiquid nature

There are no assets held in the portfolio of investments which are subject to special arrangements arising from their illiquid nature.

#### f Derivatives

The sub-fund may employ derivatives with the aim of reducing the sub-fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with Efficient Portfolio Management.

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

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

During the year there were no derivative transactions.

#### (i) Counterparties

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

The sub-fund may transact in derivative contracts which potentially exposes the sub-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 Depositary.

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.

There have been no leveraging arrangements in the year.

#### (iii) Global exposure

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

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

There have been no collateral arrangements in the year.

## SVS Aubrey China Fund

### Investment Manager's report

#### Investment objective and policy

The sub-fund aims to achieve capital growth over the long term (at least five years).

The sub-fund is actively managed and will invest at least 80% in shares of Chinese companies. These are companies which are quoted and listed on Chinese Stock Exchanges, including in A-Shares and B-Shares of such companies or which have their headquarters or a significant part of their activities in China but which are quoted on a regulated market elsewhere, as well as others which are, in the Investment Manager's opinion, Chinese businesses.

The sub-fund may be invested in any industry sector and in companies of any market capitalisation and is not constrained by any exclusions, however the Investment Manager's focus is on growth companies, that is companies that expect to deliver increasing revenue and profit from the expansion of their business over the medium to long term.

As part of its investment process, the Investment Manager integrates environmental, social and governance ('ESG') factors into its routine analysis. Through this process, the Investment Manager uses a bespoke ESG framework to score companies in which it invests. The ESG scores are based on the United Nations Global Impact focussing on the following four themes: (1) Human Rights - Companies should respect the internationally declared human rights laws; (2) Labour - Elimination of discrimination in the workplace as well as all forms of forced labour; (3) Environment - Encourage companies to develop and create initiatives that promote sustainability; and (4) Anti-Corruption- Businesses should eliminate corruption in all forms including bribery. The Investment Manager uses the ESG framework to exclude companies that have a low score, as well as to select companies that show strong sustainability risk management processes or that the Investment Manager considers are well placed to take advantage of opportunities offered by increased focus on ESG factors. In addition, the Investment Manager excludes companies that operate in sectors subject to controversies such as for example: controversial weapons, tobacco, addictive gambling services, controversial methods of energy production, coal mining.

To the extent that the sub-fund is not fully invested in shares of Chinese companies, the sub-fund may also invest in other transferable securities and collective investment schemes (including depositary receipts, cash, near cash, money market instruments and warrants, including PNotes).

The sub-fund may enter into currency hedging transactions in order to hedge, in whole or in part, currency fluctuations. The sub-fund may use financial derivatives (contracts between two or more parties that derive their value from the underlying asset they reference) for efficient portfolio management and to protect against investment risks.

#### Investment performance\*

2022 was a truly difficult and volatile year for Chinese equities and the sub-fund was not immune to this. The Net Asset Value ended the year 19.1% lower, behind the comparative benchmark which declined by 16.3%. For most of the year, the Chinese consumer was faced with a difficult combination of constant covid lock downs and a weakening economy. This was not conducive to consumption and the portfolio's focus on this area meant that earnings of many of our holdings were under pressure, and this was reflected in price movements.

#### Investment activities

The year started with a difficult month of January when there was a de-rating in growth stocks worldwide, as the prospects of inflation began to be felt and interest rates started to rise. This was felt across the portfolio and then increased by the return of covid in China which saw a range of very harsh lock downs, particularly in the Shanghai area, which inevitably had a knock-on effect on earnings in several of our Chinese consumer focussed stocks. The invasion of Ukraine by Russia impacted sentiment more and provided further fuel to the global inflationary fire. Furthermore, it stoked fears that the next potential flash point, namely that between China and Taiwan, would also erupt and this resulted in a climactic sell off in Chinese equities in March.

As these fears subsided and Shanghai re-opened, Chinese stock markets also began to recover, with a particularly strong month in June. Even though it was made very clear that the zero Covid-19 policy was here to stay, there was acceptance that, as in most of the rest of the country, local lock downs as well as extensive testing was allowing the economy to get back to some form of normality.

\* Source: Evelyn Partners Fund Solutions Limited and Bloomberg (I Class Accumulation (GBP) as at 10pm mid-prices, net returns in GBP)

## Investment Manager's report (continued)

### Investment activities (continued)\*\*

In addition, the realisation that the economy was slowing rapidly led the authorities to push ever more levers to try and stimulate growth, including supporting the property market, direct consumer subsidies on consumer items and autos, and finally attempts to stimulate lending. The Renminbi was also allowed to slide in April, versus the US dollar at least, providing further assistance to the export sector.

June's optimism faded rapidly as the summer wore on and sporadic Covid-19 lock downs continued to impact sentiment, with two large outbreaks in Shenzhen and Chengdu ultimately controlled but not without lock downs of several days. More disconcerting was the worsening news from the property market which continued to deteriorate. In July, widespread disruption erupted as buyers of partially completed apartments, where the developer had ceased building, began to boycott their mortgage payments.

This is clearly something the Chinese government could not sit by and watch, and indeed various noises were made to ensure these apartments would somehow be finished. They are still understandably reluctant to bail out the profligate developers themselves which further complicates the process. In the meantime, standard policy relaxing measures such as lower mortgage rates and down payment requirements are generally falling on deaf ears, and with precious little land sales going on, local governments are not in a good position to help.

The sub-fund's direct exposure to the property sector was zero, and although we still believe China Merchants Bank to be relatively immune, there is undoubtedly risk of all banks being coerced into helping out, and so we exited the position. The indirect exposure is through general consumer sentiment, which is harder to avoid, but we did also exit the most "property related" consumer company in the portfolio, robotic vacuum leader, Ecovacs Robotics.

Chinese markets then plunged to new lows in October following the National Congress of the Communist Party, where Xi Jinping cemented his third term, in the process surrounding himself in likeminded apparatchiks, and as public frustration boiled over into protests about the continuing zero-covid policy. This then reversed in early November as this longstanding policy was abruptly abandoned and market sentiment completely changed.

While there were widespread concerns about the impact of this sudden relaxation of Covid-19 restrictions on the health of the people of China, and particularly the elderly who have been reluctant to be vaccinated, in fact China looks to have escaped the worst of those fears. Infection raced through the population at year end, and while the health system was under pressure and deaths among the elderly plentiful, if not fully recorded, the stock market looked through this to the economic rebound beyond.

Estimates of the extent of excess savings built up over the past two years are between 5% and 11% of GDP, or 12% to 30% of retail sales. Clearly, this will not all be released at once, since the economy is still languishing and employment soft, especially at the younger end of the demographic. Furthermore, these savings which are mostly held in cash, may be reinvested in other financial assets such as the stock market or perhaps even property, rather than spent on consumption. Either way, this is a much more positive backdrop the portfolio.

### Investment strategy and outlook

The coming year looks to be much more positive for Chinese equities in general, and this consumer focussed portfolio in particular. Firstly, the end of Covid-19 is likely to see a resurgence in economic growth which will be led by consumption. Secondly, many of our companies have spent the last year reducing costs and streamlining businesses so that as revenues recover, profits will recover faster. Finally, after two years of de-rating, valuations of these companies look very attractive.

Aubrey Capital Management Limited

2 February 2023

\*\*Source: Bloomberg.

