

# RIVER AND MERCANTILE

**ES River and Mercantile Funds ICVC  
Final Report for the Year Ended  
31 March 2024**

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\*Collectively these comprise the Authorised Corporate Director's Report.

# The Authorised Corporate Director's Report

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Equity Trustees Fund Services Limited ("ETFS"), the Authorised Corporate Director ("ACD") of ES River and Mercantile Funds ICVC (the "Company"), is pleased to present the annual report and audited Financial Statements of the Company for the year ended 31 March 2024.

We hope that you find this report informative. If you require further information concerning your investment, please call our Registrar on 0345 603 3618 or email any queries to [etfs@bnymellon.com](mailto:etfs@bnymellon.com).

## Constitution and Authorised Status

The ES River and Mercantile Funds ICVC is an open-ended investment Company ("OEIC") with variable share capital ("ICVC"). The Company is authorised in the United Kingdom by the FCA pursuant to Regulation 14 of the OEIC Regulations with number IC000489. The effective date of the Authorisation Order made by the FCA was 2 October 2006. The head office of the Company is 4th Floor Pountney Hill House, 6 Laurence Pountney Hill, London, EC4R 0BL.

The minimum Share capital of the Company shall be £1 and the maximum share capital shall be £100,000,000,000.

The base currency for the Company is pounds sterling. The Share capital of the Company at all times equals the Net Asset Value of the Fund. The Shareholders are not liable for the debts of the Company. There were no Shares in any Fund held by any other Fund of the Company.

The Company is a "UCITS" Scheme, as defined in the FCA Rules, and is organised as an umbrella company for the purposes of the OEIC Regulations.

The sub-funds of the company are valued on a mid-market basis, with daily single prices appearing on the ACD's website ([www.equitytrustees.com](http://www.equitytrustees.com)). The sub-funds' valuation point is 12 noon.

In line with the Protected Cell Company Regime, the assets of a sub-fund of the Company belong exclusively to that sub-fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the company, or any other sub-fund of the Company, and shall not be available for any such purpose.

The sub-funds in which shares are currently available are as follows:

- ES River and Mercantile UK Alpha Fund
- ES River and Mercantile UK Listed Smaller Companies Fund
- ES River and Mercantile UK Dynamic Equity Fund
- ES River and Mercantile UK Recovery Fund
- ES River and Mercantile UK Equity Income Fund
- ES River and Mercantile Global Recovery Fund
- ES River and Mercantile Global Alpha Fund
- ES River and Mercantile European Fund

Subject to the OEIC Regulations and the provisions set out in the instrument constituting the Scheme, the ACD may establish additional Funds from time to time.

The Company will not have any direct interest in any immovable property or tangible movable property.

The maximum level of management fees that may be charged to the Company, including any management fees levied on any Collective Investment Schemes in which the Company invests, will not exceed 10% per year.

The Directors continue to closely monitor the market impact of the ongoing disruption created by the Russian-Ukraine conflict, as well as the current elevated rates of inflation and the subsequent rises in interest rates. Although these events may impact the performance of the ES River and Mercantile Funds ICVC, based on the Directors analysis of these events, they remain of the opinion that adequate financial resources and business continuity plans are in place for the ES River and Mercantile Funds ICVC to continue as a going concern.

The Directors are of the opinion that it is appropriate to adopt the going concern basis in the preparation of the accounts for all sub-funds except ES River and Mercantile UK Dynamic Equity Fund, accordingly, the Company has adequate financial resources to continue in operational existence for at least the next twelve months from the approval of these Financial Statements. Further, appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of these Financial Statements and applicable accounting standards have been followed.

# The Authorised Corporate Director's Report

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The Directors are of the opinion that it is not appropriate to adopt the going concern basis in the preparation of the accounts for ES River and Mercantile UK Dynamic Equity Fund as there is intent to close the sub-fund within the next accounting year subject to internal governance and regulatory approval. As such the financial statements for ES River and Mercantile UK Dynamic Equity Fund have been prepared on a basis other than going concern. There has been no impact on the financial statements or disclosure notes to adjust assets and liabilities to realisable value. There is also no intention to close the remaining sub-funds in the OEIC. No adjustments were necessary to provide for the costs of terminating the Fund as the ACD will bear any related costs for this Fund. The comparatives are also prepared on a basis other than going concern.

## **Important Events After the Year End**

On 26 April 2024, ES River and Mercantile UK Dynamic Equity Fund merged into SVM UK Opportunities Fund (a sub-fund of SVM Funds ICVC).

## **Additional information**

On 1 December 2023, the name of the Investment Manager changed from River & Mercantile Asset Management LLP to River Global Investors LLP.

# Company Information

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Company	ES River and Mercantile Funds ICVC
Registered Office	4th Floor, Pountney Hill House, 6 Laurence Pountney Hill, London, EC4R 0BL
Administrator and Registrar	The Bank of New York Mellon (International) Limited, 160 Queen Victoria Street London, EC4V 4LA
Authorised Corporate Director ('ACD')	Equity Trustees Fund Services Ltd
Equity Trustees Fund Services Ltd	4th Floor, Pountney Hill House, 6 Laurence Pountney Hill, London, EC4R 0BL
Directors of the ACD	Tim Callaghan Vincent Camerlynck James Gardner Dallas McGillivray
Investment Manager	River Global Investors LLP 30 Coleman Street, London, EC2R 5AL
Depository	The Bank of New York Mellon (International) Limited 160 Queen Victoria Street, London, EC4V 4LA

# Company Information continued

## UCITS V Remuneration policy (unaudited)

Equity Trustees Fund Services Limited is committed to ensuring that its remuneration policies and practices are consistent with, and promote, sound and effective risk management. Its' remuneration policy is designed to ensure that excessive risk taking is not encouraged by or within the Equity Trustees Fund Services UK and Ireland including in respect of the risk profile of the Funds it operates, to manage the potential for conflicts of interest in relation to remuneration (having regard, inter alia, to its formal conflicts of interest policy) and to enable them to achieve and maintain a sound capital base.

Equity Trustees Fund Services Limited delegates portfolio management for its funds to various investment management firms. The investment managers' fees and expenses for providing investment management services are paid by the ACD out of its own remuneration under the ACD agreement. The investment management firms generally also make information on remuneration publicly available in accordance with the disclosure requirements of Pillar 3 of the Capital Requirements Directive.

The remuneration strategy across ETFs is governed by the board of the holdings company Equity Trustees (UK & Europe) Limited. As a result of the company's size and structure, the board of ETFs has chosen not to establish a Remuneration Committee. The board has established a Remuneration Policy designed to ensure the UCITS Remuneration Code in the UK Financial Authority handbook is met proportionately for all UCITS Remuneration Code Staff.

ETFs considers its activities as non-complex due to the fact that regulation limits the activities of the UCITS and the scope of investment in such a way so as to seek that investor risk is mitigated. The activities of ETFs and the delegated Investment Manager is strictly controlled within certain pre-defined parameters as set out in the prospectus of each UCITS.

In its role as a UCITS Manager, ETFs deems itself as lower risk due to the nature of the activities it conducts. ETFs does not pay any form of variable remuneration currently based on the Investment Performance of its UCITS. Therefore, ETFs have provided a basic overview of how staff, whose actions have a material impact on the Fund, are remunerated.

## Quantitative Remuneration Disclosure\*

	Number of beneficiaries	Total remuneration paid	Fixed remuneration	Variable remuneration paid
Total remuneration paid by the UCITS Manager during the financial year	23	£1,434,451	£1,383,472	£50,979
Remuneration paid to employees of the UCITS Manager who have a material impact on the risk profile of the UCITS	15	£1,166,964	£1,127,985	£38,979
Categories of Code Staff:				
Senior management	13	£1,001,685	£968,306	£33,379
SMF	4	£383,195	£370,320	£12,875
Employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers	0	£0	£0	£0

\* Equity Trustees Fund Services Limited annual accounts at 30 June 2023.

Figures include remuneration paid to employees of Equity Trustees Fund Services Ireland Ltd, for their actions that have a material impact on the Fund. The figures are based on transfer pricing arrangements that exist between companies.

# Company Information continued

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## Principal Activities

The Company is a UCITS scheme under the OEIC regulations as defined in the Collective Investment Schemes sourcebook and also an umbrella company for the purposes of the OEIC Regulations. The property attributable to each of the sub-funds is managed as if such sub-fund belonged to the "UCITS Scheme" category as specified in the COLL. Holders of shares in a sub-fund are entitled to receive (or, in the case of accumulation shares, to have re-invested) the net revenue derived from the sub-fund and to redeem their shares at a price linked to the value of the property of the sub-fund. Shareholders do not have any proprietary interest in the underlying assets of any sub-fund.

Each sub-fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Fund. Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund of the Company in every circumstance. The shareholders of the Company will not be liable for the debts of the Company.

The base currency for the Company is pounds sterling. The maximum size of the Company's capital is £100,000,000,000 and the minimum size is £1.

The Company was authorised by an order made by FCA with effect from 2 October 2006. The operation of the Company is governed by the Regulations, the Company's Instrument of Incorporation and its Prospectus.

## Holdings in other sub-funds of the Company

As at 31 March 2024, no sub-funds held shares in any other sub-fund of the Company.

## Securities Financing Transactions Regulation

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) will be required on all report & accounts published after 13 January 2017. During the period to 31 March 2024 and at the balance sheet date, the ES River and Mercantile Funds ICVC did not engage in SFTs.

## Assessment of Value

Effective from 30 September 2019 the FCA has introduced Value Assessment requirements for Authorised Fund Managers to conduct an Assessment of Value on each fund they manage.

The assessment for our sub-funds are available on our website [www.equitytrustees.com](http://www.equitytrustees.com)

## Certification of the annual report and audited Financial Statements by the Authorised Corporate Director, Equity Trustees Fund Services Limited

In accordance with the requirements of the Open-Ended Investment Companies Regulations 2001(SI2001/1228) and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL" or "COLL Sourcebook"), we hereby certify the annual report and audited Financial Statements on behalf of the ACD, Equity Trustees Fund Services Limited.



James Gardner  
Director – UK  
for and on behalf of Equity Trustees Fund Services Ltd  
Authorised Corporate Director  
27 June 2024

# Notes to the Financial Statements of all sub-funds of the ES River and Mercantile Funds ICVC

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## Notes to the Financial Statements

### 1 Accounting policies

#### a) Basis of accounting

The financial statements of each sub-fund have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014, as amended in June 2017.

These financial statements are prepared on a going concern basis with the exception of the financial statements of the ES River and Mercantile UK Dynamic Equity Fund, which have been prepared on a basis other than going concern as the sub-fund is currently being terminated following receipt of the FCA's approval on 19 March 2024. The ACD has made an assessment of each sub-fund's ability to continue as a going concern, and is satisfied they have the resources to continue in business for the foreseeable future and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment is made as at the date of issue of these financial statements, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, and key service provider's operational resilience. The ACD also considered each sub-fund's continued ability to meet ongoing costs, and is satisfied they have the resources to meet these costs and to continue in business.

During the reporting period, it was determined that ES River and Mercantile UK Dynamic Equity Fund was no longer commercially viable to continue its operations. As a result, a decision was made to merge the Sub-Fund with SVM UK Opportunities Fund (a sub-fund of SVM Funds ICVC). This was finalised on 26 April 2024. The Sub-Fund is being prepared on a basis other than going concern, and all necessary steps were taken to ensure that the closure was conducted in an orderly and efficient manner. This action was taken in the best interest of the investors of the Sub-Fund. The closure of the Sub-Fund has been reflected appropriately in the financial statements.

The financial statements of the ES River and Mercantile UK Dynamic Equity Fund have been prepared on a basis other than going concern, given this sub-fund is currently being terminated following receipt of the FCA's approval on 19 March 2024. Under this basis, assets are recorded at their recoverable value and liabilities are recorded at their expected settlement value. Any additional costs in respect of the termination of the sub-fund will be borne by the ACD. No adjustments were necessary to provide for the costs of terminating the Fund as the ACD will bear any related costs for the Fund.

No adjustments were necessary except for reclassifying fixed assets as current assets. The financial statements for the remaining sub-funds of the Company have been prepared on the going concern basis.

#### b) Recognition of revenue

Revenue from quoted equities and non-equity instruments is recognised net of attributable tax credits when the security is quoted ex-dividend. Revenue from unquoted equity investments is recognised net of attributable tax credits when the dividend is declared.

Revenue from debt securities is accrued for so that any premium or discount in the purchase price is amortised over the remaining life of the security.

Dividends received from US REITS are allocated between revenue and capital for distribution purposes. The split is based on the year-end tax reporting date issued by the US REIT. Where the split of revenue and capital has not been announced at the accounting date a provisional split will be used. The provision will be calculated on the prior years aggregated dividend split for each US REIT.

Overseas revenue received after the deduction of withholding tax is shown gross of taxation, with the taxation consequences shown within the taxation charge.

Underwriting Commission is taken to revenue and recognised when the issue takes place, except where the sub-fund is required to take up all or some of the shares underwritten, in which case an appropriate proportion of the commission is deducted from the cost of those shares.

Special dividends, share buy-backs and additional share issues are treated as either revenue or capital depending on the facts of each particular case.

All revenue is recognised on an accruals basis.



# Notes to the Financial Statements of all sub-funds of the ES River and Mercantile Funds ICVC

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## Notes to the Financial Statements continued

### 1 Accounting policies continued

#### b) Recognition of revenue continued

Distributions and accumulations, excluding equalisation, receivable on the underlying collective investment schemes are recognised as revenue when the shares are quoted ex-dividend. Equalisation on distributions received from underlying investments is treated as capital property of the individual sub-funds.

Rebates of annual management charges from underlying investments, are accounted for on an accruals basis and are recognised as revenue or capital in line with the allocation of the annual management charge between capital and revenue of the underlying investments.

#### c) Treatment of expenses

For accounting purposes all expenses (other than those relating to the purchase and sale of investments) are charged against revenue on an accruals basis, with the exception of the ES River and Mercantile UK Equity Income Fund and the ES River and Mercantile European Fund, which are charged against capital.

#### d) Distribution policy

The policy is to distribute all available revenue, after deduction of those expenses which are chargeable in calculating the distribution. In order to conduct a controlled dividend flow, interim distributions will be at the ACD's discretion, up to a maximum of the distributable revenue for the period. All remaining revenue is distributed in accordance with the FCA's Collective Investment Schemes sourcebook ("COLL").

All expenses are deducted from revenue for the purpose of calculating the distribution with the exception of the Calastone fees which are taken to capital for all funds. In addition all fees are transferred to capital for ES River and Mercantile UK Equity Income Fund and ES River and Mercantile European Fund.

The ordinary element of stock dividends is treated as revenue and forms part of the distribution. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of the distribution.

Distributions which have remained unclaimed by shareholders for over six years are credited to the capital property of the sub-fund.

#### e) Basis of valuation of investments

All investments are valued at their fair value as at close of business on the last business day of the accounting year. The fair value for non-derivative securities is bid-market price, excluding any accrued interest and the fair value for derivative instruments is the cost of closing out the contract at the balance sheet date.

The ACD has assigned the responsibility to review and approve fair value pricing decisions to the ETFS Fair Value Pricing Committee. In accordance with the ETFS Fair Value Pricing Policy, the committee provides regular governance and oversight on suspended, defaulted, delisted, unquoted or manually priced securities, taking into consideration where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

#### f) Taxation

Provision is made for taxation at current rates on the excess of investment revenue over expenses, with relief for overseas taxation taken where appropriate.

Deferred tax is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences that are regarded as permanent. Any liability to deferred tax is provided for at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

#### g) Exchange rates

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at close of business on the last business day of the accounting year.

# Notes to the Financial Statements of all sub-funds of the ES River and Mercantile Funds ICVC

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## Notes to the Financial Statements continued

### 1 Accounting policies continued

#### h) Derivatives

Returns from derivative securities are taken to capital and/or revenue depending on the motive and circumstances surrounding the particular transaction. The net revenue/expense on derivative positions are recognised as revenue and form part of the sub-fund's distribution.

#### i) Dilution adjustment

The need to apply a dilution adjustment will depend on the volume of sales (where they are issued) or redemptions (where they are cancelled) of shares. The ACD may apply a dilution adjustment on the issue and redemption of such shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected, and if applying a dilution adjustment, so far as practicable, it is fair to all Shareholders and potential Shareholders.

### 2 Contingent liabilities and outstanding commitments

The numerical disclosures in relation to contingent liabilities and outstanding commitments are contained within the financial statements for each sub-fund where relevant.

### 3 Related party transactions

The related party disclosures are detailed within the financial statements for each sub-fund.

### 4 Risk management policies

#### General

Each sub-fund's investment objective and strategy are stated within the respective Investment Manager's Report. In pursuing its objective each sub-fund holds financial instruments which expose the sub-funds to various types of risk. The main risks and the ACD's policy for managing these risks, which were applied consistently throughout the current and preceding year, are set out below.

#### Credit and liquidity risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligations. The primary sources of this risk to the sub-funds are the potential for borrowers to fail to meet their redemption commitments and for trade counterparties to fail to meet their transaction commitments. This risk is managed by appraising the credit profile of financial instruments and trade counterparties.

Liquidity risk relates to the capacity to meet liabilities. The primary source of this risk to the sub-funds are the liabilities to Shareholders for any cancellation of shares. This risk is minimised by holding cash and readily realisable securities and via access to overdraft facilities.

#### Market risk

Market risk arises mainly from uncertainty about future prices. The primary source of this risk to the sub-funds is the potential movement in the value of financial instruments held as a result of price fluctuations. The ACD adheres to the investment guidelines and borrowing powers established in the Instrument of Incorporation, Prospectus and COLL governing the operation of Open Ended Investment Companies. In this way, the ACD monitors and controls the exposure to risk from any type of security, sector or issuer.

#### Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates. The sub-funds' only interest bearing financial instruments were its bank balances and overdraft facilities as disclosed in the balance sheet. Cash is deposited, and overdraft facilities utilised, on normal commercial terms and earn or bear interest based on SONIA.

The numerical disclosures in relation to interest rate risk are contained within the financial statements for each sub-fund, where relevant.

# Notes to the Financial Statements of all sub-funds of the ES River and Mercantile Funds ICVC

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## Notes to the Financial Statements continued

### 4 Risk management policies continued

#### Foreign currency risk

Foreign currency risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates.

Foreign exchange risk is managed by the utilisation of forward currency contracts as necessary.

The numerical disclosures in relation to foreign currency risk are contained within the financial statements for each sub-fund, where relevant.

#### Derivative risk

Derivative risk arises from uncertainty about future market movements. This risk is managed by the policies shown within Market risk.

The sub-funds may also use derivative instruments other than forward currency contracts to mitigate risk and reduce costs. These instruments are not utilised for speculative purposes. Derivative instruments other than forward currency contracts and warrants were not utilised during the current and preceding year.

The numerical disclosures in relation to economic exposure are contained within the financial statements for each sub-fund, where relevant.

#### Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

### 5 Portfolio transaction costs

The numerical disclosures in relation to portfolio transaction costs are contained within the financial statements for each sub-fund, where relevant.

# ES River and Mercantile UK Alpha Fund

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## Investment Objective

The investment objective of the sub-fund is to grow the value of your investment (known as “capital growth”) in excess of the MSCI United Kingdom Investable Market Index (IMI) Net Total Return (the “Benchmark”) over a rolling 5 year period, after the deduction of all fees.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The sub-fund’s capital is at risk meaning that the sub-fund could suffer a decrease in value and the value of your investment would decrease as a result.

## Investment Policy

The sub-fund seeks to achieve its investment objective by investing at least 60% of its value in shares of UK companies (companies which are domiciled, incorporated, or have significant operations in the UK). Investment can be direct, or indirect, in shares (including common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

In addition, up to 20% of the sub-fund may be invested in shares of companies which are not UK companies but which, at the time of investment, are listed in the UK. Investment can be direct or indirect as noted above. It is expected that at least 80% of the sub-fund will be invested in UK companies and companies which are listed in the UK.

Up to 20% of the sub-fund may be invested in shares of overseas companies (companies which are not UK companies and which are not listed in the UK), excluding emerging markets, collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager.

The sub-fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as “efficient portfolio management”). As an example, the sub-fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The sub-fund is actively managed, meaning the Investment Manager uses their expertise to pick investments to achieve the sub-fund’s objectives.

The term ‘Alpha’ (as used in the name of the Fund), is typically defined as the excess return (or performance) of an investment relative to the return (or performance) of a benchmark.

The sub-fund will invest in a broad range of companies by industry group and size and does not have to hold the same companies that are included in the Benchmark or in the same weights. However, where the sub-fund invests in companies which are included in the Benchmark the sub-fund’s exposure to any one company will not be more than 4% above or below the Benchmark’s exposure to that company. Exposure to any industry group will not be more than 8% above or below the Benchmark’s exposure to that industry group, measured at the Industry Group level of MSCI GICS (Global Industry Classification Standard).

# ES River and Mercantile UK Alpha Fund

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## Investment Manager's Review

The ES R&M UK Alpha Fund returned +6.6% (Z share class) and +5.8% (B share class) over the 12 months to 31 March 2024, compared to the MSCI United Kingdom IMI return of +8.8%. Since Inception the Fund has returned +379% (B share class) compared to the MSCI United Kingdom IMI return of 260%.

**Positive contributors during past 12 months:** continued M&A activity (**Restaurant Group, Gresham House**); underweight positions in **AstraZeneca** and **Diageo** and in consumer staples; individual stock successes (**Trustpilot, Hotel Chocolat, CMC Markets**).

**Negative contributors during past 12 months:** underweight large cap growth, US facing stocks in particular (**CRH, RELX, Experian**); individual stock disappointments (**Capita**); weak performance of consumer discretionary sector and stocks, where overweight.

## Fund Activity

The market continues to double discount valuations for uncertainty stocks (any company where there is a risk to short term profits and cash flow and / or where there is selling pressure, as allocations to UK equities continue to be indiscriminately reduced). The current opportunity set continues to cover a very wide range of stocks, from deep value to high quality (but a bit cyclical), to fast growth (but uncertain short-term delivery), so our investable universe remains very large.

Purchases over the period were biased towards small and mid-sized companies' where timing appears to be improving. This included adding to housebuilders (and related stocks) as the evidence continued to build towards a recovery in this market (**Gleeson, Barratt Developments, Henry Boot**).

One of a number of examples of exceptionally undervalued stocks would be Ocean Wilsons. I have been invested in it for some time now and the gap between the share price and sum-of-the-parts (Wilson's Sons, Brazil listed maritime services business and **Ocean Wilsons** Investment Management, a low risk managed portfolio) has just kept getting larger. It now stands at over 100%, with the share price at £13, the market value of Wilson's Sons is equivalent to £20, the investments £7. The catalyst for a decent amount of this discount unwinding is that Wilson's Sons is up for sale. I have continued to top up the holding.

Sales have included taking full profits where our PVT (Potential, Valuation, Timing) thesis has been delivered, most notably the continued recipients of M&A activity (**Hotel Chocolat, Gresham House, Restaurant Group**), reducing or exiting into relative strength (**Shell, Sage, Informa, Hollywood Bowl, MoneySupermarket**), and re-focusing capital towards higher conviction ideas (**Primary Health Properties, Spire**).

## Market Overview

The UK equity market, like most equity markets around the world performed robustly over the year to March 2024 (MSCI United Kingdom IMI +8.8), catalysed by falling inflation, growing hopes for a soft economic landing and excitement over some growth themes such as AI. Global equity markets were higher beta than the UK to these themes, though our domestic equity market still performed robustly. Returns were driven by a relatively narrow part of the market, the larger, more international and reliable growth part of the market. Value stocks lagged somewhat (MSCI UK Value +7.5%).

## Outlook

We think there are many reasons why UK Equities are due a period of strong performance. Valuations are rock bottom, interest rates will be reduced this year, the economic cycle is embarking on its recovery phase, the political background will become more supportive for economic growth under a new Government, investing institutions are being encouraged to be more supportive of their domestic equity market, Merger and Acquisitions continues apace, and flows can't possibly become any more negative. Meanwhile the stock picking opportunity in the UK is one of the biggest I have seen in my career. The Patient investor should be handsomely rewarded. Meanwhile the key factors that we exploit, namely value, recovery and multi-cap investing are towards the low point of their respective cycles and

# ES River and Mercantile UK Alpha Fund

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## Investment Manager's Review continued

will benefit from falling interest rates and an improving economic background. The Valuation of the portfolio is attractive, trading on 10.9x PE, Price to Book of 1.2x and Price to Sales of 0.8x, a further reason for expecting attractive medium term returns.

River Global

March 2024

Investment Adviser to the sub-fund

Source: River Global Investors, Bloomberg LP. Fund performance is calculated using midday published prices. Benchmark performance is calculated using close of business mid-market prices.

# ES River and Mercantile UK Alpha Fund

## Portfolio Statement as at 31 March 2024

Holding	Investment	Market Value £	% of Net Assets
<b>United Kingdom – 87.23% (2023 – 91.01%)</b>			
<b>Advertising – 1.37% (2023 – 1.04%)</b>			
11,470	Ascential	34,846	0.06
57,033	M&C Saatchi*	99,237	0.16
9,956	Next 15	91,894	0.15
214,480	Pebble*	139,412	0.22
322,030	S4 Capital	169,066	0.27
42,236	WPP	318,290	0.51
<b>Aerospace &amp; Defence – 1.53% (2023 – 0.85%)</b>			
27,317	Melrose Industries	183,843	0.30
178,996	Rolls-Royce	763,776	1.23
<b>Agriculture – 1.88% (2023 – 2.26%)</b>			
35,220	British American Tobacco	847,217	1.36
3,480	Genus	61,039	0.10
14,649	Imperial Brands	259,287	0.42
<b>Airlines – 1.10% (2023 – 1.45%)</b>			
60,145	easyJet	343,067	0.55
195,270	International Consolidated Airlines	344,847	0.55
<b>Alternative Energy Sources – 0.34% (2023 – 0.11%)</b>			
397,690	AFC Energy*	68,323	0.11
22,820	Ceres Power	32,496	0.05
105,180	Clean Power Hydrogen*	17,355	0.03
158,155	Inspired*	91,730	0.15
<b>Apparel – 0.57% (2023 – 0.76%)</b>			
377,010	boohoo*	135,573	0.22
13,210	Burberry	160,237	0.26
66,690	Dr Martens	58,520	0.09
<b>Auto Parts &amp; Equipment – 0.19% (2023 – 0.00%)</b>			
114,237	Dowlais	89,082	0.14
23,600	TI Fluid Systems	33,984	0.05
<b>Automobile Manufacturers – 0.08% (2023 – 0.18%)</b>			
29,620	Aston Martin Lagonda Global	50,324	0.08
<b>Banks – 7.43% (2023 – 10.19%)</b>			
531,229	Barclays	973,212	1.56

# ES River and Mercantile UK Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Banks continued</b>		
187,040	HSBC	1,157,591	1.86
2,120,708	Lloyds Banking	1,097,678	1.76
239,450	Metro Bank	76,863	0.12
238,910	NatWest	634,067	1.02
22,440	Secure Trust Bank	148,104	0.24
80,225	Standard Chartered	538,631	0.87
	<b>Beverages – 2.79% (2023 – 1.23%)</b>		
24,450	Barr	142,299	0.23
29,910	Diageo	875,017	1.41
18,290	Fevertree Drinks*	219,480	0.35
14,940	Fuller Smith & Turner	88,146	0.14
626,787	Marston's	177,067	0.28
13,470	Nichols	129,851	0.21
263,935	Virgin Wines UK*	105,574	0.17
	<b>Biotechnology – 0.13% (2023 – 0.00%)</b>		
39,282	Oxford Biomedica	78,957	0.13
	<b>Building Materials – 1.94% (2023 – 1.20%)</b>		
39,094	Breedon	150,121	0.24
96,156	Eneraqua Technologies*	35,578	0.06
38,990	Genuit	171,946	0.28
114,330	Ibstock	172,295	0.28
58,860	Marshalls	161,394	0.26
91,602	Norcros	163,968	0.26
109,649	SigmaRoc*	74,561	0.12
204,680	Topps Tiles	91,083	0.15
62,688	Tyman	181,482	0.29
	<b>Chemicals – 1.84% (2023 – 1.15%)</b>		
2,540	Croda International	124,511	0.20
150,270	Elementis	221,197	0.36
9,833	Johnson Matthey	175,863	0.28
79,268	Synthomer	205,780	0.33
22,040	Treatt	93,890	0.15
11,840	Victrex	153,683	0.25
44,220	Zotefoams	168,036	0.27
	<b>Commercial Services – 2.87% (2023 – 2.32%)</b>		
460	Ashtead	25,935	0.04
24,220	Babcock International	125,944	0.20
1,355,645	Capita	178,810	0.29
208,618	De La Rue	168,563	0.27



# ES River and Mercantile UK Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>Commercial Services continued</b>			
122,100	Driver*	29,304	0.05
2,916	Dynamics*	49,572	0.08
69,730	Hays	65,860	0.11
4,170	Intertek	207,749	0.33
83,270	Johnson Service	109,250	0.18
6,350	Keystone Law*	37,465	0.06
129,749	Mind Gym*	49,305	0.08
130,810	Mitie	137,089	0.22
7,810	Pagegroup	35,020	0.06
19,180	Rentokil Initial	90,472	0.15
14,460	Restore*	31,234	0.05
60,841	RWS*	114,077	0.18
6,300	Savills	67,158	0.11
316,154	Speedy Hire	79,513	0.13
94,990	Tribal	40,941	0.07
14,040	Wise	130,347	0.21
<b>Computers – 1.02% (2023 – 0.86%)</b>			
386,216	Eckoh	142,900	0.23
15,670	FDM	53,435	0.09
30,140	GB	82,041	0.13
49,231	NCC	61,145	0.10
67,440	Serco	127,934	0.21
7,670	Softcat	121,800	0.20
98,060	TPXImpact*	34,321	0.06
<b>Cosmetics &amp; Personal Care – 3.19% (2023 – 3.64%)</b>			
58,530	Haleon	194,963	0.31
86,719	PZ Cussons	77,787	0.12
43,282	Unilever	1,720,459	2.76
<b>Distribution &amp; Wholesale – 0.67% (2023 – 0.49%)</b>			
4,740	Inchcape	34,318	0.05
130,701	RM	69,272	0.11
19,490	RS	141,653	0.23
313,400	SIG	91,513	0.15
11,380	Travis Perkins	82,983	0.13
<b>Diversified Financial Services – 5.08% (2023 – 3.28%)</b>			
48,490	AJ Bell	146,634	0.24
2,590	Alpha International*	48,692	0.08
28,580	Aquis Exchange*	109,747	0.18
60,712	Argentex*	32,906	0.05
33,730	Ashmore	66,010	0.11
3,490	Brooks Macdonald*	62,994	0.10

# ES River and Mercantile UK Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Diversified Financial Services continued</b>		
27,494	Close Brothers	114,925	0.18
95,510	CMC Markets	207,734	0.33
27,968	Foresight	124,458	0.20
32,330	Hargreaves Lansdown	237,884	0.38
29,576	IG	215,757	0.35
47,980	IntegraFin	133,384	0.21
124,760	International Personal Finance	135,988	0.22
41,635	Liontrust Asset Management	278,746	0.45
1,190	London Stock Exchange	112,931	0.18
26,646	Mortgage Advice Bureau*	239,281	0.38
14,380	Ninety One	24,532	0.04
33,900	OSB	127,871	0.21
20,090	PayPoint	97,537	0.16
84,590	Pensionbee	88,819	0.14
21,320	Polar Capital*	97,006	0.16
326,124	Premier Miton*	172,846	0.28
3,430	Rathbones	52,959	0.08
21,660	Schroders	81,550	0.13
67,092	TP ICAP	151,091	0.24
	<b>Electrical Components &amp; Equipment – 0.20% (2023 – 0.16%)</b>		
476,130	Tekmar*	42,852	0.07
28,654	Volex	82,380	0.13
	<b>Electricity – 0.95% (2023 – 0.63%)</b>		
32,780	Drax	164,293	0.26
2,547,030	Eenergy*	168,104	0.27
24,500	National Grid	261,047	0.42
	<b>Electronics – 0.71% (2023 – 0.42%)</b>		
12,380	DiscoverIE	93,593	0.15
1,300	Halma	30,693	0.05
41,310	Luceco	57,338	0.09
2,100	Renishaw	89,208	0.14
800	Spectris	26,456	0.04
92,950	TT Electronics	147,233	0.24
	<b>Engineering &amp; Construction – 1.40% (2023 – 1.05%)</b>		
21,860	Balfour Beatty	83,549	0.13
217,037	Costain	162,344	0.26
74,010	John Wood	97,915	0.16
11,680	Keller	122,173	0.20
138,078	Kier	181,711	0.29

# ES River and Mercantile UK Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Engineering &amp; Construction continued</b>		
12,190	Ricardo	55,343	0.09
309,310	Severfield	169,502	0.27
	<b>Entertainment – 1.19% (2023 – 0.69%)</b>		
25,720	Entain	205,091	0.33
222,047	Everyman Media*	122,126	0.20
77,500	Nexteq*	119,350	0.19
276,520	Rank	191,352	0.31
705,560	XP Factory*	98,778	0.16
	<b>Food Producers – 2.10% (2023 – 2.76%)</b>		
104,510	Cake Box*	167,216	0.27
1,510	Cranswick	61,819	0.10
9,844	Hilton Food	82,985	0.13
152,810	Marks & Spencer	405,099	0.65
17,640	Ocado	80,280	0.13
85,085	SSP	186,506	0.30
24,421	Tate & Lyle	150,800	0.24
59,170	Tesco	175,498	0.28
	<b>Food Services – 0.00% (2023 – 0.24%)</b>		
	<b>Forest Products &amp; Paper – 0.20% (2023 – 0.22%)</b>		
13,528	James Cropper	32,467	0.05
6,815	Mondi	95,069	0.15
	<b>Gas – 0.25% (2023 – 0.80%)</b>		
120,389	Centrica	153,677	0.25
	<b>Hand &amp; Machine Tools – 0.17% (2023 – 0.13%)</b>		
128,728	Flowtech Fluidpower*	105,557	0.17
	<b>Healthcare Products – 0.69% (2023 – 0.57%)</b>		
323,230	Creo Medical*	108,282	0.17
118,560	Inspecs*	55,723	0.09
27,275	Smith & Nephew	270,404	0.43
	<b>Healthcare Services – 0.21% (2023 – 0.00%)</b>		
397,840	HVIVO*	113,384	0.18
8,890	Spire Healthcare	20,625	0.03

# ES River and Mercantile UK Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Home Builders – 3.08% (2023 – 2.51%)</b>		
38,240	Barratt Developments	181,869	0.29
2,534	Berkeley	120,568	0.19
112,580	Crest Nicholson	217,392	0.35
79,942	MJ Gleeson	382,922	0.62
32,150	Persimmon	423,094	0.68
13,050	Redrow	86,848	0.14
253,600	Taylor Wimpey	347,559	0.56
12,576	Vistry	154,685	0.25
	<b>Household Products – 0.64% (2023 – 0.83%)</b>		
152,968	McBride	151,438	0.24
5,550	Reckitt Benckiser	250,360	0.40
	<b>Housewares – 0.13% (2023 – 0.00%)</b>		
72,424	IG Design	81,115	0.13
	<b>Insurance – 0.84% (2023 – 2.63%)</b>		
57,970	Direct Line Insurance	113,070	0.18
82,505	Legal & General	209,810	0.34
78,651	Sabre Insurance	140,313	0.23
45,580	Saga	55,699	0.09
	<b>Internet – 3.03% (2023 – 2.76%)</b>		
158,170	ADVFN*	17,399	0.03
32,985	ASOS	126,432	0.20
22,290	Auction Technology	137,752	0.22
5,700	Auto Trader	39,911	0.06
81,850	Deliveroo	96,829	0.16
462,707	Ebiquity	175,829	0.28
11,160	Future	68,355	0.11
23,736	Gear4Music*	32,044	0.05
79,910	iomart	115,230	0.19
6,000	Kooth*	16,080	0.03
131,965	Moonpig	223,417	0.36
22,560	Rightmove	123,990	0.20
45,290	Team Internet*	65,399	0.10
152,400	THG	105,186	0.17
41,665	Trainline	154,327	0.25
133,413	Trustpilot	264,958	0.43
146,262	Victorian Plumbing*	115,693	0.19
	<b>Investment Companies – 0.22% (2023 – 1.36%)</b>		
294,010	Mercia Asset Management*	95,847	0.15
14,670	TMT Investments*	43,200	0.07