## Summary of portfolio changes

for the year ended 31 December 2022

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

Purchases:	Cost
	£
Haier Smart Home	266,514
Pinduoduo ADR	253,028
Yihai International Holding	252,763
Kweichow Moutai	234,014
Haidilao International Holding	232,604
Aier Eye Hospital Group	226,846
China Tourism Group Duty Free	223,223
Yifeng Pharmacy Chain	206,849
LONGi Green Energy Technology	194,776
Huazhu Group	192,868
JD Health International	141,863
China Merchants Bank	119,795
Ecovacs Robotics	112,634
Yadea Group Holdings	110,594
Meituan Dianping	108,405
NIO ADR	99,958
Xpeng	93,031
Chow Tai Fook Jewellery Group	91,819
Tencent Holdings	82,229
Bosideng International Holdings	71,348
Sales:	Proceeds
	£
China Merchants Bank	315,794
Wuliangye Yibin	254,207
Ecovacs Robotics	212,478
China Mengniu Dairy	205,823
By-Health	197,621
Aier Eye Hospital Group	158,437
Xpeng	142,875
China Meidong Auto Holdings	130,516
China Tourism Group Duty Free	57,576
Tencent Holdings	56,342
Haier Smart Home	54,273
JD.com	45,569
Meituan Dianping	42,440

Portfolio statement  
as at 31 December 2022

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities 96.72% (95.95%)			
Equities - United Kingdom 56.00% (46.96%)			
Equities - incorporated outwith the United Kingdom 56.00% (46.96%)			
Consumer Discretionary 46.07% (36.46%)			
Bosideng International Holdings	536,000	211,236	3.50
Chow Tai Fook Jewellery Group	200,000	339,137	5.61
H World Group	70,000	250,145	4.14
Haidilao International Holding	100,000	238,588	3.95
JD Health International Inc	24,500	186,192	3.08
JD.com	9,695	227,181	3.76
Li Ning	38,500	277,825	4.60
Meituan Dianping	17,900	332,888	5.51
NIO ADR	20,000	162,108	2.68
Pinduoduo	4,500	305,113	5.05
Super Hi International Holding	10,000	10,577	0.18
Yadea Group Holdings	174,000	<u>242,044</u>	<u>4.01</u>
		2,783,034	46.07
Consumer Staples 4.86% (4.32%)			
Yihai International Holding	100,000	<u>293,443</u>	<u>4.86</u>
Consumer Services 5.07% (6.18%)			
Tencent Holdings	8,600	<u>305,947</u>	<u>5.07</u>
Total equities - incorporated outwith the United Kingdom		<u>3,382,424</u>	<u>56.00</u>
Total equities - United Kingdom		<u>3,382,424</u>	<u>56.00</u>
Equities - China 40.72% (48.99%)			
Aier Eye Hospital Group	70,154	260,575	4.32
BYD 'H'	12,500	256,429	4.25
China Tourism Group Duty Free	10,000	244,766	4.05
Contemporary Amperex Technology	4,600	216,418	3.58
East Money Information	90,000	208,797	3.46
Great Wall Motor	115,000	124,449	2.06
Haier Smart Home	71,600	202,479	3.35

## Portfolio statement (continued)

as at 31 December 2022

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities - China (continued)			
Kweichow Moutai	1,100	227,177	3.76
Longi Green Energy Technology	28,000	141,503	2.34
Proya Cosmetics	18,200	364,514	6.03
Yifeng Pharmacy Chain	28,000	212,757	3.52
Total equities - China		<u>2,459,864</u>	<u>40.72</u>
Total equities		<u>5,842,288</u>	<u>96.72</u>
Portfolio of investments		5,842,288	96.72
Other net assets		198,088	3.28
Total net assets		<u>6,040,376</u>	<u>100.00</u>

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

The comparative figures in brackets are as at 31 December 2021.

United Kingdom equities are grouped in accordance with Global Industry Classification Standard ('GICS').

GICS was developed by and is the exclusive property and a service mark of MSCI Inc. ('MSCI') and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ('S&P') and is licensed for use by Evelyn Partners Services Limited (previously Smith & Williamson Services Ltd). Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

## Risk and reward profile

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

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

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

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

The sub-fund may invest in China A-Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect programmes (the 'Stock Connect'), this allows foreign investors to trade certain Shanghai Stock Exchange or Shenzhen Stock Exchanges listed China A-Shares through their Hong Kong based brokers. Please see the prospectus for full details on the risk factors associated with investing via Stock Connect.

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

The sub-fund may invest in companies where the ownership rights may be uncertain and development of the resources themselves may be subject to disruption due to factors including civil disturbances, industrial action, interruption of power supplies, as well as adverse climatic conditions.

The sub-fund is entitled to use derivative instruments for Efficient Portfolio Management. Derivatives may not achieve their intended purpose. Their prices may move up or down significantly over relatively short periods of time which may result in losses greater than the amount paid. This could adversely impact the value of the sub-fund. The organisation from which the sub-fund buys a derivative may fail to carry out its obligations, which could also cause losses to the sub-fund.

The sub-fund may hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the sub-fund's value than if it held a larger number of investments.

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

For further information please refer to the KIID.

For full details on risk factors for the sub-fund, please refer to the Prospectus.

There have been no changes to the risk and reward indicator in the year.



## Comparative table

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

A Class Accumulation shares launched on 1 July 2021 at 100.00p per share.

B Class Accumulation shares launched on 4 October 2022 at 64.62p per share.

	A Class Accumulation (GBP)		B Class Accumulation (GBP)
	2022 <sup>^</sup> p	2021 <sup>^^</sup> p	2022 <sup>^^^</sup> p
Change in net assets per share			
Opening net asset value per share	82.80	100.00	64.62
Return before operating charges	(17.25)	(16.78)	2.49
Operating charges	(0.63)	(0.42)	(0.17)
Return after operating charges *	(17.88)	(17.20)	2.32
Closing net asset value per share	64.92	82.80	66.94
* after direct transaction costs of:	0.10	0.28	0.01
Performance			
Return after charges	(21.59%)	(17.20%)	3.59%
Other information			
Closing net asset value (£)	-	1,065,183	846,190
Closing number of shares	-	1,286,500	1,264,074
Operating charges <sup>#</sup>	**1.00%	***1.00%	****1.15%
Direct transaction costs	0.14%	0.17%	0.14%
Published prices			
Highest share price (p)	81.81	100.4	67.98
Lowest share price (p)	57.70	81.39	54.16

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

<sup>^</sup> For the period 1 January 2022 to 3 October 2022.

<sup>^^</sup> For the period 1 July 2021 to 31 December 2021.

<sup>^^^</sup> For the period 4 October 2022 to 31 December 2022.

\*\* Annualised based on the expenses incurred during the period 1 January 2022 to 3 October 2022.

\*\*\* Annualised based on the expenses incurred during the period 1 July 2021 to 31 December 2021.

\*\*\*\* Annualised based on the expenses incurred during the period 4 October 2022 to 31 December 2022.

<sup>#</sup> The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD'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 share classes may incur in a year as it is calculated on historical data.

## Comparative table (continued)

I Class Accumulation shares launched on 23 November 2021 at 91.20p per share.

	I Class Accumulation (GBP)	
	2022 p	2021 <sup>^</sup> p
Change in net assets per share		
Opening net asset value per share	82.92	91.20
Return before operating charges	(15.08)	(8.19)
Operating charges	(0.70)	(0.09)
Return after operating charges *	(15.78)	(8.28)
Distributions <sup>#</sup>	(0.15)	-
Retained distributions on accumulation shares <sup>#</sup>	0.15	-
Closing net asset value per share	67.14	82.92
* after direct transaction costs of:	0.11	0.12
Performance		
Return after charges	(19.03%)	(9.08%)
Other information		
Closing net asset value (£)	5,194,186	4,740,525
Closing number of shares	7,736,555	5,717,227
Operating charges <sup>##</sup>	1.00%	**1.00%
Direct transaction costs	0.14%	0.17%
Published prices		
Highest share price (p)	81.95	91.23
Lowest share price (p)	54.25	81.53

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

<sup>^</sup> For the period 23 November 2021 to 31 December 2021.

<sup>\*\*</sup> Annualised based on the expenses incurred during the period 23 November 2021 to 31 December 2021.

<sup>#</sup> Rounded to 2 decimal places.

<sup>##</sup> The operating charges are represented by the Ongoing Charges Figure ("OCF"). The OCF consists principally of the ACD'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 share classes may incur in a year as it is calculated on historical data.