# ES River and Mercantile UK Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Leisure Time – 0.64% (2023 – 0.80%)</b>		
165,470	Gym	189,298	0.30
129,350	On the Beach	213,686	0.34
	<b>Lodging – 0.30% (2023 – 0.44%)</b>		
5,669	Whitbread	187,871	0.30
	<b>Machinery Construction &amp; Mining – 0.16% (2023 – 0.36%)</b>		
4,960	Weir	100,242	0.16
	<b>Machinery Diversified – 1.77% (2023 – 1.75%)</b>		
11,940	IMI	216,711	0.35
46,930	Mpac	211,185	0.34
540,452	Renold	202,669	0.33
53,113	Rotork	174,529	0.28
1,600	Spirax-Sarco Engineering	160,800	0.26
25,916	Vesuvius	128,336	0.21
	<b>Media – 1.38% (2023 – 1.65%)</b>		
396,633	Centaur Media	150,721	0.24
388,055	ITV	286,695	0.46
9,580	Pearson	99,824	0.16
885,104	Rangers International Football**	177,021	0.28
187,709	Reach	147,164	0.24
	<b>Metal &amp; Hardware – 0.42% (2023 – 0.38%)</b>		
20,800	Bodycote	144,872	0.23
166,026	Trifast	116,218	0.19
	<b>Mining – 3.80% (2023 – 5.52%)</b>		
46,837	Anglo American	914,165	1.47
73,960	Central Asia Metals*	146,145	0.23
26,100	Rio Tinto	1,309,437	2.10
	<b>Miscellaneous Manufacturing – 0.67% (2023 – 0.69%)</b>		
11,435	Avon Protection	123,498	0.20
433,950	Carclo	30,376	0.05
53,772	Morgan Advanced Materials	153,250	0.25
6,900	Porvair	42,918	0.07
36,170	Senior	63,949	0.10
	<b>Office &amp; Business Equipment – 0.12% (2023 – 0.28%)</b>		
68,804	Xaar	72,244	0.12

# ES River and Mercantile UK Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>Oil &amp; Gas Producers – 7.50% (2023 – 10.07%)</b>			
302,639	BP	1,500,182	2.41
1,463,202	EnQuest	206,311	0.33
92,561	Harbour Energy	255,283	0.41
1,006,093	Savannah Energy*,**	264,099	0.42
39,781	Serica Energy*	74,947	0.12
90,329	Shell	2,371,136	3.81
<b>Oil &amp; Gas Services – 0.23% (2023 – 0.46%)</b>			
43,700	Hunting	144,428	0.23
<b>Packaging &amp; Containers – 0.66% (2023 – 0.56%)</b>			
51,180	DS Smith	202,826	0.33
117,898	Essentra	207,029	0.33
<b>Pharmaceuticals – 5.48% (2023 – 6.46%)</b>			
20,800	AstraZeneca	2,221,024	3.57
239,716	Benchmark*	103,078	0.17
3,080	CVS*	30,030	0.05
59,394	GSK	1,014,806	1.63
2,150	Indivior	36,421	0.06
<b>Private Equity – 0.98% (2023 – 0.61%)</b>			
33,529	Bridgepoint	87,242	0.14
12,270	Intermediate Capital	252,026	0.40
272,890	IP	129,896	0.21
60,560	Molten Ventures	143,164	0.23
<b>Real Estate Investment &amp; Services – 1.40% (2023 – 0.79%)</b>			
304,490	Foxtons	164,425	0.26
61,337	Grainger	158,127	0.25
115,560	Harworth	155,428	0.25
72,870	Helical	151,570	0.24
106,530	Henry Boot	191,754	0.31
141,670	Watkin Jones*	57,660	0.09
<b>Real Estate Investment Trusts – 3.04% (2023 – 2.52%)</b>			
216,280	Assura	91,530	0.15
80,383	British Land	317,674	0.51
98,830	CLS	84,994	0.14
6,210	Derwent London	134,509	0.22
34,403	Great Portland Estates	133,415	0.21
223,840	Hammerson	66,570	0.11
16,260	Land	106,991	0.17
30,460	Segro	275,297	0.44

# ES River and Mercantile UK Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>Real Estate Investment Trusts continued</b>			
249,727	Shaftesbury Capital	360,356	0.58
109,820	Supermarket Income Reit	85,110	0.14
32,730	Tritax Big Box REIT	51,452	0.08
35,006	Workspace	179,231	0.29
<b>Retail – 3.82% (2023 – 4.01%)</b>			
13,497	Associated British Foods	337,155	0.54
233,110	Card Factory	215,394	0.35
406,395	Currys	246,072	0.40
110,674	DFS Furniture	122,405	0.20
8,140	Dunelm	92,063	0.15
40,180	Headlam	69,310	0.11
18,200	J D Wetherspoon	133,861	0.21
92,270	JD Sports Fashion	124,011	0.20
51,870	Kingfisher	129,312	0.21
15,062	Loungers*	31,028	0.05
2,340	Next	216,029	0.35
834,166	Science in Sport*	129,296	0.21
265,115	Tortilla Mexican Grill*	119,302	0.19
28,300	Watches of Switzerland	101,484	0.16
12,710	WH Smith	167,264	0.27
87,730	Wickes	136,069	0.22
<b>Semiconductors – 0.39% (2023 – 0.18%)</b>			
979,048	IQE	205,600	0.33
675,000	Sondrel*	37,125	0.06
<b>Software – 1.76% (2023 – 1.64%)</b>			
32,266	ActiveOps*	30,975	0.05
65,275	Altitude*	18,930	0.03
10,360	Aptitude Software	31,909	0.05
70,111	Bango*	71,513	0.11
24,170	Big Technologies*	32,629	0.05
5,650	Craneware*	124,300	0.20
40,250	Darktrace	175,812	0.28
182,520	dotdigital*	155,142	0.25
12,860	FD Technologies	157,664	0.25
131,538	Learning Technologies*	112,070	0.18
17,470	Oxford Metrics	17,994	0.03
62,882	Team17*	144,629	0.23
3,510	Tracsis*	31,590	0.05
<b>Telecommunications – 1.63% (2023 – 2.60%)</b>			
32,500	Airtel Africa	34,352	0.06
225,740	BT	247,524	0.40

# ES River and Mercantile UK Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Telecommunications continued</b>		
12,690	Gamma Communications*	173,092	0.28
81,270	GlobalData*	146,286	0.23
25,120	Gooch & Housego	130,624	0.21
398,380	Vodafone	280,659	0.45
	<b>Textiles – 0.39% (2023 – 0.37%)</b>		
295,600	Coats	239,732	0.39
	<b>Transportation – 0.46% (2023 – 0.10%)</b>		
2,360	Clarkson	94,518	0.15
37,960	International Distributions Services	87,042	0.14
40,774	James Fisher & Sons	105,401	0.17
	<b>Water – 0.20% (2023 – 0.00%)</b>		
5,130	Severn Trent	126,660	0.20
	<b>Australia – 0.31% (2023 – 0.50%)</b>		
126,440	South32	195,476	0.31
	<b>Austria – 0.00% (2023 – 0.33%)</b>		
	<b>Bermuda – 0.89% (2023 – 0.66%)</b>		
23,120	Conduit	119,530	0.19
12,450	Hiscox	154,380	0.25
20,320	Ocean Wilsons	282,448	0.45
	<b>Chile – 0.00% (2023 – 0.03%)</b>		
	<b>Gibraltar – 0.29% (2023 – 0.12%)</b>		
202,527	888	179,034	0.29
	<b>Guernsey – 0.18% (2023 – 0.00%)</b>		
89,926	Peel Hunt*	112,407	0.18
	<b>Hong Kong – 1.52% (2023 – 0.00%)</b>		
37,370	HUTCHMED China*	98,843	0.16
113,739	Prudential	845,081	1.36
	<b>India – 0.14% (2023 – 0.12%)</b>		
902,754	OPG Power Ventures*	90,275	0.14



# ES River and Mercantile UK Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Ireland – 2.75% (2023 – 1.37%)</b>		
13,660	Bank of Ireland	110,014	0.18
52,140	C&C	85,405	0.14
78,780	Cairn Homes	107,456	0.17
1,620	DCC	93,280	0.15
3,580	Flutter Entertainment	565,282	0.91
15,600	Grafton	156,343	0.25
202,387	Greencore	241,245	0.39
116,030	Hostelworld	181,007	0.29
5,210	Keywords Studios*	67,834	0.11
2,820	Smurfit Kappa	101,971	0.16
	<b>Isle of Man – 0.36% (2023 – 0.44%)</b>		
25,760	Playtech	118,857	0.19
159,018	Strix*	108,291	0.17
	<b>Israel – 0.27% (2023 – 0.25%)</b>		
80,518	Nexxen International*	167,961	0.27
	<b>Jersey – 0.57% (2023 – 0.51%)</b>		
141,210	Centamin	159,003	0.26
1,616,834	XLMedia*	194,020	0.31
	<b>Netherlands – 0.27% (2023 – 0.27%)</b>		
14,140	Just Eat Takeaway.com	166,428	0.27
	<b>Singapore – 0.26% (2023 – 0.11%)</b>		
14,886	XP Power	161,960	0.26
	<b>South Africa – 0.24% (2023 – 0.33%)</b>		
301,181	Old Mutual	148,934	0.24
	<b>Switzerland – 1.50% (2023 – 1.55%)</b>		
192,543	Glencore	838,044	1.35
48,470	IWG	93,450	0.15
	<b>United States of America – 1.63% (2023 – 0.88%)</b>		
90,454	Boku*	164,626	0.26
13,680	Carnival	159,988	0.26
339,510	Devolver Digital*	64,507	0.10
1,650	Diversified Energy	15,625	0.03
32,930	MaxCyte*	110,315	0.18
94,000	Rockwood Strategic	193,640	0.31

# ES River and Mercantile UK Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>United States of America continued</b>			
65,948	Somero Enterprises*	220,926	0.35
1,105,800	Tinybuild*	60,819	0.10
667,420	Tinybuild	26,697	0.04
<b>United States Virgin Islands – 0.26% (2023 – 0.00%)</b>			
128,580	AdvancedAdvT	160,725	0.26
<b>Collective Investment Schemes – 0.39% (2023 – 0.13%)</b>			
69,300	Renewables Infrastructure	69,716	0.11
457,140	Schroders Capital Global Innovation Trust	58,057	0.09
94,180	Syncona	115,465	0.19
<b>Investment Trusts – 0.62% (2023 – 0.65%)</b>			
88,640	Augmentum Fintech	88,108	0.14
66,610	Fidelity China Special Situations	133,553	0.21
4,600	International Biotechnology Trust	30,176	0.05
24	Lindsell Train Investment Trust	19,008	0.03
9,020	Scottish Mortgage Investment Trust	80,567	0.13
12,306	Strategic Equity Capital	39,379	0.06
<b>Portfolio of investments</b>		<b>62,040,054</b>	<b>99.68</b>
<b>Net other assets</b>		<b>198,823</b>	<b>0.32</b>
<b>Net assets</b>		<b>62,238,877</b>	<b>100.00</b>

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2023.

\*Security listed in AIM.

\*\*Delisted/Defaulted/Suspended security.

# ES River and Mercantile UK Alpha Fund

## Comparative table

For the year ending:	31/03/2024	31/03/2023	31/03/2022
A-Class Distribution shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	197.53	204.16	197.40
Return before operating charges*	12.91	0.50	12.78
Operating charges	(1.71)	(1.71)	(1.84)
Return after operating charges	11.20	(1.21)	10.94
Distributions	(5.09)	(5.42)	(4.18)
<b>Closing net asset value per share</b>	<b>203.64</b>	<b>197.53</b>	<b>204.16</b>
*After direct transaction costs of	(0.31)	(0.35)	(0.46)
<b>Performance</b>			
Return after charges	5.67%	(0.59)%	5.54%
<b>Other information</b>			
Closing net asset value (£)	3,703,903	4,743,988	7,290,657
Closing number of shares	1,818,830	2,401,647	3,571,103
Operating charges**	0.87%	0.87%	0.88%
Direct transaction costs	0.16%	0.18%	0.22%
<b>Prices</b>			
Highest share price	206.24	215.24	220.12
Lowest share price	181.84	171.57	185.37

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.90%.

# ES River and Mercantile UK Alpha Fund

## Comparative table continued

For the year ending:	31/03/2024	31/03/2023	31/03/2022
B-Class Accumulation shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	1,128.77	1,132.79	1,073.55
Return before operating charges*	74.92	5.56	69.31
Operating charges	(9.84)	(9.58)	(10.07)
Return after operating charges	65.08	(4.02)	59.24
Distributions	(29.27)	(30.29)	(22.84)
Retained distributions on accumulation shares	29.27	30.29	22.84
<b>Closing net asset value per share</b>	<b>1,193.85</b>	<b>1,128.77</b>	<b>1,132.79</b>
*After direct transaction costs of	(1.79)	(1.95)	(2.50)
<b>Performance</b>			
Return after charges	5.77%	(0.35)%	5.52%
<b>Other information</b>			
Closing net asset value (£)	19,161,037	21,126,837	37,582,967
Closing number of shares	1,604,982	1,871,664	3,317,737
Operating charges**	0.87%	0.87%	0.88%
Direct transaction costs	0.16%	0.18%	0.22%
<b>Prices</b>			
Highest share price	1,197.34	1,216.99	1,211.20
Lowest share price	1,055.70	970.11	1,020.03

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.90%.

# ES River and Mercantile UK Alpha Fund

## Comparative table continued

For the year ending:	31/03/2024	31/03/2023	31/03/2022
Z-Class Accumulation shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	1,635.07	1,628.63	1,531.87
Return before operating charges*	109.18	8.35	98.89
Operating charges	(1.97)	(1.91)	(2.13)
Return after operating charges	107.21	6.44	96.76
Distributions	(54.87)	(55.65)	(45.01)
Retained distributions on accumulation shares	54.87	55.65	45.01
<b>Closing net asset value per share</b>	<b>1,742.28</b>	<b>1,635.07</b>	<b>1,628.63</b>
*After direct transaction costs of	(2.61)	(2.82)	(3.58)
<b>Performance</b>			
Return after charges	6.56%	0.40%	6.32%
<b>Other information</b>			
Closing net asset value (£)	39,373,937	41,816,790	46,587,128
Closing number of shares	2,259,907	2,557,491	2,860,516
Operating charges**	0.12%	0.12%	0.13%
Direct transaction costs	0.16%	0.18%	0.22%
<b>Prices</b>			
Highest share price	1,747.27	1,761.98	1,738.74
Lowest share price	1,535.76	1,400.34	1,465.79

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.15%.

# ES River and Mercantile UK Alpha Fund

## Synthetic Risk Reward Indicator (SRRI)



Typically Lower Rewards

Typically Higher Rewards



This sub-fund is ranked at 6 because funds of this type have experienced medium to high rises and falls in value in the past. The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile. The risk and reward score is not guaranteed and may change over time. The lowest category does not mean risk free. While the risk indicator takes into account the broader risk profile, the following risks are considered most relevant to this sub-fund:

- **Equity Securities:** Equities can lose value rapidly, and typically involve higher market risks than bonds, money market instruments or other debt instruments. Fluctuation in value may occur in response to activities of individual companies, the general market, economic conditions, or changes in currency exchange rates.
- **Small and Mid-Cap stock:** Stocks of small and mid-size companies can be more volatile and less liquid than stocks of larger companies. Small and mid-size companies often have fewer financial resources shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks.
- **Concentration:** In certain conditions the sub-fund may invest in a relatively small number of securities, which may result in portfolio concentration in sectors, countries, or other groupings. These potential concentrations mean that a loss arising in a single investment may cause a proportionately greater loss in the sub-fund than if a larger number of investments were made.
- **Liquidity:** There is a risk that adverse market conditions may affect the sub-fund's ability to sell assets at the price the sub-fund would like, or the sub-fund may have to sell them at a loss.
- **Currency:** To the extent that a sub-fund holds assets that are denominated in currencies other than the base currency, any changes in currency exchange rates could reduce investment gains or income, or increase investment losses.

## Summary of Largest Portfolio Changes

The table below shows the top ten purchases and sales for the year.

Purchases	£	Sales	£
Diageo	734,459	HSBC	1,783,958
Flutter Entertainment	373,637	BP	1,354,418
Liontrust Asset Management	321,040	Shell	898,672
Persimmon	246,544	AstraZeneca	820,037
AstraZeneca	216,125	Rio Tinto	676,722
Anglo American	193,074	Gresham House	644,158
Burberry	191,303	Rolls-Royce	631,431
RS	185,744	Centrica	556,497
Barratt Developments	183,362	Restaurant	508,204
THG	175,212	Vodafone	469,724

# ES River and Mercantile UK Alpha Fund

## Statement of Total Return for the year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024		1 April 2022 to 31 March 2023	
		£	£	£	£
Income					
Net capital gains/(losses)	2		1,735,107		(2,773,896)
Revenue	3	2,234,150		2,825,811	
Expenses	4	(249,581)		(324,028)	
Interest payable and similar charges	6	(356)		(942)	
Net revenue before taxation for the year		1,984,213		2,500,841	
Taxation	5	(8,138)		(23,801)	
Net revenue after taxation for the year			1,976,075		2,477,040
Total return before distributions			3,711,182		(296,856)
Distributions	7		(1,980,009)		(2,480,284)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>1,731,173</b>		<b>(2,777,140)</b>

## Statement of Change in Net Assets attributable to Shareholders for the year ended 31 March 2024

	1 April 2023 to 31 March 2024		1 April 2022 to 31 March 2023	
	£	£	£	£
Opening net assets attributable to Shareholders		67,687,615		91,460,752
Amounts received on creation of shares	4,331,250		3,917,054	
Amounts paid on cancellation of shares	(13,339,409)		(27,116,163)	
		(9,008,159)		(23,199,109)
Dilution adjustment		8,246		26,285
Stamp duty reserve tax		(116)		—
Change in net assets attributable to Shareholders from investment activities		1,731,173		(2,777,140)
Retained distributions on accumulation shares		1,820,118		2,176,827
<b>Closing net assets attributable to Shareholders</b>		<b>62,238,877</b>		<b>67,687,615</b>

# ES River and Mercantile UK Alpha Fund

## Balance Sheet as at 31 March 2024

	Notes	31 March 2024		31 March 2023	
		£	£	£	£
<b>ASSETS</b>					
Fixed assets					
Investments			62,040,054		67,186,246
Current assets					
Debtors	8	608,713		492,389	
Cash and bank balances		60,298		211,662	
<b>Total other assets</b>			<b>669,011</b>		<b>704,051</b>
<b>Total assets</b>			<b>62,709,065</b>		<b>67,890,297</b>
<b>LIABILITIES</b>					
Creditors					
Bank overdrafts		—		(584)	
Distribution payable		(36,250)		(50,549)	
Other creditors	9	(433,938)		(151,549)	
<b>Total other liabilities</b>			<b>(470,188)</b>		<b>(202,682)</b>
<b>Total liabilities</b>			<b>(470,188)</b>		<b>(202,682)</b>
<b>Net assets attributable to Shareholders</b>			<b>62,238,877</b>		<b>67,687,615</b>



# ES River and Mercantile UK Alpha Fund

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## Notes to the Financial Statements

### 1 Accounting policies

The accounting policies for the sub-fund are set out on pages 7 to 9.