## Financial statements - SVS Aubrey China Fund

Statement of total return  
for the year ended 31 December 2022

	Notes	1 January 2022 to 31 December 2022		1 July 2021 to 31 December 2021	
		£	£	£	£
Income:					
Net capital losses	2		(1,214,360)		(685,890)
Revenue	3	74,852		5,212	
Expenses	4	<u>(60,145)</u>		<u>(13,017)</u>	
Net revenue / (expense) before taxation		14,707		(7,805)	
Taxation	5	<u>(3,368)</u>		<u>(59)</u>	
Net revenue / (expense) after taxation			<u>11,339</u>		<u>(7,864)</u>
Total return before distributions			(1,203,021)		(693,754)
Distributions	6		(12,176)		-
Change in net assets attributable to shareholders from investment activities			<u><u>(1,215,197)</u></u>		<u><u>(693,754)</u></u>

Statement of change in net assets attributable to shareholders  
for the year ended 31 December 2022

		1 January 2022 to 31 December 2022		1 July 2021 to 31 December 2021	
		£	£	£	£
Opening net assets attributable to shareholders			5,805,707		-
Amounts receivable on issue of shares		1,861,733		6,503,526	
Amounts payable on cancellation of shares		<u>(423,085)</u>		<u>(4,065)</u>	
			1,438,648		6,499,461
Change in net assets attributable to shareholders from investment activities			(1,215,197)		(693,754)
Retained distributions on accumulation shares			11,218		-
Closing net assets attributable to shareholders			<u><u>6,040,376</u></u>		<u><u>5,805,707</u></u>

Balance sheet  
as at 31 December 2022

	Notes	2022 £	2021 £
Assets:			
Fixed assets:			
Investments		5,842,288	5,570,767
Current assets:			
Debtors	7	16,574	1,543
Cash and bank balances	8	192,497	246,034
Total assets		<u>6,051,359</u>	<u>5,818,344</u>
Liabilities:			
Creditors:			
Other creditors	9	(10,983)	(12,637)
Total liabilities		<u>(10,983)</u>	<u>(12,637)</u>
Net assets attributable to shareholders		<u>6,040,376</u>	<u>5,805,707</u>

Notes to the financial statements  
for the year ended 31 December 2022

1. Accounting policies

The accounting policies are disclosed on pages 32 to 34.

2. Net capital losses	1 January 2022 to 31 December 2022	1 July 2021 to 31 December 2021
	£	£
Non-derivative securities - realised losses	(879,359)	(133,895)
Non-derivative securities - movement in unrealised losses	(347,423)	(533,142)
Currency gains / (losses)	9,499	(17,857)
Compensation	4,298	-
Transaction charges	(1,375)	(996)
Total net capital losses	<u>(1,214,360)</u>	<u>(685,890)</u>
3. Revenue	1 January 2022 to 31 December 2022	1 July 2021 to 31 December 2021
	£	£
Overseas revenue	72,633	5,212
Bank and deposit interest (including futures interest)	2,219	-
Total revenue	<u>74,852</u>	<u>5,212</u>
4. Expenses	1 January 2022 to 31 December 2022	1 July 2021 to 31 December 2021
	£	£
Payable to the ACD and associates		
Annual management charge*	51,887	-
Investment manager's fee	-	9,804
	<u>51,887</u>	<u>9,804</u>
Other expenses:		
Non-executive directors' fees	1,740	-
Safe custody fees	-	73
Bank interest (including futures overdraft interest)	64	423
KIID production fee	4,500	-
Listing fee	1,954	2,717
	<u>8,258</u>	<u>3,213</u>
Total expenses	<u>60,145</u>	<u>13,017</u>

\*For the year ended 31 December 2022, the annual management charge for each share class is as follows:

A Class Accumulation	0.86%
B Class Accumulation	1.01%
I Class Accumulation	0.86%

The annual management charge includes the ACD's periodic charge and the Investment Manager's fee. The Ongoing Charges Figure ('OCF') is capped at 1% for A Class Accumulation and I Class Accumulation and 1.15% for B Class Accumulation. The Investment Manager's fee is the balance between ACD's periodic charge, depositary fees and the other expenses charged to the sub-fund and the capped OCF. The Investment Manager has paid the sub-fund's research costs since launch.

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 5. Taxation

	1 January 2022 to 31 December 2022	1 July 2021 to 31 December 2021
	£	£
<i>a. Analysis of the tax charge for the year</i>		
Overseas tax withheld	3,368	59
Total taxation (note 5b)	<u>3,368</u>	<u>59</u>

*b. Factors affecting the tax charge for the year*

The tax assessed for the year is higher (2021: higher) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2021: 20%). The differences are explained below:

	1 January 2022 to 31 December 2022	1 July 2021 to 31 December 2021
	£	£
Net revenue / (expense) before taxation	<u>14,707</u>	<u>(7,805)</u>
Corporation tax @ 20%	2,941	(1,561)
Effects of:		
Overseas revenue	(14,526)	(1,043)
Overseas tax withheld	3,368	59
Excess management expenses	11,585	2,604
Total taxation (note 5a)	<u>3,368</u>	<u>59</u>

*c. Provision for deferred taxation*

At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of asset not recognised is £14,189 (2021: £2,604).

## 6. Distributions

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

	1 January 2022 to 31 December 2022	1 July 2021 to 31 December 2021
	£	£
Final accumulation distribution	<u>11,218</u>	-
Equalisation:		
Amounts deducted on cancellation of shares	195	-
Amounts added on issue of shares	(350)	-
Net equalisation on conversions	1,113	-
Total net distributions	<u>12,176</u>	<u>-</u>

Reconciliation between net revenue / (expense) and distributions:

Net revenue / (expense) after taxation per Statement of total return	11,339	(7,864)
Revenue shortfall transferred from capital	908	7,864
Undistributed revenue carried forward	(71)	-
Distributions	<u>12,176</u>	<u>-</u>

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

Notes to the financial statements (continued)  
for the year ended 31 December 2022

7. Debtors	2022	2021
	£	£
Amounts receivable on issue of shares	14,004	-
Accrued revenue	2,570	1,543
Total debtors	<u>16,574</u>	<u>1,543</u>
8. Cash and bank balances	2022	2021
	£	£
Total cash and bank balances	<u>192,497</u>	<u>246,034</u>
9. Other creditors	2022	2021
	£	£
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	<u>7,528</u>	<u>9,771</u>
Other expenses:		
Non-executive directors' fees	696	-
Listing fee	2,722	2,717
Transaction charges	<u>37</u>	<u>149</u>
	<u>3,455</u>	<u>2,866</u>
Total other creditors	<u>10,983</u>	<u>12,637</u>

10. Commitments and contingent liabilities

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

11. Share classes

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

	A Class Accumulation (GBP)
Opening shares in issue	1,286,500
Total shares issued in the year	112,074
Total shares cancelled in the year	(134,500)
Total shares converted in the year	<u>(1,264,074)</u>
Closing shares in issue	<u>-</u>
	B Class Accumulation
Total shares converted in the year	<u>1,264,074</u>
Closing shares in issue	<u>1,264,074</u>
	I Class Accumulation
Opening shares in issue	5,717,227
Total shares issued in the year	2,495,566
Total shares cancelled in the year	<u>(476,238)</u>
Closing shares in issue	<u>7,736,555</u>

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

On the winding up of a sub-fund all the assets of the sub-fund will be realised and apportioned to the share classes in relation to the net asset value on the closure date. Shareholders 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 share class has the same rights on winding up.

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 12. Related party transactions

Evelyn Partners Fund Solutions Limited (previously Smith & Williamson Fund Administration Limited), as ACD is a related party due to its ability to act in respect of the operations of the sub-fund.

The ACD acts as principal in respect of all transactions of shares in the sub-fund. The aggregate monies received and paid through the creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders of the sub-fund.

Amounts payable to the ACD and its associates are disclosed in note 4. The amount due to the ACD 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 B Class Accumulation (GBP) has decreased from 66.94p to 63.85p and I Class Accumulation (GBP) has decreased from 67.14p to 64.00p as at 11 April 2023. 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:

1 January 2022 to 31 December 2022	Purchases before transaction costs £	Commission £	%	Purchases after transaction costs £
Equities	3,366,920	5,335	0.16%	3,372,255
1 July 2021 to 31 December 2021	Purchases before transaction costs £	Commission £	%	Purchases after transaction costs £
Equities	6,486,577	10,037	0.15%	6,496,614
1 January 2022 to 31 December 2022	Sales before transaction costs £	Commission £	%	Sales after transaction costs £
Equities	1,877,779	(3,828)	0.20%	1,873,951
1 July 2021 to 31 December 2021	Sales before transaction costs £	Commission £	%	Sales after transaction costs £
Equities	259,142	(332)	0.13%	258,810



## Notes to the financial statements (continued)

for the year ended 31 December 2022

## a Direct transaction costs (continued)

## Summary of direct transaction costs

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

1 January 2022 to 31 December 2022	£	% of average net asset value
Commission	9,163	0.14%
1 July 2021 to 31 December 2021	£	% of average net asset value
Commission	10,369	0.17%

## 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 0.14% (2021: 0.15%).

## 15. Risk management policies

In pursuing the sub-fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the sub-fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the ACD'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 ACD, 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 sub-fund's financial instruments will fluctuate as a result of changes in market prices and comprise three elements: other price risk, currency risk and interest rate risk.

## (i) Other price risk

The sub-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 sub-fund is exposed to price fluctuations, which are monitored by the ACD 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 sub-fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 31 December 2022, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £292,114 (2021: £278,538).