### 2 Net capital gains/(losses)

	31 March 2024 £	31 March 2023 £
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	1,756,283	(2,750,920)
Currency gains	1,220	2,507
Custodial transaction fees	<u>(22,396)</u>	<u>(25,483)</u>
Net capital gains/(losses)	<u>1,735,107</u>	<u>(2,773,896)</u>

### 3 Revenue

	31 March 2024 £	31 March 2023 £
Bank interest	5,808	1,385
Franked distributions from authorised funds	7,880	9,744
Non-taxable overseas dividends	157,459	323,668
UK dividends	2,001,116	2,445,196
UK REIT dividends	<u>61,887</u>	<u>45,818</u>
	<u>2,234,150</u>	<u>2,825,811</u>

# ES River and Mercantile UK Alpha Fund

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## Notes to the Financial Statements continued

### 4 Expenses

	31 March 2024 £	31 March 2023 £
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	<u>195,443</u>	<u>257,423</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	9,736	13,284
Safe custody fees	<u>2,517</u>	<u>3,184</u>
	<u>12,253</u>	<u>16,468</u>
Other expenses:		
Audit fee*	15,894	12,781
Fund accounting fees	14,854	17,086
Legal and professional fees	2,847	(420)
Registration fees	(306)	316
Transfer agency fees	16,947	7,631
Other fees	<u>(8,351)</u>	<u>12,743</u>
	<u>41,885</u>	<u>50,137</u>
Total expenses	<u>249,581</u>	<u>324,028</u>

\*Total audit fees of £12,507 (2023 - £11,689) exclusive of VAT.

# ES River and Mercantile UK Alpha Fund

## Notes to the Financial Statements continued

### 5 Taxation

	31 March 2024 £	31 March 2023 £
<b>a) Analysis of taxation charge in year</b>		
Overseas tax	8,138	23,801
Total taxation	<u>8,138</u>	<u>23,801</u>

### b) Factors affecting taxation charge for the year

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company with variable capital (20%) (2023: 20%). The difference is explained below:

Net revenue before taxation for the year	1,984,213	2,500,841
Return on ordinary activities before taxation at the applicable rate of Corporation tax in the UK of 20% (2023: 20%)	396,843	500,168
Effects of:		
Movement in tax losses	36,449	55,547
Overseas tax	8,138	23,801
Revenue not subject to tax	<u>(433,292)</u>	<u>(555,715)</u>
Total taxation	<u>8,138</u>	<u>23,801</u>

Open Ended Investment Companies are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation of the sub-fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

### c) Provision for deferred tax

There is no deferred tax provision in the current or preceding year.

At the year end there is a potential deferred tax asset of £1,190,226 (£1,153,777 as at 31 March 2023) due to tax losses. It is unlikely the sub-fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (same as at 31 March 2023).

### 6 Interest payable and similar charges

	31 March 2024 £	31 March 2023 £
Interest	356	942
	<u>356</u>	<u>942</u>

# ES River and Mercantile UK Alpha Fund

## Notes to the Financial Statements continued

### 7 Distributions

The distributions take account of revenue received on the creation of shares and deducted on the cancellation of shares, and comprise:

	31 March 2024 £	31 March 2023 £
Interim	1,172,693	1,458,250
Final	<u>742,928</u>	<u>867,079</u>
	1,915,621	2,325,329
Add: revenue deducted on cancellation of shares	89,952	180,779
Deduct: revenue received on creation of shares	<u>(25,564)</u>	<u>(25,824)</u>
	<u>1,980,009</u>	<u>2,480,284</u>
Distributions for the year		
Reconciliation between net revenue after taxation for the year and the distributions:		
Net revenue after taxation for the year	1,976,075	2,477,040
Expenses transferred to capital	<u>3,934</u>	<u>3,244</u>
Distributions for the year	<u>1,980,009</u>	<u>2,480,284</u>

### 8 Debtors

	31 March 2024 £	31 March 2023 £
Accrued revenue	317,000	367,918
Amounts receivable for issue of shares	49,329	77,483
Expense rebate due from the ACD	3,374	—
Foreign currency contracts awaiting settlement	5,782	—
Overseas tax recoverable	7,332	3,703
Sales awaiting settlement	<u>225,896</u>	<u>43,285</u>
	<u>608,713</u>	<u>492,389</u>

### 9 Other creditors

	31 March 2024 £	31 March 2023 £
<b>a) Distribution payable</b>		
Gross distribution payable	<u>36,250</u>	<u>50,549</u>
Total distribution payable	<u>36,250</u>	<u>50,549</u>
<b>b) Other creditors</b>		
Accrued expenses	54,058	63,127
Amounts payable for cancellation of shares	288,981	88,422
Foreign currency contracts awaiting settlement	5,781	—
Purchases awaiting settlement	<u>85,118</u>	<u>—</u>
	<u>433,938</u>	<u>151,549</u>

### 10 Contingent liabilities and outstanding commitments

There were no commitments or contingent liabilities at the balance sheet date (31 March 2023: same).

# ES River and Mercantile UK Alpha Fund

## Notes to the Financial Statements continued

### 11 Related party transactions

Equity Trustees Fund Services Ltd, as ACD, is a related party, and acts as principal in respect of all the transactions of shares in the company. The aggregate monies received through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets attributable to Shareholders. The amounts outstanding at the year end are disclosed in notes 8 and 9 as amounts receivable on creation of shares and amounts payable on cancellation of shares respectively.

Amounts paid to Equity Trustees Fund Services Ltd in respect of the ACD, associates of the ACD and agents of either of them are disclosed in note 4. The balance outstanding as at the year end was £17,731 (£18,901 as at 31 March 2023).

Any investments in or transactions with other ES River and Mercantile related party entities are individually identified in the portfolio statement

Equity Trustees Fund Services Limited, as the sub-fund's ACD, wishes to disclose to the sub-fund's Shareholders that 36.60% of the sub-fund's shares in issue are under the control of an institutional pension fund and its related parties.

### 12 Financial instruments

The main risks and the ACD's policy for managing these risks, are stated within the notes to the financial statements of all the sub-funds of the ES River and Mercantile Funds ICVC.

#### a) Credit risk

Certain transactions in securities that the sub-fund enters into expose it to risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibility.

This risk is managed by appraising the credit profile of financial instruments and trade counterparties.

#### b) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

		Assets £	Liabilities £
<b>31 March 2024</b>			
Level 1	Unadjusted quoted price in an active market for an identical instrument	61,598,934	—
Level 3	Valuation techniques using unobservable inputs	441,120	—
		<b>62,040,054</b>	<b>—</b>

		Assets £	Liabilities £
<b>31 March 2023</b>			
Level 1	Unadjusted quoted price in an active market for an identical instrument	67,009,225	—
Level 3	Valuation techniques using unobservable inputs	177,021	—
		<b>67,186,246</b>	<b>—</b>

Where a price is unavailable or the price provided is not thought to be a fair reflection of the current market value of the asset, the Manager, at its discretion, may permit a different method of valuation to be used.

Level 3 assets held in the sub-fund have been identified on the portfolio statement. Includes securities fair valued by the Manager. These securities are identified on the Fund's Portfolio Statement.

Upon review of the most recent Rangers company accounts, the 20pence FVP is still considered relevant. Whilst a limited number of new shares have been issued at 25pence, per share during the year, the current valuation was deemed to be conservative. As the stock continued to reflect a lack of liquidity, it was decided to price at a 20% discount.

# ES River and Mercantile UK Alpha Fund

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## Notes to the Financial Statements continued

### 12 Financial instruments continued

#### b) Valuation of financial investments continued

Following the announcement regarding the acquisition of Petronas Carigali Nile Ltd in South Sudan, the shares of Savannah Energy were suspended from trading in the AIM awaiting completion of the proposed transaction. In order for completion to take place, a written approval for the proposed transaction from the Government of South Sudan as well as publication of both companies FY 2023 audited annual accounts should be filed to progress the relisting within the AIM. Currently these shares are stale priced at the last traded price on the AIM exchange, this is believed to be the best estimated price in this prolonged suspension. Once the shares are relisted the price will be returned to the variable market price.

#### c) Foreign currency risk

Foreign currency risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. The risk may be managed by the utilisation of forward currency contracts as necessary.

At the balance sheet date, no significant foreign currency was held (2023: same).

#### d) Derivative risk

At the balance sheet date, no derivatives were held that could impact the sub-fund in a significant way (2023: same).

#### e) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk exposure of the sub-fund is not considered to be significant.

#### f) Sensitivity analysis

##### Price risk

If market prices had increased by 10% as at the balance sheet date the net asset value of the sub-fund would have increased by £6,204,005 (2023: £6,718,625). A weakening in market prices of 10% will have resulted in an equal but opposite effect.

#### g) Leverage

The sub-fund did not employ significant leverage during the year.

# ES River and Mercantile UK Alpha Fund

## Notes to the Financial Statements continued

### 13 Portfolio transaction costs

For the year 1 April 2023 to 31 March 2024

<b>Purchases</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	19,626,278	12,557	0.06	71,650	0.37
Collective investment schemes	498,169	334	0.07	1,486	0.30
<b>Total purchases</b>	<b>20,124,447</b>	<b>12,891</b>		<b>73,136</b>	
<b>Total purchases including transaction costs</b>	<b>20,210,474</b>				

  

<b>Sales</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	26,901,541	15,033	0.06	585	0.00
Collective investment schemes	204,171	126	0.06	8	0.00
<b>Total sales</b>	<b>27,105,712</b>	<b>15,159</b>		<b>593</b>	
<b>Total sales net of transaction costs</b>	<b>27,089,960</b>				
<b>Total transaction costs</b>		<b>28,050</b>		<b>73,729</b>	
<b>as a % of average net assets</b>		<b>0.05%</b>		<b>0.11%</b>	

For the year 1 April 2022 to 31 March 2023

<b>Purchases</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	23,751,106	15,829	0.07	93,643	0.39
Collective investment schemes	210,421	159	0.08	698	0.33
<b>Total purchases</b>	<b>23,961,527</b>	<b>15,988</b>		<b>94,341</b>	
<b>Total purchases including transaction costs</b>	<b>24,071,856</b>				

  

<b>Sales</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	44,433,311	25,422	0.06	940	0.00
Collective investment schemes	706,634	534	0.08	18	0.00
<b>Total sales</b>	<b>45,139,945</b>	<b>25,956</b>		<b>958</b>	
<b>Total sales net of transaction costs</b>	<b>45,113,031</b>				
<b>Total transaction costs</b>		<b>41,944</b>		<b>95,299</b>	
<b>as a % of average net assets</b>		<b>0.06%</b>		<b>0.12%</b>	

The above analysis covers any direct transaction costs suffered by the sub-fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

# ES River and Mercantile UK Alpha Fund

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## Notes to the Financial Statements continued

### 13 Portfolio transaction costs continued

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the sub-fund's investment in collective investment scheme holdings there will potentially be a dilution adjustment cost applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.61% (2023 - 0.43%).

### 14 Share movement

	<b>A-Class Distribution shares</b>	<b>B-Class Accumulation shares</b>	<b>Z-Class Accumulation shares</b>
Opening shares	2,401,647	1,871,664	2,557,491
Shares issued	9,177	182,174	138,406
Shares redeemed	(591,994)	(448,856)	(435,990)
<b>Closing shares</b>	<b>1,818,830</b>	<b>1,604,982</b>	<b>2,259,907</b>

### 15 Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.



# ES River and Mercantile UK Alpha Fund

## Distribution tables for the year ended 31 March 2024

Group 1: shares purchased prior to a distribution period

Group 2: shares purchased during a distribution period

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. As capital it is not liable to Income tax but must be deducted from the cost of shares for Capital Gains tax purposes.

Interim dividend distribution in pence per share		Period 01/04/2023 — 30/09/2023		
	Net Revenue	Equalisation	Distribution paid 30/11/23	Distribution paid 30/11/22
<b>A-Class Distribution shares</b>				
Group 1	3.0965	—	3.0965	3.3151
Group 2	1.8062	1.2903	3.0965	3.3151
<b>B-Class Accumulation shares</b>				
Group 1	17.6968	—	17.6968	18.3858
Group 2	9.5833	8.1135	17.6968	18.3858
<b>Z-Class Accumulation shares</b>				
Group 1	31.8181	—	31.8181	32.4407
Group 2	20.2767	11.5414	31.8181	32.4407

Final dividend distribution in pence per share		Period 01/10/2023 — 31/03/2024		
	Net Revenue	Equalisation	Distribution payable 31/05/24	Distribution paid 31/05/23
<b>A-Class Distribution shares</b>				
Group 1	1.9930	—	1.9930	2.1048
Group 2	1.2924	0.7006	1.9930	2.1048
<b>B-Class Accumulation shares</b>				
Group 1	11.5709	—	11.5709	11.9055
Group 2	6.6149	4.9560	11.5709	11.9055
<b>Z-Class Accumulation shares</b>				
Group 1	23.0526	—	23.0526	23.2141
Group 2	15.4289	7.6237	23.0526	23.2141

# ES River and Mercantile

## UK Listed Smaller Companies Fund

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### Investment Objective

The investment objective of the sub-fund is to grow the value of your investment (known as “capital growth”) in excess of the Numis Smaller Companies plus AIM Excluding Investment Companies Index Net Total Return (the “Benchmark”) over a rolling 5 year period, after the deduction of all fees.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The sub-fund’s capital is at risk meaning that the sub-fund could suffer a decrease in value and the value of your investment would decrease as a result.

### Investment Policy

The sub-fund seeks to achieve its investment objective by investing at least 80% of its value in shares of the smallest 10% of companies in the UK stock market in terms of market capitalisation (total number of shares outstanding multiplied by the current price). Investment can be direct, or indirect, in shares (including common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

Up to 20% of the sub-fund may be invested in shares of companies of any size and anywhere in the world (including the UK and excluding emerging markets), collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager.

The sub-fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as “efficient portfolio management”). As an example, the sub-fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The sub-fund is actively managed, meaning the Investment Manager will use their expertise to pick investments to achieve the sub-fund’s objectives.

The sub-fund will invest in a range of companies by industry sector. Its investments are not restricted by reference to the Benchmark, but the sub-fund is limited to a maximum investment of 5% of the sub-fund’s assets in any one company.

# ES River and Mercantile

## UK Listed Smaller Companies Fund

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### Investment Manager's Review

The ES R&M UK Listed Smaller Companies Fund B share class delivered a return of 8.2%, outperforming the benchmark return of 3.0% by +5.2%.

We are looking to build a portfolio of companies that have a clear opportunity to create shareholder value in one of three phases of the company lifecycle – Growth, Quality and Recovery. We are well balanced with 32% in Quality, 33% in Growth and 33% in Recovery at the end of March 2024.

Pleasingly, we have seen strong contributions to performance from each of our company lifecycle categories. Within Recovery, defence business **Babcock**, which was purchased in the prior year, and **Sabre Insurance** delivered excellent returns. **Restaurant Group**, which was also held with a Recovery investment case was acquired at an attractive premium by private equity. Growth companies **Moonpig** and **Hollywood Bowl** re-rated as both companies delivered excellent operational performances. We also experienced strong returns from three of our Quality holdings – **Bytes Technology**, **Cranswick** and **XPS Pensions**.

In a regime where Growth stocks have been out of favour, any growth holdings that failed to meet expectations performed particularly poorly. Following several years of strong growth, each of **Future**, **Team17**, **Pebble Group**, **OSB Group** and **Alpha Financial Markets** delivered growth below expectations and were significant detractors from performance. We believe we will see improved performance from these companies in the current year. Finally, Energy was once again a detractor to performance with both **Diversified Energy** and **Kistos** underperforming.

We have continued the process that we started in the prior year, namely re-positioning the strategy towards more Recovery investment cases and companies that are more geared to the economy. We initiated new positions in **XP Power**, **Capita**, **Hunting** and **Mitchells & Butlers** where we expect a recovery in margins towards historic levels to drive shareholder value creation. We added cyclicalities through initiating positions in **Next 15 Group** which is geared to a recovery in global marketing spend, **Clarkson** (shipping rates and activity) and **Atalaya** (copper). Finally, we initiated positions in Growth companies that have recently underperformed including **Kooth**, **Big Technologies**, **Auction Technology** and **Aptitude Software** where we believe the current valuations are extremely attractive if the companies can deliver on their medium-term growth potential.

New positions were typically funded from proceeds of takeovers (**Smart Metering Systems** and **Restaurant Group**) or disposals because of a deterioration of our original investment case which is typically driven by either valuation or earnings momentum.

### Outlook

We continue to believe that, whilst impossible to time precisely, on any sensible investment horizon, there is a substantial opportunity from investing in UK smaller companies today. The evidence suggests we are well past peak inflation and interest rate expectations with depressed valuations, sentiment and positioning and improving macro-economic lead indicators. We are at the phase of the cycle where – globally – small cap companies have historically started to outperform. And within the UK market, we are starting from a historically depressed position.

We think that prior cycles are as good an indicator as any of the scale of the opportunity – even excluding the exceptional period of performance from December 2008 to March 2018, the average outperformance of smaller companies in the UK over the last 5 cycles has been in excess of 50% (analysis of performance in 1992-1994, 1999-2000, 2001-2007, 2008 to 2018 and 2019 to 2021 and excluding the outperformance of more than 150% for the 2008 to 2018 cycle).

We attempt to diversify our portfolios to protect against foreseen and unforeseen risks. Our investment philosophy enables us to invest in strong, cash generating companies at various stages of their corporate lifecycle. This approach has supported strong absolute and relative returns for this strategy over more than seventeen years.

We have spent the last 18 months positioning the fund for recovery – incrementally buying more cyclical, higher beta Recovery investment cases which has predominantly come at the expense of less cyclical Quality holdings.