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15. Risk management policies (continued)

## a Market risk (continued)

## (ii) Currency risk

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

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

The foreign currency risk profile of the sub-fund's financial instruments and cash holdings at the balance sheet date is as follows:

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
	£	£	£
2022			
Hong Kong dollar	3,743,327	2,570	3,745,897
Chinese yuan	1,631,742	-	1,631,742
US dollar	467,221	-	467,221
Total foreign currency exposure	<u>5,842,290</u>	<u>2,570</u>	<u>5,844,860</u>
	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
	£	£	£
2021			
Chinese yuan	2,000,366	-	2,000,366
Hong Kong dollar	3,282,619	1,543	3,284,162
US dollar	287,782	-	287,782
Total foreign currency exposure	<u>5,570,767</u>	<u>1,543</u>	<u>5,572,310</u>

At 31 December 2022, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £292,243 (2021: £278,615).

## (iii) Interest rate risk

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

During the year the sub-fund's direct exposure to interest rates consisted of cash and bank balances. The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. In the event of a change in interest rates, there would be no material impact upon the net assets of the sub-fund.

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

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

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

## Notes to the financial statements (continued)

for the year ended 31 December 2022

### 15. Risk management policies (continued)

#### 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.

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

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

#### c Liquidity risk

A significant risk is the cancellation of shares 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 shares 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 shares in the sub-fund.

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

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

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

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the sub-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 sub-fund.

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the sub-fund to meet large redemptions (50% 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 ACD 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 sub-fund's price should the constituent investments be exposed to closed markets during general market volatility or instability.

## Notes to the financial statements (continued)

for the year ended 31 December 2022

## 15. Risk management policies (continued)

## d Fair value of financial assets and financial liabilities (continued)

Basis of valuation	Investment assets	Investment liabilities
	2022	2022
	£	£
Quoted prices	5,842,288	-
Observable market data	-	-
Unobservable data	-	-
	<u>5,842,288</u>	<u>-</u>

Basis of valuation	Investment assets	Investment liabilities
	2021	2021
	£	£
Quoted prices	5,570,767	-
Observable market data	-	-
Unobservable data	-	-
	<u>5,570,767</u>	<u>-</u>

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

## e Assets subject to special arrangements arising from their illiquid nature

There are no assets held in the portfolio of investments which are subject to special arrangements arising from their illiquid nature.

## f Derivatives

The sub-fund may employ derivatives with the aim of reducing the sub-fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with Efficient Portfolio Management.

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

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

During the year there were no derivative transactions.

## (i) Counterparties

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

The sub-fund may transact in derivative contracts which potentially exposes the sub-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 Depositary.

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

## Notes to the financial statements (continued)

for the year ended 31 December 2022

### 15. Risk management policies (continued)

#### f Derivatives (continued)

##### (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.

There have been no leveraging arrangements in the year.

##### (iii) Global exposure

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

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

There have been no collateral arrangements in the year.

## Distribution table

for the year ended 31 December 2022

Distributions on B Class Accumulation in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	*Distribution current year	*Distribution prior period
31.03.23	group 1	final	-	-	-	-
31.03.23	group 2	final	-	-	-	-

Distributions on I Class Accumulation in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	*Distribution prior period
31.03.23	group 1	final	-	-	-	-
31.03.23	group 2	final	0.130	0.015	0.145	-

### Equalisation

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

### Accumulation distributions

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

### Final distribution:

- Group 1 Shares purchased before 31 December 2021
- Group 2 Shares purchased 1 January 2022 to 31 December 2022

\*As expenses exceeded income in the period no distribution will be allocated

## SVS Aubrey Citadel Fund

### Investment Manager's report

#### Investment objective and policy

The objective of the sub-fund is to provide a balance of capital growth and income over the medium term (at least 3 years).

The sub-fund is actively managed and will invest in a diversified mixture of assets comprising equities, fixed interest securities and alternative investments. In normal market conditions, the allocation to equities will remain within a 20%-60% range. Such exposure will be achieved by investing in companies primarily in developed markets, anywhere in the world, of any market capitalisation and in any industry sector.

The allocation to fixed interest securities will be not less than 20% and will consist primarily of government bonds and investment grade corporate bonds, but the sub-fund may also invest in sub-investment grade bonds and listed debt assets.

Exposure to equities and fixed interest securities may be gained directly or through investment in other collective investment schemes.

The sub-fund will gain exposure to alternative investments including real estate, structured products and hedge sub-fund strategies through investment in transferrable securities and closed ended sub-funds, including investment trusts.

The sub-fund invests in both defensive asset classes (those which are considered to have lower risk), such as bonds and in less defensive asset classes such as equities. When investing in less defensive asset classes, the Investment Manager nevertheless seeks exposure to assets that display defensive characteristics. The Investment Manager uses various metrics to determine various defensive characteristics across the range of less defensive asset classes, primarily pricing, quality and correlation metrics. Additionally, the Investment Manager seeks assets that also have potential to hedge against one or more risks.

The sub-fund will also hold cash and near cash investments. The amount of cash held by the sub-fund will vary depending on prevailing market conditions, but it would not normally exceed 10% of the value of the sub-fund. However, there may be circumstances when the Manager considers it prudent to increase the amount of cash or near cash held. Unless the market conditions were unusually risky, the increased amount and period would not be expected to exceed 30% and six months respectively.

The sub-fund may use derivatives for the purposes of efficient portfolio management.

#### Investment activities\*

The sub-fund was launched in early September 2022. The four-month period under review was primarily focussed on the sub-fund becoming initially invested.

By the period end the sub-fund was effectively fully invested with 37% in defensive equities, 28% in investment grade bonds, 22% in alternative assets and hedge investments and 12% in cash, following the latest sub-fund inflows.

At year end the sub-fund had an underlying income yield in excess of 4.2%, an overall average return on equity of 13.2%, average price/earnings ('PE') of 10.1, yield to maturity of 5.6%, an average duration of 4.2 years and overall composite rating of A-. The largest equity sector exposures were to Materials, Financials, Energy and Infrastructure. The majority of the debt by currency was in sterling, with the remainder in US dollars and Norwegian Krone.

The sub-fund is now well positioned to provide a stable and growing income stream. It seeks to limit bond interest rate repricing risk due to persistent inflation and to limit equity volatility and price risk as a result of earnings disappointment and multiple reduction.

\*Source: Evelyn Partners Fund Solutions Limited and Bloomberg.

## Investment Manager's report (continued)

### Investment strategy and outlook\*

The aim of the sub-fund is to provide a longer-term defensive source of rising income.

The sub-fund is actively managed and assets allocated to a wide range of asset classes – including fixed income, equities, listed real estate, listed infrastructure and renewable energy securities and cash.

The defensive core of the sub-fund is made up of a range of investment grade bonds, this is combined with listed loan Funds, alternative debt assets such as royalties, convertibles, cash and hedge assets and tactically managed to suit market conditions. The equity and real asset allocation is focussed on high cashflow assets and targets quality at an attractive price, overly discounted assets and sectors with strong structural and macro drivers.

Given the relief rally since October, markets seem to believe that inflation is tamed and economic growth can be maintained. It is the managers view that inflation is likely to remain above target and that economic growth is likely to be hard to maintain and that wider risks are underpriced. The sub-fund is as a result defensively positioned within its mandate with lower allocations to risk assets and increased exposure to shorter dated bonds.

Aubrey Capital Management Limited

24 February 2023

\*Source: Evelyn Partners Fund Solutions Limited and Bloomberg.