River Global  
March 2024  
Investment Adviser to the sub-fund

Source: River Global Investors, Bloomberg LP. Fund performance is calculated using midday published prices. Benchmark performance is calculated using close of business mid-market prices.

# ES River and Mercantile UK Listed Smaller Companies Fund

## Portfolio Statement as at 31 March 2024

Holding	Investment	Market Value £	% of Net Assets
<b>United Kingdom – 79.48% (2023 – 77.74%)</b>			
<b>Advertising – 3.46% (2023 – 2.81%)</b>			
600,000	Next 15	5,538,000	1.64
9,472,000	Pebble*	6,156,800	1.82
<b>Aerospace &amp; Defence – 1.73% (2023 – 0.00%)</b>			
1,600,000	QinetiQ	5,840,000	1.73
<b>Beverages – 2.28% (2023 – 0.36%)</b>			
642,000	Fevertree Drinks	7,704,000	2.28
<b>Building Materials – 3.99% (2023 – 2.82%)</b>			
13,650,000	SigmaRoc*	9,282,000	2.75
1,450,000	Tyman	4,197,750	1.24
<b>Commercial Services – 8.51% (2023 – 8.78%)</b>			
2,000,000	Alpha Financial Markets Consulting	6,400,000	1.89
1,600,000	Babcock International	8,320,000	2.46
13,000,000	Capita	1,714,700	0.51
980,750	Keystone Law	5,786,425	1.71
2,850,000	XPS Pensions	6,555,000	1.94
<b>Computers – 3.15% (2023 – 5.33%)</b>			
500,000	Bytes Technology	2,555,000	0.76
4,250,000	Serco	8,062,250	2.39
<b>Cosmetics &amp; Personal Care – 0.40% (2023 – 0.43%)</b>			
3,726,471	Venture Life*	1,341,529	0.40
<b>Diversified Financial Services – 9.22% (2023 – 12.37%)</b>			
350,000	Alpha International	6,580,000	1.95
5,000,000	Begbies Traynor	5,350,000	1.58
5,000,000	FRP Advisory	5,700,000	1.69
415,000	Impax Asset Management	1,925,600	0.57
1,810,000	LendInvest*	452,500	0.13
415,000	Liontrust Asset Management	2,778,425	0.82
1,600,000	OSB	6,035,200	1.79
515,378	Polar Capital*	2,344,970	0.69
<b>Electricity – 2.00% (2023 – 1.98%)</b>			
1,350,000	Drax	6,766,200	2.00

# ES River and Mercantile UK Listed Smaller Companies Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Electronics – 1.92% (2023 – 2.78%)</b>		
1,722,222	Atrato Onsite Energy	1,253,778	0.37
3,307,500	TT Electronics	5,239,080	1.55
	<b>Food Producers – 2.18% (2023 – 2.08%)</b>		
180,000	Cranswick	7,369,200	2.18
	<b>Home Furnishings – 0.00% (2023 – 0.28%)</b>		
	<b>Insurance – 4.31% (2023 – 2.78%)</b>		
850,000	Lancashire	5,257,250	1.56
5,200,000	Sabre Insurance	9,276,800	2.75
	<b>Internet – 5.87% (2023 – 5.46%)</b>		
500,000	Auction Technology	3,090,000	0.91
650,000	Future	3,981,250	1.18
1,040,000	Kooth*	2,787,200	0.83
4,400,000	Moonpig	7,449,200	2.20
3,200,000	Victorian Plumbing*	2,531,200	0.75
	<b>Leisure Time – 4.23% (2023 – 4.02%)</b>		
2,150,000	Hollywood Bowl	7,084,250	2.10
4,350,000	On the Beach	7,186,200	2.13
	<b>Machinery Diversified – 1.81% (2023 – 0.92%)</b>		
1,235,000	Vesuvius	6,115,720	1.81
	<b>Media – 0.00% (2023 – 0.31%)</b>		
	<b>Mining – 0.00% (2023 – 0.28%)</b>		
	<b>Miscellaneous Manufacturing – 1.83% (2023 – 2.12%)</b>		
1,707,000	Chemring	6,187,875	1.83
	<b>Oil &amp; Gas Producers – 1.78% (2023 – 3.17%)</b>		
1,300,000	Kistos	1,859,000	0.55
2,200,000	Serica Energy*	4,144,800	1.23
	<b>Oil &amp; Gas Services – 1.66% (2023 – 0.00%)</b>		
1,700,000	Hunting	5,618,500	1.66

# ES River and Mercantile UK Listed Smaller Companies Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Packaging &amp; Containers – 2.17% (2023 – 1.55%)</b>		
4,180,857	Essentra	7,341,585	2.17
	<b>Pharmaceuticals – 2.26% (2023 – 3.58%)</b>		
450,000	Indivior	7,623,000	2.26
	<b>Private Equity – 0.00% (2023 – 1.59%)</b>		
	<b>Real Estate Investment Trusts – 3.07% (2023 – 1.85%)</b>		
4,500,000	Shaftesbury Capital	6,493,500	1.92
5,000,000	Supermarket Income Reit	3,875,000	1.15
	<b>Retail – 2.17% (2023 – 2.62%)</b>		
1,752,500	DFS Furniture	1,938,265	0.57
2,400,000	Mitchells & Butlers	5,414,400	1.60
	<b>Software – 4.61% (2023 – 3.10%)</b>		
486,100	Aptitude Software	1,497,188	0.44
3,700,000	Big Technologies	4,995,000	1.48
4,750,000	Learning Technologies*	4,047,000	1.20
2,194,324	Team17*	5,046,945	1.49
	<b>Telecommunications – 2.50% (2023 – 4.37%)</b>		
620,000	Gamma Communications	8,456,800	2.50
	<b>Transportation – 2.37% (2023 – 0.00%)</b>		
200,000	Clarkson	8,010,000	2.37
	<b>Bermuda – 2.91% (2023 – 3.27%)</b>		
1,900,000	Conduit	9,823,000	2.91
	<b>Cyprus – 1.03% (2023 – 0.00%)</b>		
900,000	Atalaya Mining	3,483,000	1.03
	<b>Gibraltar – 0.72% (2023 – 0.39%)</b>		
2,750,000	888	2,431,000	0.72
	<b>Guernsey – 1.13% (2023 – 1.21%)</b>		
26,875,000	Shanta Gold*	3,816,250	1.13

# ES River and Mercantile UK Listed Smaller Companies Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Ireland – 0.63% (2023 – 1.43%)</b>		
666,166	Kenmare Resources	2,128,400	0.63
	<b>Isle of Man – 0.00% (2023 – 0.55%)</b>		
	<b>Jersey – 4.09% (2023 – 3.37%)</b>		
5,500,000	Centamin	6,193,000	1.83
928,500	JTC	7,622,985	2.26
	<b>Mauritius – 1.20% (2023 – 1.15%)</b>		
4,500,000	Capital	4,059,000	1.20
	<b>Singapore – 1.05% (2023 – 0.00%)</b>		
325,000	XP Power	3,536,000	1.05
	<b>United States of America – 4.80% (2023 – 6.49%)</b>		
3,000,000	Boku	5,460,000	1.62
450,000	Diversified Energy	4,261,500	1.26
1,400,000	MaxCyte	4,632,496	1.37
560,000	Somero Enterprises*	1,876,000	0.55
	<b>Collective Investment Schemes – 1.33% (2023 – 1.20%)</b>		
3,000,230	River & Mercantile UK Micro Cap Investment**	4,500,345	1.33
	<b>Portfolio of investments</b>	<b>332,379,311</b>	<b>98.37</b>
	<b>Net other assets</b>	<b>5,514,043</b>	<b>1.63</b>
	<b>Net assets</b>	<b>337,893,354</b>	<b>100.00</b>

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2023.

\*Security listed in AIM.

\*\*Related party.

# ES River and Mercantile UK Listed Smaller Companies Fund

## Comparative table

For the year ending:	31/03/2024	31/03/2023	31/03/2022
B-Class Accumulation shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	2,508.53	2,915.38	2,912.44
Return before operating charges*	226.96	(384.07)	29.30
Operating charges	(21.72)	(22.78)	(26.36)
Return after operating charges	205.24	(406.85)	2.94
Distributions	(60.99)	(59.59)	(34.11)
Retained distributions on accumulation shares	60.99	59.59	34.11
<b>Closing net asset value per share</b>	<b>2,713.77</b>	<b>2,508.53</b>	<b>2,915.38</b>
*After direct transaction costs of	(3.13)	(2.99)	(7.39)
<b>Performance</b>			
Return after charges	8.18%	(13.96)%	0.10%
<b>Other information</b>			
Closing net asset value (£)	174,870,295	178,647,014	243,145,895
Closing number of shares	6,443,803	7,121,571	8,340,117
Operating charges**	0.86%	0.85%	0.83%
Direct transaction costs	0.13%	0.11%	0.23%
<b>Prices</b>			
Highest share price	2,718.98	3,030.19	3,548.98
Lowest share price	2,319.75	2,362.49	2,615.86

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.95%.



# ES River and Mercantile UK Listed Smaller Companies Fund

## Comparative table continued

For the year ending:	31/03/2024	31/03/2023	31/03/2022
B-Class Distribution shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	554.34	660.04	666.48
Return before operating charges*	49.11	(87.17)	7.34
Operating charges	(4.76)	(5.12)	(6.01)
Return after operating charges	44.35	(92.29)	1.33
Distributions	(13.41)	(13.41)	(7.77)
<b>Closing net asset value per share</b>	<b>585.28</b>	<b>554.34</b>	<b>660.04</b>
*After direct transaction costs of	(0.68)	(0.67)	(1.69)
<b>Performance</b>			
Return after charges	8.00%	(13.98)%	0.20%
<b>Other information</b>			
Closing net asset value (£)	103,293,519	115,418,590	197,764,717
Closing number of shares	17,648,530	20,821,077	29,962,495
Operating charges**	0.86%	0.85%	0.83%
Direct transaction costs	0.13%	0.11%	0.23%
<b>Prices</b>			
Highest share price	590.29	686.06	812.12
Lowest share price	503.64	526.39	594.10

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.95%.

# ES River and Mercantile UK Listed Smaller Companies Fund

## Comparative table continued

For the year ending:	31/03/2024	31/03/2023	31/03/2022+
	pence	pence	pence
S-Class Accumulation shares	per share	per share	per share
<b>Change in net assets per share</b>			
Opening net asset value per share	205.21	237.90	250.00
Return before operating charges*	18.60	(31.38)	(10.69)
Operating charges	(1.26)	(1.31)	(1.41)
Return after operating charges	17.34	(32.69)	(12.10)
Distributions	(5.51)	(5.42)	(2.77)
Retained distributions on accumulation shares	5.51	5.42	2.77
<b>Closing net asset value per share</b>	<b>222.55</b>	<b>205.21</b>	<b>237.90</b>
*After direct transaction costs of	(0.26)	(0.24)	(0.57)
<b>Performance</b>			
Return after charges	8.45%	(13.74)%	(4.84)%
<b>Other information</b>			
Closing net asset value (£)	37,895,675	40,536,406	39,567,198
Closing number of shares	17,027,998	19,753,499	16,631,718
Operating charges**	0.61%	0.60%	0.57%
Direct transaction costs	0.13%	0.11%	0.24%
<b>Prices</b>			
Highest share price	222.97	247.29	289.20
Lowest share price	190.04	193.03	213.43

+Launched on 19 April 2021.

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.70%.

# ES River and Mercantile UK Listed Smaller Companies Fund

## Comparative table continued

For the year ending:	31/03/2024	31/03/2023	31/03/2022
S-Class Distribution shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	295.65	352.06	355.50
Return before operating charges*	26.20	(46.51)	3.91
Operating charges	(1.80)	(1.93)	(2.24)
Return after operating charges	24.40	(48.44)	1.67
Distributions	(7.89)	(7.97)	(5.11)
<b>Closing net asset value per share</b>	<b>312.16</b>	<b>295.65</b>	<b>352.06</b>
*After direct transaction costs of	(0.37)	(0.36)	(0.90)
<b>Performance</b>			
Return after charges	8.25%	(13.76)%	0.47%
<b>Other information</b>			
Closing net asset value (£)	19,372,553	26,724,280	35,960,094
Closing number of shares	6,205,985	9,039,185	10,214,081
Operating charges**	0.61%	0.60%	0.58%
Direct transaction costs	0.13%	0.11%	0.23%
<b>Prices</b>			
Highest share price	315.19	365.97	433.67
Lowest share price	268.65	280.76	317.27

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.70%.

# ES River and Mercantile UK Listed Smaller Companies Fund

## Comparative table continued

For the year ending:	31/03/2024+
S2-Class Accumulation shares	pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00
Return before operating charges*	11.33
Operating charges	(0.56)
Return after operating charges	10.77
Distributions	(1.95)
Retained distributions on accumulation shares	1.95
<b>Closing net asset value per share</b>	<b>110.77</b>
*After direct transaction costs of	(0.10)
<b>Performance</b>	
Return after charges	10.77%
<b>Other information</b>	
Closing net asset value (£)	2,457,668
Closing number of shares	2,218,660
Operating charges**	0.71%
Direct transaction costs	0.13%
<b>Prices</b>	
Highest share price	110.98
Lowest share price	94.64

+Launched on 27 June 2023.

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.80%.

# ES River and Mercantile UK Listed Smaller Companies Fund

## Comparative table continued

For the year ending:	31/03/2024+
S2-Class Distribution shares	pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00
Return before operating charges*	11.20
Operating charges	(0.53)
Return after operating charges	10.67
Distributions	(1.95)
<b>Closing net asset value per share</b>	<b>108.72</b>
*After direct transaction costs of	(0.10)
<b>Performance</b>	
Return after charges	10.67%
<b>Other information</b>	
Closing net asset value (£)	3,644
Closing number of shares	3,352
Operating charges**	0.68%
Direct transaction costs	0.13%
<b>Prices</b>	
Highest share price	109.75
Lowest share price	93.57

+Launched on 27 June 2023.

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.80%.

# ES River and Mercantile UK Listed Smaller Companies Fund

## Synthetic Risk Reward Indicator (SRRI)



Typically Lower Rewards

Typically Higher Rewards



This sub-fund is ranked at 6 because funds of this type have experienced medium to high rises and falls in value in the past. The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile. The risk and reward score is not guaranteed and may change over time. The lowest category does not mean risk free. While the risk indicator takes into account the broader risk profile, the following risks are considered most relevant to this sub-fund:

- **Equity Securities:** Equities can lose value rapidly, and typically involve higher market risks than bonds, money market instruments or other debt instruments. Fluctuation in value may occur in response to activities of individual companies, the general market, economic conditions, or changes in currency exchange rates.
- **Small and Mid-Cap Stock:** Stocks of small and mid-size companies can be more volatile and less liquid than stocks of larger companies. Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks.
- **Concentration:** In certain conditions the sub-fund may invest in a relatively small number of securities, which may result in portfolio concentration in sectors, countries, or other groupings. These potential concentrations mean that a loss arising in a single investment may cause a proportionately greater loss in the sub-fund than if a larger number of investments were made.
- **Liquidity:** There is a risk that adverse market conditions may affect the sub-fund's ability to sell assets at the price the sub-fund would like, or the sub-fund may have to sell them at a loss.
- **Currency:** To the extent that a sub-fund holds assets that are denominated in currencies other than the base currency, any changes in currency exchange rates could reduce investment gains or income, or increase investment losses.
- **Liquidity Constraints:** This Fund is exposed to smaller companies, meaning there may be liquidity constraints from time to time, i.e., in certain circumstances, the Fund may not be able to sell a position for full value or at all in the short term. This may affect performance and could cause the Fund to defer or suspend redemptions of its shares. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings.

## Summary of Largest Portfolio Changes

The table below shows the top ten purchases and sales for the year.

<b>Purchases</b>	<b>£</b>	<b>Sales</b>	<b>£</b>
Fevertree Drinks	6,288,427	Bytes Technology	9,462,322
Clarkson	5,866,904	Smart Metering Systems	7,415,616
Hunting	4,935,439	Restaurant	7,386,248
Mitchells & Butlers	4,847,742	Alpha International	5,817,510
Next 15 Group	4,681,450	Hollywood Bowl	5,419,958
Team17	3,811,059	Spirent Communications	5,362,851
XP Power	3,738,148	Indivior	4,875,323
Atalaya	3,020,172	Serco Group	4,498,216
Kooth	3,010,853	Atrato Onsite Energy	4,135,679
Big Technologies	2,963,566	Gamma Communications	3,885,408

# ES River and Mercantile

## UK Listed Smaller Companies Fund

### Statement of Total Return for the year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024		1 April 2022 to 31 March 2023	
		£	£	£	£
Income					
Net capital gains/(losses)	2		16,975,633		(75,309,659)
Revenue	3	11,348,047		13,486,059	
Expenses	4	(2,812,492)		(3,479,460)	
Interest payable and similar charges	6	—		(4)	
Net revenue before taxation for the year		8,535,555		10,006,595	
Taxation	5	(180,676)		(354,375)	
Net revenue after taxation for the year			8,354,879		9,652,220
Total return before distributions			25,330,512		(65,657,439)
Distributions	7		(8,395,783)		(9,692,544)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>16,934,729</b>		<b>(75,349,983)</b>

### Statement of Change in Net Assets attributable to Shareholders for the year ended 31 March 2024

		1 April 2023 to 31 March 2024		1 April 2022 to 31 March 2023	
		£	£	£	£
Opening net assets attributable to Shareholders			361,326,290		516,437,904
Amounts received on creation of shares	81,862,691			108,149,733	
Amounts paid on cancellation of shares	(127,351,570)			(193,286,144)	
			(45,488,879)		(85,136,411)
Dilution adjustment			53,940		299,743
Stamp duty reserve tax			(2,100)		—
Change in net assets attributable to Shareholders from investment activities			16,934,729		(75,349,983)
Retained distributions on accumulation shares			5,069,367		5,074,888
Unclaimed distributions over 6 years old			7		149
<b>Closing net assets attributable to Shareholders</b>			<b>337,893,354</b>		<b>361,326,290</b>

# ES River and Mercantile

## UK Listed Smaller Companies Fund

### Balance Sheet as at 31 March 2024

	Notes	31 March 2024		31 March 2023	
		£	£	£	£
<b>ASSETS</b>					
Fixed assets					
Investments			332,379,311		349,779,860
Current assets					
Debtors	8	2,936,313		5,684,653	
Cash and bank balances		5,851,763		10,970,867	
<b>Total other assets</b>			<b>8,788,076</b>		<b>16,655,520</b>
<b>Total assets</b>			<b>341,167,387</b>		<b>366,435,380</b>
<b>LIABILITIES</b>					
Creditors					
Distribution payable		(836,008)		(1,197,181)	
Other creditors	9	(2,438,025)		(3,911,909)	
<b>Total other liabilities</b>			<b>(3,274,033)</b>		<b>(5,109,090)</b>
<b>Total liabilities</b>			<b>(3,274,033)</b>		<b>(5,109,090)</b>
<b>Net assets attributable to Shareholders</b>			<b>337,893,354</b>		<b>361,326,290</b>



# ES River and Mercantile UK Listed Smaller Companies Fund

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## Notes to the Financial Statements

### 1 Accounting policies

The accounting policies for the sub-fund are set out on pages 7 to 9.