## Summary of portfolio changes

for the period ended 31 December 2022

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

	Cost
Purchases:	£
Atlantic House Uncorrelated Strategies Fund	241,869
Ford Motor Credit 2.748% 14/06/2024	190,500
BP Capital Markets 4.25% Perpetual	179,060
Norway Government Bond 1.75% 17/02/2027	152,908
BH Macro	150,672
Santander UK Group Holdings 3.823% 03/11/2028	149,954
Pershing Square Holdings	118,288
BioPharma Credit	114,457
Hipgnosis Songs Fund	105,880
Harbour Energy	96,186
United States Treasury Note 1.875% 15/02/2032	93,061
TwentyFour Income Fund	90,881
Volkswagen Financial Services 0.875% 20/02/2025	90,480
NatWest Group 3.622% 14/08/1930	89,940
Sequoia Economic Infrastructure Income Fund	87,035
Royal Gold	83,521
United States Treasury Note 2.5% 31/03/2027	83,228
BAT International Finance 2.25% 26/06/2028	80,690
Centamin	76,200
United Kingdom Gilt 4.5% 07/09/2034	75,876
	Proceeds
Sales:	£
BP	67,872
Pershing Square Holdings	62,533
Thyssenkrupp	43,779
Cameco	42,185
IMI	39,925
Ashtead Group	39,076
Nordea Bank - Swedish Krona	37,663
SBI Holdings	31,950
JBS	31,846
Biotech Growth Trust	31,242
EDP - Energias de Portugal	26,741
FANUC	24,759
Weyerhaeuser	18,984
Greencoat Renewables	15,563
Allianz	15,014
GLP J-REIT	13,603
Iberdrola	13,053
ITV	11,863
Legal & General Group	5,728

Portfolio statement  
as at 31 December 2022

Investment	Nominal value or holding	Market value £	% of total net assets
Debt Securities* 27.81%			
Aaa to Aa2 6.66%			
United States Treasury Note 1.875% 15/02/2032	\$127,000	89,594	1.86
United States Treasury Note 2.5% 31/03/2027	\$100,000	78,144	1.62
Norway Government Bond 1.75% 17/02/2027	NOK 1,918,000	153,637	3.18
		<u>321,375</u>	<u>6.66</u>
Aa3 to A1 3.09%			
United Kingdom Gilt 4.5% 07/09/2034	£73,000	77,307	1.60
United Kingdom Gilt 1.25% 22/07/2027	£80,000	71,968	1.49
		<u>149,275</u>	<u>3.09</u>
A2 to A3 1.86%			
Volkswagen Financial Services 0.875% 20/02/2025	£100,000	90,036	1.86
Baa1 to Baa2 11.95%			
BP Capital Markets 4.25% Perpetual**	£200,000	175,526	3.64
NatWest Group 3.622% 14/08/2030**	£100,000	92,030	1.91
Santander UK Group Holdings 3.823% 03/11/2028**	\$200,000	150,668	3.12
Barclays 3.25% 17/01/2033	£100,000	77,927	1.61
BAT International Finance 2.25% 26/06/2028	£100,000	80,691	1.67
		<u>576,842</u>	<u>11.95</u>
Baa3 and below 4.25%			
Ford Motor Credit 2.748% 14/06/2024	£200,000	188,720	3.91
Ziff Davis 1.75% 01/11/2026	\$20,000	16,579	0.34
		<u>205,299</u>	<u>4.25</u>
Total debt securities		<u>1,342,827</u>	<u>27.81</u>
Equities 33.88%			
Equities - United Kingdom 15.97%			
Equities - incorporated in the United Kingdom 10.81%			
Energy 1.58%			
Harbour Energy	25,000	76,075	1.58
Materials 2.25%			
Endeavour Mining	3,223	56,370	1.17
Rio Tinto	900	52,182	1.08
		<u>108,552</u>	<u>2.25</u>
Health Care 1.09%			
Royalty Pharma A	1,600	52,526	1.09

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

\*\* Variable interest security.

## Portfolio statement (continued)

as at 31 December 2022

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities (continued)			
Equities - United Kingdom (continued)			
Equities - incorporated in the United Kingdom (continued)			
Financials 2.22%			
IG Group Holdings	6,119	47,851	0.99
Legal & General Group	13,539	33,780	0.70
Lloyds Banking Group	56,400	25,611	0.53
		<u>107,242</u>	<u>2.22</u>
Communication Services 0.71%			
Helios Towers	32,652	34,219	0.71
Utilities 1.28%			
Centrica	64,000	61,773	1.28
Real Estate 1.68%			
LXI REIT	39,400	44,365	0.92
Tritax EuroBox	60,000	36,480	0.76
		<u>80,845</u>	<u>1.68</u>
Total equities - incorporated in the United Kingdom		<u>521,232</u>	<u>10.81</u>
Equities - incorporated outwith the United Kingdom 5.16%			
Materials 2.97%			
Centamin	70,000	78,995	1.64
Glencore	11,659	64,404	1.33
		<u>143,399</u>	<u>2.97</u>
Financials 2.19%			
Burford Capital	10,144	67,610	1.40
Man Group	17,804	38,047	0.79
		<u>105,657</u>	<u>2.19</u>
Total equities - incorporated outwith the United Kingdom		<u>249,056</u>	<u>5.16</u>
Total equities - United Kingdom		<u>770,288</u>	<u>15.97</u>
Equities - Europe 4.18%			
Equities - France 0.86%			
TotalEnergies	795	41,369	0.86
Equities - Netherlands 0.83%			
Universal Music Group	2,000	39,934	0.83

Portfolio statement (continued)  
as at 31 December 2022

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - Europe (continued)			
Equities - Norway 1.00%			
Equinor	1,620	48,088	1.00
Equities - Spain 0.67%			
Endesa	2,067	32,332	0.67
Equities - Switzerland 0.82%			
Zurich Insurance Group	100	39,743	0.82
Total equities - Europe		201,466	4.18
Equities - United States 4.44%			
L3Harris Technologies	200	34,630	0.72
New Fortress Energy	1,500	52,860	1.09
Royal Gold	1,000	93,674	1.94
Teledyne Technologies	100	33,248	0.69
Total equities - United States		214,412	4.44
Equities - Asia 6.51%			
Equities - Hong Kong 1.01%			
CSPC Pharmaceutical Group	56,000	48,911	1.01
Equities - Japan 1.32%			
Mitsubishi Heavy Industries	1,300	42,870	0.89
Renesas Electronics	2,800	20,870	0.43
Total equities - Japan		63,740	1.32
Equities - Kazakhstan 1.45%			
NAC Kazatomprom	3,000	69,831	1.45
Equities - South Korea 2.73%			
Samsung Electronics	1,400	50,898	1.05
Shinhan Financial Group	1,800	41,655	0.86
LG	770	39,536	0.82
Total equities - South Korea		132,089	2.73
Total equities - Asia		314,571	6.51
Equities - Israel 1.50%			
Plus500	4,021	72,539	1.50
Equities - South Africa 1.28%			
Sibanye Stillwater	7,000	61,975	1.28
Total equities		1,635,251	33.88

## Portfolio statement (continued)

as at 31 December 2022

Investment	Nominal value or holding	Market value £	% of total net assets
Closed-Ended Funds 19.55%			
Closed-Ended Funds - incorporated in the United Kingdom 4.66%			
BioPharma Credit	136,178	107,548	2.23
Greencoat UK Wind	39,508	60,052	1.24
International Biotechnology Trust	4,737	33,159	0.69
North American Income Trust	8,018	24,134	0.50
Total closed-ended funds - incorporated in the United Kingdom		<u>224,893</u>	<u>4.66</u>
Closed-Ended Funds - incorporated outwith the United Kingdom 14.89%			
BH Macro	3,205	143,584	2.97
GCP Infrastructure Investments	55,000	56,100	1.16
Hipgnosis Songs Fund	108,000	93,528	1.94
International Public Partnerships	22,842	34,583	0.72
John Laing Environmental Assets Group	38,759	46,278	0.96
Pershing Square Holdings	2,158	61,624	1.28
Renewables Infrastructure Group	27,950	36,335	0.75
Sequoia Economic Infrastructure Income Fund	100,000	87,700	1.82
Starwood European Real Estate Finance	25,059	22,152	0.46
TwentyFour Income Fund	90,834	89,017	1.84
Weiss Korea Opportunity Fund	26,868	47,556	0.99
Total closed-ended funds - incorporated outwith the United Kingdom		<u>718,457</u>	<u>14.89</u>
Total closed-ended funds		<u>943,350</u>	<u>19.55</u>
Offshore Collective Investment Scheme 6.39%			
Atlantic House Uncorrelated Strategies Fund	241,700	240,516	4.98
iShares Fallen Angels USD Bond ETF	3,339	68,229	1.41
Total offshore collective investment scheme		<u>308,745</u>	<u>6.39</u>

## Portfolio statement (continued)

as at 31 December 2022

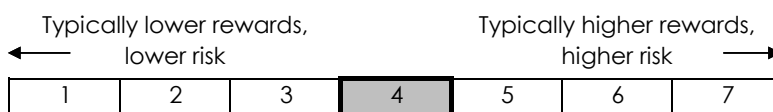
	Nominal value or holding	Market value £	% of total net assets
Investment			
Preference Shares 0.76%			
LG Chem	200	36,488	0.76
Portfolio of investments		4,266,661	88.37
Other net assets		561,254	11.63
Total net assets		4,827,915	100.00

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

United Kingdom equities are grouped in accordance with Global Industry Classification Standard ('GICS'). GICS was developed by and is the exclusive property and a service mark of MSCI Inc. ('MSCI') and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ('S&P') and is licensed for use by Evelyn Partners Services Limited (previously Smith & Williamson Services Ltd). Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

## Risk and reward profile

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



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

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

The sub-fund may invest in China A-Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect programmes (the 'Stock Connect'), this allows foreign investors to trade certain Shanghai Stock Exchange or Shenzhen Stock Exchanges listed China A-Shares through their Hong Kong based brokers. Please see the prospectus for full details on the risk factors associated with investing via Stock Connect.

Exposure to the risks associated with property investment, include but are not limited to, fluctuations in land prices, construction costs, interest rates, inflation and property yields, changes in taxation, legislation changes in landlord and tenant legislation, environmental factors, and changes in the supply and demand for property.

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

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

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

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

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

For further information please refer to the KIID.

For full details on risk factors for the sub-fund, please refer to the Prospectus.

## Comparative table

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

A Class Income GBP launched on 1 September 2022 at 99.90p per share.

A Class Accumulation GBP launched on 4 October 2022 at 96.64p per share.

A Class Income USD launched on 1 December 2022 at 120.40 cents per share.

	A Class Income (GBP)	A Class Accumulation (GBP)	A Class Income (USD)
	2022 <sup>^</sup> p	2022 <sup>^^</sup> p	2022 <sup>^^^</sup> cents
Change in net assets per share			
Opening net asset value per share	99.90	96.64	120.40
Return before operating charges	(2.80)	0.35	(0.98)
Operating charges	(0.31)	(0.20)	(0.03)
Return after operating charges *	(3.11)	0.15	(1.01)
Distributions <sup>#</sup>	(0.81)	(0.63)	(0.22)
Retained distributions on accumulation shares <sup>#</sup>	-	0.63	-
Closing net asset value per share	95.98	96.79	119.17
* after direct transaction costs of:	0.22	0.11	0.03
Performance			
Return after charges	(3.11%)	0.16%	(0.84%)
Other information			
Closing net asset value (£)	2,924,552	1,291,769	611,594
Closing net asset value (\$)	N/A	N/A	754,401
Closing number of shares	3,047,052	1,334,561	633,030
Operating charges <sup>##</sup>	**1.00%	***1.00%	****1.00%
Direct transaction costs	0.20%	0.20%	0.20%
Published prices			
Highest share price	100.50	98.59	120.40
Lowest share price	93.53	93.53	116.50

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

<sup>^</sup> For the period 1 September 2022 to 31 December 2022.

<sup>^^</sup> For the period 4 October 2022 to 31 December 2022.

<sup>^^^</sup> For the period 1 December 2022 to 31 December 2022.

\*\* Annualised based on the expenses incurred during the period 1 September 2022 to 31 December 2022.

\*\*\* Annualised based on the expenses incurred during the period 4 October 2022 to 31 December 2022.

\*\*\*\* Annualised based on the expenses incurred during the period 1 December 2022 to 31 December 2022.

<sup>#</sup> Rounded to 2 decimal places.

<sup>##</sup> The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the ACD'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 may occur in a year as it is calculated on historical data.



## Financial statements - SVS Aubrey Citadel Fund

## Statement of total return

*for the period ended 31 December 2022*

	Notes	1 September 2022 to 31 December 2022	
		£	£
Income:			
Net capital losses	2		(53,662)
Revenue	3	38,041	
Expenses	4	<u>(6,868)</u>	
Net revenue before taxation		31,173	
Taxation	5	<u>(4,323)</u>	
Net revenue after taxation			<u>26,850</u>
Total return before distributions			(26,812)
Distributions	6		(30,232)
Change in net assets attributable to shareholders from investment activities			<u><u>(57,044)</u></u>

## Statement of change in net assets attributable to shareholders

*for the period ended 31 December 2022*

	1 September 2022 to 31 December 2022
	£
Amounts receivable on issue of share class	4,876,511
Change in net assets attributable to shareholders from investment activities	(57,044)
Retained distributions on accumulation shares	8,448
Closing net assets attributable to shareholders	<u><u>4,827,915</u></u>

Balance sheet  
as at 31 December 2022

	Notes	2022 £
Assets:		
Fixed assets:		
Investments		4,266,661
Current assets:		
Debtors	7	23,341
Cash and bank balances	8	574,424
Total assets		<u>4,864,426</u>
Liabilities:		
Creditors:		
Distribution payable		(25,965)
Other creditors	9	(10,546)
Total liabilities		<u>(36,511)</u>
Net assets attributable to shareholders		<u><u>4,827,915</u></u>

## Notes to the financial statements

for the period ended 31 December 2022

### 1. Accounting policies

The accounting policies are disclosed on pages 32 to 34.

### 2. Net capital losses

	1 September 2022 to 31 December 2022
	£
Non-derivative securities - realised losses	(17,716)
Non-derivative securities - movement in unrealised losses	(29,917)
Currency losses	(5,457)
Compensation	(5)
Transaction charges	(567)
Total net capital losses	<u>(53,662)</u>

### 3. Revenue

	1 September 2022 to 31 December 2022
	£
UK revenue	3,848
Unfranked revenue	7,973
Overseas revenue	11,017
Interest on debt securities	12,269
Bank and deposit interest	2,934
Total revenue	<u>38,041</u>

### 4. Expenses

	1 September 2022 to 31 December 2022
	£
Payable to the ACD and associates	
Annual management charge*	<u>5,544</u>
Other expenses:	
Safe custody fees	10
Listing fee	806
Legal fee	508
	<u>1,324</u>
Total expenses	<u>6,868</u>

\* For the year ended 31 December 2022, the annual management charge for each share class is as follows:

A Class Income (GBP)	0.53%
A Class Accumulation (GBP)	0.53%
A Class Income (USD)	0.53%

The annual management charge includes the ACD's periodic charge and the Investment Manager's fee. The Ongoing Charges Figure ('OCF') is capped at 1% for A Class Income and A Class Accumulation. The Investment Manager's fee is the balance between ACD's periodic charge, depositary fees, the other expenses and the synthetic OCF charged to the sub-fund and the capped OCF.

### 5. Taxation

	1 September 2022 to 31 December 2022
	£
<i>a. Analysis of the tax charge for the year</i>	
UK corporation tax	3,567
Overseas tax withheld	656
Total current taxation (note 5b)	<u>4,223</u>
Deferred tax - origination and reversal of timing differences (note 5c)	100
Total taxation (note 5b)	<u>4,323</u>

## Notes to the financial statements (continued)

for the period ended 31 December 2022

## 5. Taxation (continued)

## b. Factors affecting the tax charge for the year

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

	1 September 2022 to 31 December 2022
	£
Net revenue before taxation	31,173
Corporation tax @ 20%	6,235
Effects of:	
UK revenue	(770)
Overseas revenue	(1,898)
Overseas tax withheld	656
Deferred tax charge	100
Total taxation (note 5a)	<u>4,323</u>
c. Provision for deferred taxation	
Deferred tax charge (note 5a)	<u>100</u>
Closing provision	<u>100</u>

## 6. Distributions

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

	1 September 2022 to 31 December 2022
	£
Final income distribution	25,965
Final accumulation distribution	<u>8,448</u>
	34,413
Equalisation:	
Amounts added on issue of shares	<u>(4,181)</u>
Total net distributions	<u>30,232</u>
Reconciliation between net revenue and distributions:	
Net revenue after taxation per Statement of total return	26,850
Expenses paid from capital	4,119
Marginal tax relief	(824)
Deferred taxation	100
Undistributed revenue carried forward	<u>(13)</u>
Distributions	<u>30,232</u>

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

## 7. Debtors

	2022
	£
Amounts receivable on issue of shares	45
Accrued revenue	<u>23,296</u>
Total debtors	<u>23,341</u>

## Notes to the financial statements (continued)

for the period ended 31 December 2022

8. Cash and bank balances	2022
	£
Total cash and bank balances	<u>574,424</u>
9. Other creditors	2022
	£
Accrued expenses:	
Payable to the ACD and associates	
Annual management charge	5,543
Other expenses:	
Safe custody fees	10
Listing fee	806
Transaction charges	<u>569</u>
	1,385
Total accrued expenses	<u>6,928</u>
Corporation tax payable	3,518
Deferred tax	100
Total other creditors	<u>10,546</u>

## 10. Commitments and contingent liabilities

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

## 11. Share classes

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

	A Class Income (GBP)
Total shares issued in the year	<u>3,047,052</u>
Closing shares in issue	<u>3,047,052</u>
	A Class Accumulation (GBP)
Total shares issued in the year	<u>1,334,561</u>
Closing shares in issue	<u>1,334,561</u>
	A Class Income (USD)
Total shares issued in the year	<u>633,030</u>
Closing shares in issue	<u>633,030</u>

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

On the winding up of a sub-fund all the assets of the sub-fund will be realised and apportioned to the share classes in relation to the net asset value on the closure date. Shareholders 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 share class has the same rights on winding up.