### 2 Net capital gains/(losses)

	31 March 2024 £	31 March 2023 £
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	17,017,885	(75,302,699)
Currency (losses)/gains	(29,264)	7,187
Custodial transaction fees	(12,988)	(14,147)
Net capital gains/(losses)	<u>16,975,633</u>	<u>(75,309,659)</u>

### 3 Revenue

	31 March 2024 £	31 March 2023 £
Bank interest	373,926	245,214
Franked distributions from authorised funds	223,854	—
Management fee rebates	33,192	38,723
Non-taxable overseas dividends	3,776,341	4,140,286
UK dividends	6,692,283	8,624,106
UK REIT dividends	248,451	437,730
	<u>11,348,047</u>	<u>13,486,059</u>

# ES River and Mercantile UK Listed Smaller Companies Fund

## Notes to the Financial Statements continued

### 4 Expenses

	31 March 2024 £	31 March 2023 £
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	<u>2,471,707</u>	<u>3,076,190</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	48,978	62,257
Safe custody fees	<u>10,603</u>	<u>15,038</u>
	<u>59,581</u>	<u>77,295</u>
Other expenses:		
Audit fee*	15,894	12,781
Fund accounting fees	77,080	86,565
Legal and professional fees	4,087	11,625
Registration fees	(1,306)	1,365
Transfer agency fees	132,453	162,593
Other fees	<u>52,996</u>	<u>51,046</u>
	<u>281,204</u>	<u>325,975</u>
Total expenses	<u><u>2,812,492</u></u>	<u><u>3,479,460</u></u>

\*Total audit fees of £12,507 (2023 - £11,689) exclusive of VAT.

# ES River and Mercantile UK Listed Smaller Companies Fund

## Notes to the Financial Statements continued

### 5 Taxation

	31 March 2024 £	31 March 2023 £
<b>a) Analysis of taxation charge in year</b>		
Overseas tax	<u>180,676</u>	<u>354,375</u>
Total taxation	<u>180,676</u>	<u>354,375</u>

### b) Factors affecting taxation charge for the year

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company with variable capital (20%) (2023: 20%). The difference is explained below:

Net revenue before taxation for the year	<u>8,535,555</u>	<u>10,006,595</u>
Return on ordinary activities before taxation at the applicable rate of Corporation tax in the UK of 20% (2023: 20%)	1,707,111	2,001,319
Effects of:		
Movement in tax losses	431,385	1,060,954
Overseas tax	180,676	354,375
Prior year adjustment to tax losses	—	(509,395)
Revenue not subject to tax	<u>(2,138,496)</u>	<u>(2,552,878)</u>
Total taxation	<u>180,676</u>	<u>354,375</u>

Open Ended Investment Companies are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation of the sub-fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

### c) Provision for deferred tax

There is no deferred tax provision in the current or preceding year.

At the year end there is a potential deferred tax asset of £9,202,762 (£8,771,377 as at 31 March 2023) due to tax losses. It is unlikely the sub-fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (same as at 31 March 2023).

### 6 Interest payable and similar charges

	31 March 2024 £	31 March 2023 £
Interest	<u>—</u>	<u>4</u>
	<u>—</u>	<u>4</u>

# ES River and Mercantile

## UK Listed Smaller Companies Fund

### Notes to the Financial Statements continued

#### 7 Distributions

The distributions take account of revenue received on the creation of shares and deducted on the cancellation of shares, and comprise:

	31 March 2024 £	31 March 2023 £
Interim	5,749,702	5,854,456
Final	<u>2,299,214</u>	<u>3,027,904</u>
	8,048,916	8,882,360
Add: revenue deducted on cancellation of shares	812,139	1,352,240
Deduct: revenue received on creation of shares	<u>(465,272)</u>	<u>(542,056)</u>
Distributions for the year	<u>8,395,783</u>	<u>9,692,544</u>
Reconciliation between net revenue after taxation for the year and the distributions:		
Net revenue after taxation for the year	8,354,879	9,652,220
Equalisation on conversions	(39)	(27)
Expenses transferred to capital	<u>40,943</u>	<u>40,351</u>
Distributions for the year	<u>8,395,783</u>	<u>9,692,544</u>

#### 8 Debtors

	31 March 2024 £	31 March 2023 £
Accrued revenue	725,999	1,160,713
Amounts receivable for issue of shares	1,561,581	1,718,709
Overseas tax recoverable	205,339	70,347
Sales awaiting settlement	<u>443,394</u>	<u>2,734,884</u>
	<u>2,936,313</u>	<u>5,684,653</u>

#### 9 Other creditors

	31 March 2024 £	31 March 2023 £
<b>a) Distribution payable</b>		
Gross distribution payable	<u>836,008</u>	<u>1,197,181</u>
Total distribution payable	<u>836,008</u>	<u>1,197,181</u>
<b>b) Other creditors</b>		
Accrued expenses	305,338	396,700
Amounts payable for cancellation of shares	1,948,816	2,004,801
Purchases awaiting settlement	<u>183,871</u>	<u>1,510,408</u>
	<u>2,438,025</u>	<u>3,911,909</u>

#### 10 Contingent liabilities and outstanding commitments

There were no commitments or contingent liabilities at the balance sheet date (31 March 2023: same).

# ES River and Mercantile

## UK Listed Smaller Companies Fund

### Notes to the Financial Statements continued

#### 11 Related party transactions

Equity Trustees Fund Services Ltd, as ACD, is a related party, and acts as principal in respect of all the transactions of shares in the company. The aggregate monies received through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets attributable to Shareholders. The amounts outstanding at the year end are disclosed in notes 8 and 9 as amounts receivable on creation of shares and amounts payable on cancellation of shares respectively.

Amounts paid to Equity Trustees Fund Services Ltd in respect of the ACD, associates of the ACD and agents of either of them are disclosed in note 4. The balance outstanding as at the year end was £218,542 (£232,772 as at 31 March 2023).

Equity Trustees Fund Services Limited, as the sub-fund's ACD, wishes to disclose to the sub-fund's Shareholders that 23.52% of the sub-fund's shares in issue are under the control of a nominee and its related parties.

#### 12 Financial instruments

The main risks and the ACD's policy for managing these risks, are stated within the notes to the financial statements of all the sub-funds of the ES River and Mercantile Funds ICVC.

##### a) Credit risk

Certain transactions in securities that the sub-fund enters into expose it to risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibility.

This risk is managed by appraising the credit profile of financial instruments and trade counterparties.

##### b) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

		Assets £	Liabilities £
<b>31 March 2024</b>			
Level 1	Unadjusted quoted price in an active market for an identical instrument	332,379,311	—
		<b>332,379,311</b>	<b>—</b>

		Assets £	Liabilities £
<b>31 March 2023</b>			
Level 1	Unadjusted quoted price in an active market for an identical instrument	348,936,110	—
Level 3	Valuation techniques using unobservable inputs	843,750	—
		<b>349,779,860</b>	<b>—</b>

Where a price is unavailable or the price provided is not thought to be a fair reflection of the current market value of the asset, the Manager, at its discretion, may permit a different method of valuation to be used.

Level 3 assets held in the sub-fund have been identified on the portfolio statement. Includes securities fair valued by the Manager. These securities are identified on the Fund's Portfolio Statement.

##### c) Foreign currency risk

Foreign currency risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. The risk may be managed by the utilisation of forward currency contracts as necessary.

# ES River and Mercantile UK Listed Smaller Companies Fund

## Notes to the Financial Statements continued

### 12 Financial instruments continued

#### c) Foreign currency risk continued

At the balance sheet date, no significant foreign currency was held (2023: same).

#### d) Derivative risk

At the balance sheet date, no derivatives were held that could impact the sub-fund in a significant way (2023: same).

#### e) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk exposure of the sub-fund is not considered to be significant.

#### f) Sensitivity analysis

##### Price risk

If market prices had increased by 10% as at the balance sheet date the net asset value of the sub-fund would have increased by £33,237,931 (2023: £34,977,986). A weakening in market prices of 10% will have resulted in an equal but opposite effect.

#### g) Leverage

The sub-fund did not employ significant leverage during the year.

### 13 Portfolio transaction costs

For the year 1 April 2023 to 31 March 2024

Purchases	Transaction Value	Commissions		Taxes	
	£	£	%	£	%
Equity instruments (direct)	93,604,858	61,185	0.07	256,218	0.27
Collective investment schemes	483,450	290	0.06	2,418	0.50
Total purchases	94,088,308	61,475		258,636	
Total purchases including transaction costs	94,408,419				
Sales	Transaction Value	Commissions		Taxes	
	£	£	%	£	%
Equity instruments (direct)	124,779,766	90,993	0.07	535	0.00
Collective investment schemes	4,138,336	2,631	0.06	26	0.00
Total sales	128,918,102	93,624		561	
Total sales net of transaction costs	128,823,917				
Total transaction costs		155,099		259,197	
as a % of average net assets		0.05%		0.08%	

# ES River and Mercantile UK Listed Smaller Companies Fund

## Notes to the Financial Statements continued

### 13 Portfolio transaction costs continued

For the year 1 April 2022 to 31 March 2023

<b>Purchases</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	103,389,022	73,435	0.07	272,305	0.26
Total purchases	103,389,022	73,435		272,305	
Total purchases including transaction costs	103,734,762				
<b>Sales</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	166,096,476	123,570	0.07	538	0.00
Total sales	166,096,476	123,570		538	
Total sales net of transaction costs	165,972,368				
Total transaction costs		197,005		272,843	
as a % of average net assets		0.05%		0.06%	

The above analysis covers any direct transaction costs suffered by the sub-fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the sub-fund's investment in collective investment scheme holdings there will potentially be a dilution adjustment cost applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.78% (2023 - 0.94%).

### 14 Share movement

	<b>B-Class Accumulation shares</b>	<b>B-Class Distribution shares</b>	<b>S-Class Accumulation shares</b>	<b>S-Class Distribution shares</b>	<b>S2-Class Accumulation shares</b>	<b>S2-Class Distribution shares</b>
Opening shares	7,121,571	20,821,077	19,753,499	9,039,185	—	—
Shares issued	2,230,973	2,531,193	3,996,271	499,100	2,404,507	3,448
Shares redeemed	(2,873,947)	(5,875,293)	(6,707,765)	(3,305,198)	(216,477)	(96)
Shares converted	(34,794)	171,553	(14,007)	(27,102)	30,630	—
<b>Closing shares</b>	<b>6,443,803</b>	<b>17,648,530</b>	<b>17,027,998</b>	<b>6,205,985</b>	<b>2,218,660</b>	<b>3,352</b>

### 15 Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

# ES River and Mercantile UK Listed Smaller Companies Fund

## Distribution tables for the year ended 31 March 2024

Group 1: shares purchased prior to a distribution period

Group 2: shares purchased during a distribution period

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. As capital it is not liable to Income tax but must be deducted from the cost of shares for Capital Gains tax purposes.

Interim dividend distribution in pence per share		Period 01/04/2023 — 30/09/2023		
	Net Revenue	Equalisation	Distribution paid 30/11/23	Distribution paid 30/11/22
<b>B-Class Accumulation shares</b>				
Group 1	43.1161	—	43.1161	39.2396
Group 2	21.5606	21.5555	43.1161	39.2396
<b>B-Class Distribution shares</b>				
Group 1	9.5272	—	9.5272	8.8816
Group 2	5.5063	4.0209	9.5272	8.8816
<b>S-Class Accumulation shares</b>				
Group 1	3.7864	—	3.7864	3.4883
Group 2	2.0100	1.7764	3.7864	3.4883
<b>S-Class Distribution shares</b>				
Group 1	5.4555	—	5.4555	5.1625
Group 2	3.4198	2.0357	5.4555	5.1625
<b>S2-Class Accumulation shares</b>				
Group 1	1.1325	—	1.1325	n/a
Group 2	0.2169	0.9156	1.1325	n/a
<b>S2-Class Distribution shares</b>				
Group 1	1.1300	—	1.1300	n/a
Group 2	1.1300	0.0000	1.1300	n/a

Final dividend distribution in pence per share		Period 01/10/2023 — 31/03/2024		
	Net Revenue	Equalisation	Distribution payable 31/05/24	Distribution paid 31/05/23
<b>B-Class Accumulation shares</b>				
Group 1	17.8702	—	17.8702	20.3546
Group 2	9.2264	8.6438	17.8702	20.3546
<b>B-Class Distribution shares</b>				
Group 1	3.8799	—	3.8799	4.5321
Group 2	2.1888	1.6911	3.8799	4.5321
<b>S-Class Accumulation shares</b>				
Group 1	1.7242	—	1.7242	1.9296
Group 2	1.0439	0.6803	1.7242	1.9296
<b>S-Class Distribution shares</b>				
Group 1	2.4369	—	2.4369	2.8050
Group 2	1.5879	0.8490	2.4369	2.8050



# ES River and Mercantile UK Listed Smaller Companies Fund

## Distribution tables continued

Final dividend distribution in pence per share		Period 01/10/2023 — 31/03/2024		
	Net Revenue	Equalisation	Distribution payable 31/05/24	Distribution paid 31/05/23
<b>S2-Class Accumulation shares</b>				
Group 1	0.8152	—	0.8152	n/a
Group 2	0.6940	0.1212	0.8152	n/a
<b>S2-Class Distribution shares</b>				
Group 1	0.8171	—	0.8171	n/a
Group 2	0.4480	0.3691	0.8171	n/a

# ES River and Mercantile UK Dynamic Equity Fund

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## Investment Objective

The investment objective of the sub-fund is to grow the value of your investment (known as “capital growth”) in excess of the MSCI United Kingdom Investable Market Index (IMI) Net Total Return (the “Benchmark”) over a rolling 5 year period, after the deduction of all fees.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The sub-fund’s capital is at risk meaning that the sub-fund could suffer a decrease in value and the value of your investment would decrease as a result.

## Investment Policy

The sub-fund seeks to achieve its investment objective by investing at least 60% of its value in shares of UK companies (companies which are domiciled, incorporated, or have significant operations in the UK). Investment can be direct, or indirect, in shares (including common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

In addition, up to 20% of the sub-fund may be invested in shares of companies which are not UK companies but which, at the time of investment, are listed in the UK. Investment can be direct or indirect as noted above. It is expected that at least 80% of the sub-fund will be invested in UK companies and companies which are listed in the UK.

Up to 20% of the sub-fund may be invested in shares of overseas companies (companies which are not UK companies and which are not listed in the UK), excluding emerging markets, collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager.

The sub-fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as “efficient portfolio management”). As an example, the sub-fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The sub-fund is actively managed, meaning the Investment Manager will use their expertise to pick investments to achieve the sub-fund’s objectives.

The sub-fund will invest in a range of companies by industry sector and size. Although its investments are not restricted by reference to a benchmark the sub-fund will invest in a limited number of companies which means that at times the sub-fund may be concentrated, meaning that it will typically be invested in between 40 and 60 companies. This absence of any benchmark constraints gives the Investment Manager wider scope to be dynamic in its investment decisions (for example by allowing the Investment Manager to change investments when they believe necessary in line with market circumstances to achieve the sub-fund’s objective) than if they were required to invest within such controls.

# ES River and Mercantile UK Dynamic Equity Fund

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## Investment Manager's Review

The ES R&M UK Dynamic Equity Fund B share class delivered a +10.6% return, which compares to the benchmark's +8.8%.

Key positive contributors included **Babcock**, a self-help recovery thesis where results above consensus and the group's capital market day underpin confidence in their newly issued mid-term margin targets. **Sabre Insurance**, a cyclical recovery thesis, benefitted from strong underwriting margins and returns as market pricing has become more favourable. **Cranswick**, a defensive quality compounder, was supported by delivery of positive earnings momentum above expectations. A zero weight in **Diageo** was also a significant positive contributor.

Key negative contributors included **Future**, a growth thesis where the company surprised the market with increased investment to support mid-term organic growth. **Tate & Lyle**, a quality thesis, was weak given a temporary downgrade cycle driven by destocking and FX headwinds. **OSB Group** was a victim of increased interest rate volatility which reduced the cumulative interest receipts over the life of a mortgage resulting in a significant charge against first half earnings. A zero weight in **Rolls Royce** was a significant negative contributor.

New additions include recovery investment cases where the market underestimates mean reversion in margins. **FevertreeDrinks** is a self-help recovery thesis and **Hunting** is a combination of both self-help and cyclical recovery. **Auction Technology** is a growth investment case where there is rapid or structural growth but the market overestimates the fade in growth rates providing scope to beat estimates and compound shareholder value.

Sales primarily fell into two distinct groups. The first reflected valuation discipline and/or opportunity cost (trimming **Auto Trader**, **Serco Group**, **Whitbread** and **Conduit Holdings** and full exit of **Harbour Energy**). The second reflected thesis discipline around declining quant scores and company lifecycle review triggers (reducing **Balfour Beatty**, **Mondi**, **OSB Group** and **WPP** and disinvesting from **Spirent Communications**, **Watches of Switzerland**, **Barclays**, **Natwest** and **Unilever**). The Investment Manager exited **Smart Metering Systems** following the bid from KKR.

## Events Post Year End

On 17 April 2024 a proposal to merge the ES River and Mercantile UK Dynamic Equity Fund with the UK Opportunities Fund, a sub-fund of the SVM Funds ICVC, was approved by shareholders. The effective date of the merger was 26 April 2024.

River Global

March 2024

Investment Adviser to the sub-fund

Source: River Global Investors, Bloomberg LP. Fund performance is calculated using midday published prices. Benchmark performance is calculated using close of business mid-market prices.

# ES River and Mercantile UK Dynamic Equity Fund

## Portfolio Statement as at 31 March 2024

Holding	Investment	Market Value £	% of Net Assets
	<b>United Kingdom – 90.13% (2023 – 90.36%)</b>		
	<b>Advertising – 1.87% (2023 – 3.50%)</b>		
94,000	WPP	708,384	1.87
	<b>Aerospace &amp; Defence – 2.21% (2023 – 1.53%)</b>		
62,000	BAE Systems	836,690	2.21
	<b>Banks – 0.00% (2023 – 3.21%)</b>		
	<b>Beverages – 2.08% (2023 – 0.00%)</b>		
65,500	Fevertree Drinks*	786,000	2.08
	<b>Building Materials – 1.53% (2023 – 1.20%)</b>		
199,500	Tyman	577,553	1.53
	<b>Commercial Services – 2.88% (2023 – 1.28%)</b>		
209,000	Babcock	1,086,800	2.88
	<b>Computers – 5.72% (2023 – 4.81%)</b>		
664,000	Serco Group	1,259,608	3.33
57,000	Softcat	905,160	2.39
	<b>Cosmetics &amp; Personal Care – 0.00% (2023 – 1.39%)</b>		
	<b>Distribution &amp; Wholesale – 2.79% (2023 – 0.00%)</b>		
145,000	RS	1,053,860	2.79
	<b>Diversified Financial Services – 1.75% (2023 – 3.06%)</b>		
175,500	OSB Group	661,986	1.75
	<b>Electricity – 2.08% (2023 – 2.55%)</b>		
156,600	Drax	784,879	2.08
	<b>Electronics – 0.00% (2023 – 4.28%)</b>		
	<b>Engineering &amp; Construction – 0.96% (2023 – 2.30%)</b>		
95,000	Balfour Beatty	363,090	0.96

# ES River and Mercantile UK Dynamic Equity Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Food Producers – 6.43% (2023 – 6.21%)</b>		
31,900	Cranswick	1,305,986	3.46
182,000	Tate & Lyle	1,123,850	2.97
	<b>Forest Products &amp; Paper – 1.37% (2023 – 2.56%)</b>		
37,000	Mondi	516,150	1.37
	<b>Healthcare Products – 5.65% (2023 – 4.72%)</b>		
503,000	ConvaTec	1,439,586	3.81
70,200	Smith & Nephew	695,963	1.84
	<b>Home Builders – 1.90% (2023 – 1.58%)</b>		
15,100	Berkeley	718,458	1.90
	<b>Home Furnishings – 2.28% (2023 – 1.26%)</b>		
95,000	Howden Joinery	860,890	2.28
	<b>Insurance – 2.65% (2023 – 1.52%)</b>		
561,300	Sabre Insurance	1,001,359	2.65
	<b>Internet – 9.00% (2023 – 7.30%)</b>		
71,000	Auction Technology	438,780	1.16
186,600	Auto Trader	1,306,573	3.46
94,900	Future	581,262	1.54
634,000	Moonpig	1,073,362	2.84
	<b>Lodging – 1.81% (2023 – 3.84%)</b>		
20,700	Whitbread	685,998	1.81
	<b>Machinery Construction &amp; Mining – 3.80% (2023 – 3.31%)</b>		
71,000	Weir	1,434,910	3.80
	<b>Machinery Diversified – 5.75% (2023 – 4.06%)</b>		
70,000	IMI	1,270,500	3.36
182,500	Vesuvius	903,740	2.39
	<b>Mining – 0.99% (2023 – 1.60%)</b>		
19,200	Anglo American	374,746	0.99
	<b>Miscellaneous Manufacturing – 2.27% (2023 – 1.94%)</b>		
237,000	Chemring	859,125	2.27

# ES River and Mercantile UK Dynamic Equity Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Oil &amp; Gas Producers – 2.09% (2023 – 2.72%)</b>		
30,150	Shell	791,437	2.09
	<b>Oil &amp; Gas Services – 1.49% (2023 – 0.00%)</b>		
171,000	Hunting	565,155	1.49
	<b>Packaging &amp; Containers – 2.04% (2023 – 1.52%)</b>		
438,600	Essentra	770,182	2.04
	<b>Pharmaceuticals – 1.66% (2023 – 1.65%)</b>		
5,860	AstraZeneca	625,731	1.66
	<b>Real Estate Investment Trusts – 4.34% (2023 – 3.16%)</b>		
846,000	Shaftesbury Capital	1,220,778	3.23
540,000	Supermarket Income Reit	418,500	1.11
	<b>Retail – 6.77% (2023 – 7.83%)</b>		
177,000	B&M European Value Retail	965,712	2.55
331,500	DFS Furniture	366,639	0.97
13,300	Next	1,227,856	3.25
	<b>Telecommunications – 3.97% (2023 – 4.47%)</b>		
110,000	Gamma Communications*	1,500,400	3.97
	<b>Bermuda – 3.51% (2023 – 3.85%)</b>		
256,200	Conduit Holdings	1,324,554	3.51
	<b>Canada – 1.99% (2023 – 2.14%)</b>		
57,300	Barrick Gold	752,827	1.99
	<b>Gibraltar – 0.85% (2023 – 0.63%)</b>		
362,700	888	320,627	0.85
	<b>Ireland – 2.83% (2023 – 1.90%)</b>		
18,600	DCC	1,070,988	2.83

# ES River and Mercantile UK Dynamic Equity Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>FORWARD CURRENCY CONTRACTS – (0.02%) (2023 – 0.05%)</b>		
£743,530	Forward Currency Contract 14/06/2024: UK sterling 743,530 vs Canadian Dollar 1,281,000	(6,311)	(0.02)
	<b>Portfolio of investments</b>	<b>37,530,323</b>	<b>99.29</b>
	<b>Net other assets</b>	<b>266,985</b>	<b>0.71</b>
	<b>Net assets</b>	<b>37,797,308</b>	<b>100.00</b>

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2023.

\*Security listed in AIM.

# ES River and Mercantile UK Dynamic Equity Fund

## Comparative table

For the year ending:	31/03/2024	31/03/2023	31/03/2022
A-Class Distribution shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	146.90	162.26	163.39
Return before operating charges*	16.49	(10.36)	4.12
Operating charges	(1.33)	(1.33)	(1.50)
Return after operating charges	15.16	(11.69)	2.62
Distributions	(2.68)	(3.67)	(3.75)
<b>Closing net asset value per share</b>	<b>159.38</b>	<b>146.90</b>	<b>162.26</b>
*After direct transaction costs of	(0.09)	(0.25)	(0.38)
<b>Performance</b>			
Return after charges	10.32%	(7.20)%	1.60%
<b>Other information</b>			
Closing net asset value (£)	1,075,892	3,141,026	3,729,636
Closing number of shares	675,042	2,138,164	2,298,568
Operating charges**	0.90%	0.88%	0.88%
Direct transaction costs	0.06%	0.16%	0.22%
<b>Prices</b>			
Highest share price	160.04	166.69	180.58
Lowest share price	134.45	129.13	149.59

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.93%.



# ES River and Mercantile UK Dynamic Equity Fund

## Comparative table continued

For the year ending:	31/03/2024	31/03/2023	31/03/2022
B-Class Accumulation shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	502.25	540.47	532.14
Return before operating charges*	57.24	(33.77)	13.24
Operating charges	(4.58)	(4.45)	(4.91)
Return after operating charges	52.66	(38.22)	8.33
Distributions	(9.21)	(12.32)	(12.28)
Retained distributions on accumulation shares	9.21	12.32	12.28
<b>Closing net asset value per share</b>	<b>554.91</b>	<b>502.25</b>	<b>540.47</b>
*After direct transaction costs of	(0.31)	(0.82)	(1.25)
<b>Performance</b>			
Return after charges	10.48%	(7.07)%	1.57%
<b>Other information</b>			
Closing net asset value (£)	35,982,615	37,987,815	68,689,867
Closing number of shares	6,484,455	7,563,492	12,709,391
Operating charges**	0.90%	0.88%	0.88%
Direct transaction costs	0.06%	0.16%	0.22%
<b>Prices</b>			
Highest share price	554.67	555.18	588.13
Lowest share price	465.97	436.95	493.23

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.93%.

# ES River and Mercantile UK Dynamic Equity Fund

## Comparative table continued

For the year ending:	30/01/2024+	31/03/2023	31/03/2022
S-Class Accumulation shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	239.94	257.49	252.84
Return before operating charges*	16.30	(16.05)	6.27
Operating charges	(1.20)	(1.50)	(1.62)
Return after operating charges	15.10	(17.55)	4.65
Distributions	(3.48)	(6.51)	(6.54)
Retained distributions on accumulation shares	3.48	6.51	6.54
<b>Closing net asset value per share</b>	<b>255.04</b>	<b>239.94</b>	<b>257.49</b>
*After direct transaction costs of	(0.11)	(0.39)	(0.59)
<b>Performance</b>			
Return after charges	6.29%	(6.82)%	1.84%
<b>Other information</b>			
Closing net asset value (£)	5,101	4,799	5,150
Closing number of shares	2,000	2,000	2,000
Operating charges**	0.67%	0.62%	0.61%
Direct transaction costs	0.06%	0.16%	0.22%
<b>Prices</b>			
Highest share price	255.53	264.54	279.76
Lowest share price	222.94	208.47	234.95

+Closed on 30 January 2024.

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.68%.

# ES River and Mercantile UK Dynamic Equity Fund

## Comparative table continued

For the year ending:	31/03/2024	31/03/2023	31/03/2022
Z-Class Accumulation shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	1,216.36	1,299.11	1,269.68
Return before operating charges*	139.50	(81.16)	31.30
Operating charges	(1.86)	(1.59)	(1.87)
Return after operating charges	137.64	(82.75)	29.43
Distributions	(31.64)	(38.89)	(39.44)
Retained distributions on accumulation shares	31.64	38.89	39.44
<b>Closing net asset value per share</b>	<b>1,354.00</b>	<b>1,216.36</b>	<b>1,299.11</b>
*After direct transaction costs of	(0.75)	(1.99)	(2.99)
<b>Performance</b>			
Return after charges	11.32%	(6.37)%	2.32%
<b>Other information</b>			
Closing net asset value (£)	738,801	1,011,957	1,220,455
Closing number of shares	54,564	83,196	93,945
Operating charges**	0.15%	0.13%	0.14%
Direct transaction costs	0.06%	0.16%	0.22%
<b>Prices</b>			
Highest share price	1,353.35	1,335.06	1,407.73
Lowest share price	1,133.35	1,054.53	1,184.99

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.18%.

# ES River and Mercantile UK Dynamic Equity Fund

## Synthetic Risk Reward Indicator (SRRI)



Typically Lower Rewards

Typically Higher Rewards



This sub-fund is ranked at 6 because funds of this type have experienced medium to high rises and falls in value in the past. The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile. The risk and reward score is not guaranteed and may change over time. The lowest category does not mean risk free. While the risk indicator takes into account the broader risk profile, the following risks are considered most relevant to this sub-fund:

- **Equity Securities:** Equities can lose value rapidly, and typically involve higher market risks than bonds, money market instruments or other debt instruments. Fluctuation in value may occur in response to activities of individual companies, the general market, economic conditions, or changes in currency exchange rates.
- **Small and Mid-Cap Stock:** Stocks of small and mid-size companies can be more volatile and less liquid than stocks of larger companies. Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks.
- **Concentration risk:** In certain conditions the sub-fund may invest in a relatively small number of securities, which may result in portfolio concentration in sectors, countries, or other groupings. These potential concentrations mean that a loss arising in a single investment may cause a proportionately greater loss in the sub-fund than if a larger number of investments were made.
- **Liquidity:** There is a risk that adverse market conditions may affect the sub-fund's ability to sell assets at the price the sub-fund would like, or the sub-fund may have to sell them at a loss.
- **Currency:** To the extent that a sub-fund holds assets that are denominated in currencies other than the base currency, any changes in currency exchange rates could reduce investment gains or income, or increase investment losses.

## Summary of Largest Portfolio Changes

The table below shows the top ten purchases and sales for the year.

<b>Purchases</b>	<b>£</b>	<b>Sales</b>	<b>£</b>
Fevertree Drinks	705,430	Whitbread	1,098,472
Hunting	484,708	Smart Metering Systems	900,828
Auction Technology	403,578	NatWest	680,857
RS	242,463	Unilever	604,076
Vesuvius	231,521	Barclays	568,265
Shaftesbury Capital	209,564	WPP	539,953
Essentra	194,316	Balfour Beatty	539,068
Howden Joinery	193,236	Mondi	528,012
Future	187,144	Watches of Switzerland	508,481
ConvaTec	181,874	Spirent Communications	458,489

# ES River and Mercantile UK Dynamic Equity Fund

## Statement of Total Return for the year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024		1 April 2022 to 31 March 2023	
		£	£	£	£
Income					
Net capital gains/(losses)	2		3,078,596		(6,397,944)
Revenue	3	1,080,779		1,942,107	
Expenses	4	(358,929)		(463,896)	
Interest payable and similar charges	6	—		(13)	
Net revenue before taxation for the year		721,850		1,478,198	
Taxation	5	14,084		(80,540)	
Net revenue after taxation for the year			735,934		1,397,658
Total return before distributions			3,814,530		(5,000,286)
Distributions	7		(741,435)		(1,403,119)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>3,073,095</b>		<b>(6,403,405)</b>

## Statement of Change in Net Assets attributable to Shareholders for the year ended 31 March 2024

		1 April 2023 to 31 March 2024		1 April 2022 to 31 March 2023	
		£	£	£	£
Opening net assets attributable to Shareholders			42,145,597		73,645,108
Amounts received on creation of shares		1,387,681		1,327,210	
Amounts paid on cancellation of shares		(9,468,155)		(27,453,455)	
			(8,080,474)		(26,126,245)
Dilution adjustment			3,812		26,601
Change in net assets attributable to Shareholders from investment activities			3,073,095		(6,403,405)
Retained distributions on accumulation shares			655,278		1,003,538
<b>Closing net assets attributable to Shareholders</b>			<b>37,797,308</b>		<b>42,145,597</b>

# ES River and Mercantile UK Dynamic Equity Fund

## Balance Sheet as at 31 March 2024

	Notes	31 March 2024		31 March 2023	
		£	£	£	£
<b>ASSETS</b>					
Fixed assets					
Investments			-		41,695,973
Current assets					
Investments			37,536,634		-
Debtors	8	114,955		514,265	
Cash and bank balances		372,317		275,174	
<b>Total other assets</b>			<b>487,272</b>		<b>789,439</b>
<b>Total assets</b>			<b>38,023,906</b>		<b>42,485,412</b>
<b>LIABILITIES</b>					
Investment liabilities			(6,311)		—
Creditors					
Distribution payable		(4,920)		(32,669)	
Other creditors	9	(215,367)		(307,146)	
<b>Total other liabilities</b>			<b>(220,287)</b>		<b>(339,815)</b>
<b>Total liabilities</b>			<b>(226,598)</b>		<b>(339,815)</b>
<b>Net assets attributable to Shareholders</b>			<b>37,797,308</b>		<b>42,145,597</b>

# ES River and Mercantile UK Dynamic Equity Fund

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## Notes to the Financial Statements

### 1 Accounting policies

The accounting policies for the sub-fund are set out on pages 7 to 9.

### 2 Net capital gains/(losses)

	<b>31 March 2024</b>	<b>31 March 2023</b>
	£	£
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	3,061,330	(6,273,792)
Forward currency contracts	10,549	(138,452)
Currency gains	7,953	19,766
Custodial transaction fees	<u>(1,236)</u>	<u>(5,466)</u>
Net capital gains/(losses)	<u>3,078,596</u>	<u>(6,397,944)</u>

### 3 Revenue

	<b>31 March 2024</b>	<b>31 March 2023</b>
	£	£
Bank interest	12,688	5,119
Non-taxable overseas dividends	197,780	559,355
UK dividends	836,689	1,327,430
UK REIT dividends	<u>33,622</u>	<u>50,203</u>
	<u>1,080,779</u>	<u>1,942,107</u>

# ES River and Mercantile UK Dynamic Equity Fund

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## Notes to the Financial Statements continued

### 4 Expenses

	31 March 2024 £	31 March 2023 £
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	<u>301,379</u>	<u>402,396</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	6,086	8,294
Safe custody fees	<u>1,889</u>	<u>2,841</u>
	<u>7,975</u>	<u>11,135</u>
Other expenses:		
Audit fee*	15,894	12,781
Fund accounting fees	9,108	11,919
Legal and professional fees	3,674	2,843
Registration fees	(435)	428
Transfer agency fees	17,408	12,573
Other fees	<u>3,926</u>	<u>9,821</u>
	<u>49,575</u>	<u>50,365</u>
Total expenses	<u><u>358,929</u></u>	<u><u>463,896</u></u>

\*Total audit fees of £15,507 (2023 - £11,689) exclusive of VAT.



# ES River and Mercantile UK Dynamic Equity Fund

## Notes to the Financial Statements continued

### 5 Taxation

	31 March 2024 £	31 March 2023 £
<b>a) Analysis of taxation (credit)/charge in year</b>		
Overseas tax	(14,084)	80,540
Total taxation	<u>(14,084)</u>	<u>80,540</u>

### b) Factors affecting taxation (credit)/charge for the year

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company with variable capital (20%) (2023: 20%). The difference is explained below:

Net revenue before taxation for the year	721,850	1,478,198
Return on ordinary activities before taxation at the applicable rate of Corporation tax in the UK of 20% (2023: 20%)	144,370	295,640
Effects of:		
Movement in tax losses	62,524	81,716
Overseas tax	(14,084)	80,540
Prior year adjustment to tax losses	—	1
Revenue not subject to tax	<u>(206,894)</u>	<u>(377,357)</u>
Total taxation	<u>(14,084)</u>	<u>80,540</u>

Open Ended Investment Companies are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation of the sub-fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

### c) Provision for deferred tax

There is no deferred tax provision in the current or preceding year.

At the year end there is a potential deferred tax asset of £1,962,382 (£1,899,858 as at 31 March 2023) due to tax losses. It is unlikely the sub-fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (same as at 31 March 2023).