## 12. Related party transactions

Evelyn Partners Fund Solutions Limited, as ACD is a related party due to its ability to act in respect of the operations of the sub-fund.

The ACD acts as principal in respect of all transactions of shares in the sub-fund. The aggregate monies received and paid through the creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders of the sub-fund.

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

## Notes to the financial statements (continued)

for the period ended 31 December 2022

## 13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Class Income (GBP) has decreased from 95.98p to 94.89p, A Class Accumulation (GBP) has decreased from 96.79p to 96.60p and A Class Income (USD) has decreased from 119.2c to 118.7c as at 11 April 2023. 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		Financial transaction tax		Purchases after transaction costs
2022	£	£	%	£	%	£
Equities	3,215,925	6,723	0.21%	101	0.00%	3,222,749
Bonds*	1,349,576	-	-	-	-	1,349,576
Collective Investment Schemes	309,559	41	0.01%	-	-	309,600
Total	4,875,060	6,764	0.22%	101	0.00%	4,881,925

\* No direct transaction costs were incurred in these transactions.

	Sales before transaction costs	Commission		Financial transaction tax		Sales after transaction costs
2022	£	£	%	£	%	£
Equities	573,731	(352)	0.06%	-	-	573,379

## Summary of direct transaction costs

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

2022	£	% of average net asset value
Commission	7,116	0.20%
Financial transaction tax	101	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 0.37%.

## Notes to the financial statements (continued)

for the period ended 31 December 2022

## 15. Risk management policies

In pursuing the sub-fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the sub-fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the ACD'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 ACD, 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 sub-fund's financial instruments will fluctuate as a result of changes in market prices and comprise three elements: other price risk, currency risk, and interest rate risk.

## (i) Other price risk

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

The main elements of the portfolio of investments exposed to this risk are equities, collective investment schemes, and closed-ended funds.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the sub-fund is exposed to price fluctuations, which are monitored by the ACD 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 sub-fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 31 December 2022, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £144,367.

## (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. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

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

The foreign currency risk profile of the sub-fund's financial instruments and cash holdings at the balance sheet date is as follows:

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2022	£	£	£
Euro	113,635	-	113,635
Hong Kong dollar	48,911	-	48,911
Japanese yen	63,740	-	63,740
Norwegian krone	201,725	-	201,725
South Korean Won	168,577	-	168,577
Swiss franc	39,743	-	39,743
US dollar	971,130	255	971,385
Total foreign currency exposure	1,607,461	255	1,607,716

At 31 December 2022, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £80,386.

## Notes to the financial statements (continued)

for the period ended 31 December 2022

## 15. Risk management policies (continued)

## a Market risk (continued)

## (iii) Interest rate risk

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

During the period the sub-fund's direct exposure to interest rates consisted of cash and bank balances and interest bearing securities. The sub-fund also has indirect exposure to interest rate risk as it invests in bond funds. The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. The value of interest bearing securities may be affected by changes in the interest rate environment, either globally or locally.

At 31 December 2022, if interest rates increased or decreased by 25 basis points, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £14,432.

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

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

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

	Variable rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2022	£	£	£	£	£
Euro	-	-	113,635	-	113,635
Hong Kong dollar	-	-	48,911	-	48,911
Japanese yen	-	-	63,740	-	63,740
Norwegian krone	-	153,637	48,088	-	201,725
South Korean won	-	36,488	132,089	-	168,577
Swiss franc	-	-	39,743	-	39,743
UK sterling	841,980	586,649	1,828,081	(36,511)	3,220,199
US dollar	150,668	184,317	636,400	-	971,385
	<u>992,648</u>	<u>961,091</u>	<u>2,910,687</u>	<u>(36,511)</u>	<u>4,827,915</u>

## b Credit risk

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

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



## Notes to the financial statements (continued)

for the period ended 31 December 2022

### 15. Risk management policies (continued)

#### b Credit risk (continued)

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 sub-fund holds cash and cash deposits with financial institutions which potentially exposes the sub-fund to counterparty risk. The credit rating of the financial institution is taken into account so as to minimise the risk to the sub-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 shares 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 shares 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 shares in the sub-fund.

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

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

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

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the sub-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 sub-fund.

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the sub-fund to meet large redemptions, 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 ACD 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 sub-fund's price should the constituent investments be exposed to closed markets during general market volatility or instability.

## Notes to the financial statements (continued)

for the period ended 31 December 2022

## 15. Risk management policies (continued)

## d Fair value of financial assets and financial liabilities (continued)

Basis of valuation	Investment assets	Investment liabilities
	2022	2022
	£	£
Quoted prices	3,000,331	-
Observable market data	1,266,330	-
Unobservable data	-	-
	<u>4,266,661</u>	<u>-</u>

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

## e Assets subject to special arrangements arising from their illiquid nature

There are no assets held in the portfolio of investments which are subject to special arrangements arising from their illiquid nature.

## f Derivatives

The sub-fund may employ derivatives with the aim of reducing the sub-fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with Efficient Portfolio Management.

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

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

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

During the period there were no derivative transactions.

## (i) Counterparties

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

The sub-fund may transact in derivative contracts which potentially exposes the sub-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 ratings, which are regularly monitored. Forward currency transactions are only undertaken with the custodians appointed by the Depositary.

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.

There have been no leveraging arrangements in the period.

## (iii) Global exposure

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

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

There have been no collateral arrangements in the period.

## Distribution table

for the period ended 31 December 2022

Distributions on A Class Income GBP in pence per share

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current period
31.03.23	group 1	final	0.806	-	0.806
31.03.23	group 2	final	0.806	-	0.806

Final distribution:

Group 1 Shares purchased on 1 September 2022

Group 2 Shares purchased 2 September 2022 to 31 December 2022

Distributions on A Class Accumulation GBP in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current period
31.03.23	group 1	final	0.633	-	0.633
31.03.23	group 2	final	0.633	-	0.633

Accumulation distributions

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

Final distribution:

Group 1 Shares purchased on 4 October 2022

Group 2 Shares purchased 5 October 2022 to 31 December 2022

Distributions on A Class Income USD in cents per share

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current period
31.03.23	group 1	final	0.222	-	0.222
31.03.23	group 2	final	0.222	-	0.222

Final distribution:

Group 1 Shares purchased on 1 December 2022

Group 2 Shares purchased 2 December 2022 to 31 December 2022

## Remuneration

### Remuneration code disclosure

The remuneration committee is responsible for setting remuneration policy for all partners, directors and employees within Evelyn Partners Group Limited (previously Tilney Smith & Williamson Limited) including individuals designated as Material Risk Takers (MRTs) 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 the Tilney Smith & Williamson Report and Financial Statements includes details on the remuneration policy. The remuneration committee comprises four non-executive directors<sup>1</sup> and is governed by formal terms of reference, which are reviewed and agreed by the board. The committee met eight times during 2021.

### 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. The committee agrees the individual allocation of variable remuneration and the proportion of that variable remuneration to be awarded as restricted shares.

<sup>1</sup> Please note that the data provided for the independent non-executive directors is as at 31 December 2021. The data provided is for independent non-executive directors only.

## Remuneration (continued)

### Aggregate quantitative information

The total amount of remuneration paid by Evelyn Partners Fund Solutions Limited ('EPFL') (previously Smith & Williamson Fund Administration Limited) is nil as EPFL has no employees. However, a number of employees have remuneration costs recharged to EPFL and the annualised remuneration for these 60 employees is £2.6million of which £2.5million is fixed remuneration. This is based on the annualised salary and benefits for those identified as working in EPFL as at 31 December 2021. Any variable remuneration is awarded for the period 1 May 2021 to 31 December 2021. This information excludes any senior management or other MRTs whose remuneration information is detailed below.

Evelyn Partners Group Limited (previously Tilney Smith & Williamson Limited) reviews its MRTs at least annually. These individuals are employed by and provide services to other companies in the Evelyn Partners Group (previously Tilney Smith & Williamson Limited). It is difficult to apportion remuneration for these individuals in respect of their duties to EPFL. For this reason, the aggregate total remuneration awarded for the period 1 May 2021 to 31 December 2021 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 EPFL	For the period 1 May 2021 to 31 December 2021				
	Fixed £'000	Variable Cash £'000	Equity £'000	Total £'000	No. MRTs
Senior Management	3,098	1,670	11	4,779	15
Other MRTs	404	218	-	622	3
Total	3,502	1,888	11	5,401	18

### Investment Manager

The ACD has appointed Aubrey Capital Management Limited to provide investment management and related advisory services to the ACD. The Investment Manager is paid a monthly fee out of the scheme property of SVS Aubrey Capital Management Investment Funds which is calculated on the total value of the portfolio of investments at the month end. The Investment Manager is compliant with the Capital Requirements Directive regarding remuneration and the staff are covered by remuneration regulatory requirements.

## Further information

### Distributions and reporting dates

Where net revenue is available it is distributed/allocated annually on 31 March for the following sub-funds:

SVS Aubrey Global Conviction Fund

SVS Aubrey Global Emerging Markets Fund

SVS Aubrey Europe Ex-UK Fund

SVS Aubrey China Fund

XD date:	1 January	final
Reporting dates:	31 December	annual
	30 June	interim

In the event of a distribution, shareholders will receive a tax voucher.

Where net revenue is available it is distributed/allocated quarterly on 31 March (annual), 30 June (quarter 1), 30 September (interim), 31 December (quarter 3) for SVS Aubrey Citadel Fund:

XD date:	1 January	final
	1 April	quarter 1
	1 July	interim
	1 October	quarter 3
Reporting dates:	31 December	annual
	30 June	interim

In the event of a distribution, shareholders will receive a tax voucher.

### Buying and selling shares

The property of the sub-funds are valued at 10pm on Monday to Fridays; with the exception of any bank holiday in England and Wales or the last business day prior to those days annually, where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary. Share dealing is on a forward basis i.e. investors can buy and sell shares at the next valuation point following receipt of the order.

	<i>Minimum initial investment*</i>	<i>Minimum subsequent investment</i>	<i>Minimum holding*</i>
SVS Aubrey Global Conviction Fund			
Retail A Accumulation (GBP)	£5,000	£5,000	£5,000
Retail B Accumulation (GBP)**	£5,000	£5,000	£5,000
Institutional A Accumulation (GBP)	£1,000,000	n/a	£1,000,000
Institutional A Income (GBP)	£1,000,000	n/a	£1,000,000
SVS Aubrey Global Emerging Markets			
B Class Accumulation (GBP)	£5,000	£5,000	£5,000
B Class Accumulation (USD)	\$7,000	\$7,000	\$7,000

When purchasing shares there is no preliminary charge.\*

There is a redemption charge of 1% for shares held less than one year.\*

There is no minimum withdrawal from the sub-funds providing the minimum holding is maintained.

\* Subject to the ACD's discretion.

\*\* Retail B Accumulation shares are only available to persons who distribute such shares (or whom the ACD believes intend to do so) and who have entered into a platform written agreement with the ACD relating to the conditions for investment in such shares.

## Further information (continued)

### Buying and selling shares (continued)

SVS Aubrey Europe Ex-UK Fund	Minimum initial investment*	Minimum subsequent investment	Minimum holding*
B Class Accumulation (GBP)	£5,000	£5,000	£5,000
B Class Accumulation (USD)	\$7,000	\$7,000	\$7,000
SVS Aubrey China Fund	Minimum initial investment*	Minimum subsequent investment	Minimum holding*
B Class Accumulation (GBP)	£5,000	£5,000	£5,000
I Class Accumulation (GBP)	£50,000,000	n/a	£50,000,000
SVS Aubrey Citadel Fund	Minimum initial investment*	Minimum subsequent investment	Minimum holding*
A Class Income (GBP)	£50,000	£5,000	£50,000
A Class Income (USD)	\$70,000	\$7,000	\$70,000
A Class Accumulation (GBP)**	£50,000	£5,000	£50,000

When purchasing shares there is no preliminary charge.\*

There is a redemption charge of 1% for shares held less than one year.\*

There is no minimum withdrawal from the sub-funds providing the minimum holding is maintained.

Prices of shares and the estimated yield of the sub-funds are published on the following website: [www.trustnet.com](http://www.trustnet.com) or may be obtained by calling 0141 222 1151.

### Benchmark

#### SVS Aubrey Global Conviction Fund

Shareholders may compare the performance of the sub-fund against the MSCI All Countries World Index (MSCI ACWI). The ACD has selected this comparator benchmark as it believes this benchmark best reflects the sub-fund's asset allocation.

The benchmark is not a target for the sub-fund, nor is the sub-fund constrained by the benchmark.

#### SVS Aubrey Global Emerging Markets Fund

Shareholders may compare the performance of the sub-fund against the MSCI Daily TR Net Emerging Markets USD Index. The ACD has selected this comparator benchmark as it believes this benchmark best reflects the sub-fund's asset allocation.

The benchmark is not a target for the sub-fund, nor is the sub-fund constrained by the benchmark.

#### SVS Aubrey Europe Ex-UK Fund

Shareholders may compare the performance of the sub-fund against the MSCI Europe (Ex UK) Index. The ACD has selected this comparator benchmark as it believes this benchmark best reflects the sub-fund's asset allocation.

The benchmark is not a target for the sub-fund, nor is the sub-fund constrained by the benchmark.

\* Subject to the ACD's discretion.

\*\* A Class Accumulation Shares are only available to persons who invest in the sub-fund in the first 3 months after the launch date, after which date the share class will close to any further investments. The A Class IM fee will change to mirror that of the B class 15 months after the launch date and after this date the ACD will arrange for the A Class to merge with the B Class. Any A class registered holders who meet the minimum investment criteria for the I class will be automatically converted to the I class.

## Further information (continued)

### Benchmark (continued)

#### *SVS Aubrey China Fund*

Shareholders may compare the performance of the sub-fund against the MSCI China All Share Index (USD) Index. The ACD has selected this comparator benchmark as it believes this benchmark best reflects the sub-fund's asset allocation.

The benchmark is not a target for the sub-fund, nor is the sub-fund constrained by the benchmark.

#### *SVS Aubrey Citadel Fund*

Shareholders may compare the performance of the Fund against the IA Mixed 20-60 Sector. The ACD has selected this comparator benchmark as it believes this benchmark best reflects the sub-fund's asset allocation.

The benchmark is not a target for the sub-fund, nor is the sub-fund constrained by the benchmark.



## Appointments

### ACD and Registered office

St Vincent St Fund Administration (trading name of Evelyn Partners Fund Solutions Limited  
(previously Smith & Williamson Fund Administration Limited))

45 Gresham Street

London EC2V 7BG

Telephone 0207 131 4000

Authorised and regulated by the Financial Conduct Authority

### Administrator and Registrar

St Vincent St Fund Administration (trading name of Evelyn Partners Fund Solutions Limited  
(previously Smith & Williamson Fund Administration Limited))

206 St. Vincent Street

Glasgow G2 5SG

Telephone 0141 222 1151 (Registration)

0141 222 1150 (Dealing)

Authorised and regulated by the Financial Conduct Authority

### Directors of the ACD

Brian McLean

James Gordon - resigned 29 July 2022

Andrew Baddeley

Mayank Prakash - appointed 16 March 2022

Neil Coxhead - appointed 12 July 2022

### Independent Non-Executive Directors of the ACD

Dean Buckley

Linda Robinson

Victoria Muir

Sally Macdonald - appointed 1 June 2022

### Non-Executive Directors of the ACD

Paul Wyse

### Investment Manager

Aubrey Capital Management Limited

10 Coates Crescent

Edinburgh EH3 7AL

Authorised and regulated by the Financial Conduct Authority

### Depositary

NatWest Trustee and Depositary Services Limited

House A, Floor 0

Gogarburn

175 Glasgow Road

Edinburgh EH12 1HQ

Authorised and regulated by the Financial Conduct Authority

### Auditor

Johnston Carmichael LLP

Bishop's Court

29 Albyn Place

Aberdeen AB10 1YL