### 6 Interest payable and similar charges

	31 March 2024 £	31 March 2023 £
Interest	—	13
	<u>—</u>	<u>13</u>

# ES River and Mercantile UK Dynamic Equity Fund

## Notes to the Financial Statements continued

### 7 Distributions

The distributions take account of revenue received on the creation of shares and deducted on the cancellation of shares, and comprise:

	31 March 2024 £	31 March 2023 £
Interim	522,950	646,949
Final	<u>175,792</u>	<u>437,543</u>
	698,742	1,084,492
Add: revenue deducted on cancellation of shares	49,905	326,388
Deduct: revenue received on creation of shares	<u>(7,212)</u>	<u>(7,761)</u>
	<u>741,435</u>	<u>1,403,119</u>
Distributions for the year		
Reconciliation between net revenue after taxation for the year and the distributions:		
Net revenue after taxation for the year	735,934	1,397,658
Expenses transferred to capital	<u>5,501</u>	<u>5,461</u>
Distributions for the year	<u>741,435</u>	<u>1,403,119</u>

### 8 Debtors

	31 March 2024 £	31 March 2023 £
Accrued revenue	65,881	258,251
Amounts receivable for issue of shares	25,079	9,608
Expense rebate due from the ACD	633	—
Overseas tax recoverable	23,243	30,985
Prepaid expenses	119	—
Sales awaiting settlement	<u>—</u>	<u>215,421</u>
	<u>114,955</u>	<u>514,265</u>

### 9 Other creditors

	31 March 2024 £	31 March 2023 £
<b>a) Distribution payable</b>		
Gross distribution payable	<u>4,920</u>	<u>32,669</u>
Total distribution payable	<u>4,920</u>	<u>32,669</u>
<b>b) Other creditors</b>		
Accrued expenses	56,347	66,244
Amounts payable for cancellation of shares	159,020	238,711
Purchases awaiting settlement	<u>—</u>	<u>2,191</u>
	<u>215,367</u>	<u>307,146</u>

### 10 Contingent liabilities and outstanding commitments

There were no commitments or contingent liabilities at the balance sheet date (31 March 2023: same).

# ES River and Mercantile UK Dynamic Equity Fund

## Notes to the Financial Statements continued

### 11 Related party transactions

Equity Trustees Fund Services Ltd, as ACD, is a related party, and acts as principal in respect of all the transactions of shares in the company. The aggregate monies received through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets attributable to Shareholders. The amounts outstanding at the year end are disclosed in notes 8 and 9 as amounts receivable on creation of shares and amounts payable on cancellation of shares respectively.

Amounts paid to Equity Trustees Fund Services Ltd in respect of the ACD, associates of the ACD and agents of either of them are disclosed in note 4. The balance outstanding as at the year end was £25,780 (£27,643 as at 31 March 2023).

Equity Trustees Fund Services Limited, as the sub-fund's ACD, wishes to disclose to the sub-fund's Shareholders that 33.02% and 30.78% of the sub-fund's shares in issue are under the control of two nominees and their related parties.

### 12 Financial instruments

The main risks and the ACD's policy for managing these risks, are stated within the notes to the financial statements of all the sub-funds of the ES River and Mercantile Funds ICVC.

#### a) Credit risk

Certain transactions in securities that the sub-fund enters into expose it to risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibility.

This risk is managed by appraising the credit profile of financial instruments and trade counterparties.

At 31 March 2024, the sub-fund held non exchange traded derivatives in the form of forward currency contracts.

The counterparty exposure is shown below:

Counterparty Details of OTC Financial Derivative Transactions	Forwards Assets £	Forwards Liabilities £
Northern Trust	—	(6,311)

At 31 March 2023, the sub-fund held non exchange traded derivatives in the form of forward currency contracts.

The counterparty exposure is shown below:

Counterparty Details of OTC Financial Derivative Transactions	Forwards Assets £	Forwards Liabilities £
The Bank of New York Mellon	21,534	—

No collateral is held or pledged (2023: same)

#### b) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

31 March 2024		Assets £	Liabilities £
Level 1	Unadjusted quoted price in an active market for an identical instrument	37,536,634	—
Level 2	Valuation techniques using observable inputs other than quoted prices within level 1	—	(6,311)
		<b>37,536,634</b>	<b>(6,311)</b>

# ES River and Mercantile UK Dynamic Equity Fund

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## Notes to the Financial Statements continued

### 12 Financial instruments continued

#### b) Valuation of financial investments continued

31 March 2023		Assets £	Liabilities £
Level 1	Unadjusted quoted price in an active market for an identical instrument	41,674,439	—
Level 2	Valuation techniques using observable inputs other than quoted prices within level 1	21,534	—
		<b>41,695,973</b>	<b>—</b>

#### c) Foreign currency risk

Foreign currency risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. The risk may be managed by the utilisation of forward currency contracts as necessary.

At the balance sheet date, no significant foreign currency was held (2023: same).

#### d) Derivative risk

At the balance sheet date, no derivatives were held that could impact the sub-fund in a significant way (2023: same).

#### e) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk exposure of the sub-fund is not considered to be significant.

#### f) Sensitivity analysis

##### Price risk

If market prices had increased by 10% as at the balance sheet date the net asset value of the sub-fund would have increased by £3,753,663 (2023: £4,167,444). A weakening in market prices of 10% will have resulted in an equal but opposite effect.

#### g) Leverage

The sub-fund did not employ significant leverage during the year.

# ES River and Mercantile UK Dynamic Equity Fund

## Notes to the Financial Statements continued

### 13 Portfolio transaction costs

For the year 1 April 2023 to 31 March 2024

<b>Purchases</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	3,800,838	2,460	0.06	15,319	0.40
Total purchases	3,800,838	2,460		15,319	
Total purchases including transaction costs	3,818,617				
<b>Sales</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	10,966,371	6,138	0.06	91	0.00
Total sales	10,966,371	6,138		91	
Total sales net of transaction costs	10,960,142				
Total transaction costs		8,598		15,410	
as a % of average net assets		0.02%		0.04%	

For the year 1 April 2022 to 31 March 2023

<b>Purchases</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	13,925,826	9,320	0.07	58,321	0.42
Corporate actions	4,560,545	—	—	—	—
Total purchases	18,486,371	9,320		58,321	
Total purchases including transaction costs	18,554,012				
<b>Sales</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	38,019,804	18,896	0.05	138	0.00
Corporate actions	5,113,122	—	—	—	—
Total sales	43,132,926	18,896		138	
Total sales net of transaction costs	43,113,892				
Total transaction costs		28,216		58,459	
as a % of average net assets		0.05%		0.11%	

The above analysis covers any direct transaction costs suffered by the sub-fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

# ES River and Mercantile UK Dynamic Equity Fund

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## Notes to the Financial Statements continued

### 13 Portfolio transaction costs continued

Dealing spread costs suffered by the sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.15% (2023 - 0.12%).

### 14 Share movement

	<b>A-Class Distribution shares</b>	<b>B-Class Accumulation shares</b>	<b>S-Class Accumulation shares</b>	<b>Z-Class Accumulation shares</b>
Opening shares	2,138,164	7,563,492	2,000	83,196
Shares issued	160,804	204,925	—	8,594
Shares redeemed	(1,623,926)	(1,283,962)	(2,000)	(37,226)
<b>Closing shares</b>	<b>675,042</b>	<b>6,484,455</b>	<b>—</b>	<b>54,564</b>

### 15 Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

Following notification to shareholders on 25 March 2024, the UK Dynamic Equity Fund has closed and the accounts have been prepared on a basis other than going concern.

# ES River and Mercantile UK Dynamic Equity Fund

## Distribution tables for the year ended 31 March 2024

Group 1: shares purchased prior to a distribution period

Group 2: shares purchased during a distribution period

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. As capital it is not liable to Income tax but must be deducted from the cost of shares for Capital Gains tax purposes.

Interim dividend distribution in pence per share		Period 01/04/2023 — 30/09/2023		
	Net Revenue	Equalisation	Distribution paid 30/11/23	Distribution paid 30/11/22
<b>A-Class Distribution shares</b>				
Group 1	1.9493	—	1.9493	2.1462
Group 2	1.1832	0.7661	1.9493	2.1462
<b>B-Class Accumulation shares</b>				
Group 1	6.6649	—	6.6649	7.1510
Group 2	3.4498	3.2151	6.6649	7.1510
<b>S-Class Accumulation shares</b>				
Group 1	3.4840	—	3.4840	3.7185
Group 2	3.4840	0.0000	3.4840	3.7185
<b>Z-Class Accumulation shares</b>				
Group 1	20.7447	—	20.7447	21.9227
Group 2	12.9770	7.7677	20.7447	21.9227

Final dividend distribution in pence per share		Period 01/10/2023 — 31/03/2024		
	Net Revenue	Equalisation	Distribution payable 31/05/24	Distribution paid 31/05/23
<b>A-Class Distribution shares</b>				
Group 1	0.7288	—	0.7288	1.5279
Group 2	0.2336	0.4952	0.7288	1.5279
<b>B-Class Accumulation shares</b>				
Group 1	2.5434	—	2.5434	5.1656
Group 2	0.4572	2.0862	2.5434	5.1656
<b>S-Class Accumulation shares<sup>+</sup></b>				
Group 1	0.0000	—	0.0000	2.7880
Group 2	0.0000	0.0000	0.0000	2.7880
<b>Z-Class Accumulation shares</b>				
Group 1	10.8955	—	10.8955	16.9672
Group 2	5.3844	5.5111	10.8955	16.9672

+ Closed on 30 January 2024.

# ES River and Mercantile UK Recovery Fund

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## Investment Objective

The investment objective of the sub-fund is to grow the value of your investment (known as “capital growth”) in excess of the MSCI United Kingdom Investable Market Index (IMI) Net Total Return (the “Benchmark”) over a rolling 5 year period, after the deduction of all fees.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The sub-fund’s capital is at risk meaning that the sub-fund could suffer a decrease in value and the value of your investment would decrease as a result.

## Investment Policy

The sub-fund seeks to achieve its investment objective by investing at least 60% of its value in shares of UK companies (companies which are domiciled, incorporated, or have significant operations in the UK). Investment can be direct, or indirect, in shares (including common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

In addition, up to 20% of the sub-fund may be invested in shares of companies which are not UK companies but which, at the time of investment, are listed in the UK. Investment can be direct or indirect as noted above. It is expected that at least 80% of the sub-fund will be invested in UK companies and companies which are listed in the UK.

Up to 20% of the sub-fund may be invested in shares of overseas companies (companies which are not UK companies and which are not listed in the UK), including emerging markets, collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager.

The sub-fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as “efficient portfolio management”). As an example, the sub-fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The sub-fund is actively managed meaning the Investment Manager uses their expertise to pick investments to achieve the sub-fund’s objectives.

The Fund will have a bias towards “Value” metrics (as described in the Investment Strategy section).

The term ‘Recovery’ (as used in the Fund’s name) refers to investments where the Investment Manager believes at the time of investing, the potential to grow shareholder value through increases in profits and cash is particularly high due to levels of profits being depressed and therefore capable of significant recovery.

The Fund will invest in a broad range of companies by industry sector and size and its investments are not restricted by reference to the Benchmark.



# ES River and Mercantile UK Recovery Fund

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## Investment Manager's Review

The ES R&M UK Recovery Fund returned +10.3% (Z share class) and +9.2% (B share class) over the 12 months to 31 March 2024, compared to the MSCI United Kingdom IMI return of +8.8%. Since Inception the Fund has returned +534% (B share class) compared to the MSCI United Kingdom IMI return of 264%.

**Positive contributors:** continued M&A activity (**Restaurant Group, Gresham House**); underweight positions in **AstraZeneca** and **Diageo** and in consumer staples; individual stock successes (**Trustpilot, Hotel Chocolat, CMC Markets**); non-UK listed successes (**Draftkings, Meta**).

**Negative contributors:** underweight large cap growth, US facing stocks in particular (**CRH, RELX, Experian**); individual stock disappointments (**Capita**); weak performance of consumer discretionary sector and stocks, where overweight.

## Fund Activity

The market continues to double discount valuations for uncertainty stocks (any company where there is a risk to short term profits and cash flow and / or where there is selling pressure, as allocations to UK equities continue to be indiscriminately reduced). The current opportunity set continues to cover a very wide range of stocks, from deep value to high quality (but a bit cyclical), to fast growth (but uncertain short-term delivery), so our investable universe remains very large.

Purchases over the period were biased towards small and mid-sized companies' where timing appears to be improving. This included adding to housebuilders (and related stocks) as the evidence continued to build towards a recovery in this market (**Gleeson, Barratt Developments, Henry Boot**).

One of a number of examples of exceptionally undervalued stocks would be **Ocean Wilsons**. I have been invested in it for some time now and the gap between the share price and sum-of-the-parts (**Wilsons Sons, Brazil listed maritime services business** and **Ocean Wilsons Investment Management**, a low risk managed portfolio) has just kept getting larger. It now stands at over 100%, with the share price at £13, the market value of **Wilsons Sons** is equivalent to £20, the investments £7. The catalyst for a decent amount of this discount unwinding is that **Wilsons Sons** is for sale. I have continued to top up the holding.

Sales have included taking full profits where our PVT (Potential, Valuation, Timing) thesis has been delivered, most notably the continued recipients of M&A activity (**Hotel Chocolat, Gresham House, Restaurant Group**), reducing or exiting into relative strength (**Shell, Sage, Informa, Hollywood Bowl, MoneySupermarket**), and re-focusing capital towards higher conviction ideas (**Primary Health Properties, Spire**).

## Market Overview

The UK equity market, like most equity markets around the world performed robustly over the year to March 2024 (MSCI United Kingdom IMI +8.8), catalysed by falling inflation, growing hopes for a soft economic landing and excitement over some growth themes such as AI. Global equity markets were higher beta than the UK to these themes, though our domestic equity market still performed robustly. Returns were driven by a relatively narrow part of the market, the larger, more international and reliable growth part of the market. Value stocks lagged somewhat (MSCI UK Value +7.5%).

## Outlook

The Investment Manager thinks there are many reasons why UK Equities are due a period of strong performance. Valuations are rock bottom, interest rates will be reduced this year, the economic cycle is embarking on its recovery phase, the political background will become more supportive for economic growth under a new Government, investing institutions are being encouraged to be more supportive of their domestic equity market, Merger and Acquisitions continues apace, and flows can't possibly become any more negative. Meanwhile the stock picking opportunity in the UK is one of the biggest I have seen in my career. The Patient investor should be handsomely rewarded. Meanwhile the key factors that the Investment Manager exploits, namely value, recovery and multi-cap investing are towards the low point of their respective cycles and will benefit from falling interest rates and an improving economic background.

# ES River and Mercantile UK Recovery Fund

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## Investment Manager's Review continued

The Valuation of the portfolio is attractive, trading on 11x Price- Earnings, Price to Book of 1.3x and Price to Sales of 0.9x, a further reason for expecting attractive medium term returns.

River Global

March 2024

Investment Adviser to the sub-fund

Source: River Global Investors, Bloomberg LP. Fund performance is calculated using midday published prices. Benchmark performance is calculated using close of business mid-market prices.

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement as at 31 March 2024

Holding	Investment	Market Value £	% of Net Assets
<b>United Kingdom – 73.02% (2023 – 78.14%)</b>			
<b>Advertising – 1.22% (2023 – 0.88%)</b>			
36,230	Ascential	110,067	0.07
125,075	M&C Saatchi*	217,630	0.13
24,316	Next 15 Group*	224,437	0.14
343,289	Pebble Group	223,138	0.14
800,600	S4 Capital	420,315	0.26
369,387	Time out*	184,693	0.11
81,026	WPP	610,612	0.37
<b>Aerospace &amp; Defence – 1.20% (2023 – 0.83%)</b>			
463,344	Rolls-Royce	1,977,089	1.20
<b>Agriculture – 1.58% (2023 – 1.59%)</b>			
71,169	British American Tobacco	1,711,970	1.04
9,770	Genus	171,366	0.10
40,448	Imperial Brands	715,930	0.44
<b>Airlines – 1.00% (2023 – 1.12%)</b>			
143,274	easyJet	817,235	0.50
463,415	International Consolidated Airlines	818,391	0.50
<b>Alternative Energy Sources – 0.30% (2023 – 0.11%)</b>			
885,135	AFC Energy*	152,066	0.09
47,180	Ceres Power	67,184	0.04
331,960	Clean Power Hydrogen*	54,773	0.03
385,522	Inspired*	223,603	0.14
<b>Apparel – 0.44% (2023 – 0.73%)</b>			
689,228	boohoo*	247,846	0.15
26,969	Burberry	327,134	0.20
175,889	Dr Martens	154,343	0.09
<b>Auto Parts &amp; Equipment – 0.20% (2023 – 0.00%)</b>			
264,874	Dowlais	206,549	0.13
75,140	TI Fluid Systems	108,202	0.07
<b>Automobile Manufacturers – 0.09% (2023 – 0.19%)</b>			
87,594	Aston Martin Lagonda Global	148,822	0.09
<b>Banks – 6.99% (2023 – 10.08%)</b>			
1,325,501	Barclays	2,428,318	1.48

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Banks continued</b>		
441,426	HSBC	2,731,985	1.66
5,467,589	Lloyds Banking	2,830,024	1.72
615,420	Metro Bank	197,550	0.12
686,624	NatWest	1,822,300	1.11
34,509	Secure Trust Bank	227,759	0.14
185,828	Standard Chartered	1,247,649	0.76
	<b>Beverages – 2.42% (2023 – 1.10%)</b>		
51,318	Barr	298,671	0.18
66,645	Diageo	1,949,699	1.19
36,231	Fevertree Drinks*	434,772	0.26
50,986	Fuller Smith & Turner	300,817	0.18
1,479,101	Marston's	417,846	0.25
28,139	Nichols*	271,260	0.17
789,142	Virgin Wines UK	315,657	0.19
	<b>Biotechnology – 0.11% (2023 – 0.00%)</b>		
90,110	Oxford Biomedica	181,121	0.11
	<b>Building Materials – 1.64% (2023 – 1.08%)</b>		
83,864	Breedon	322,038	0.20
217,873	Eneraqua Technologies*	80,613	0.05
78,245	Genuit	345,060	0.21
250,289	Ibstock	377,185	0.23
101,540	Marshalls	278,423	0.17
225,684	Norcros	403,974	0.25
338,435	SigmaRoc	230,136	0.14
583,108	Topps Tiles	259,483	0.16
132,571	Tyman	383,793	0.23
	<b>Chemicals – 1.62% (2023 – 0.96%)</b>		
6,089	Croda International	298,483	0.18
272,177	Elementis	400,645	0.24
25,324	Johnson Matthey	452,920	0.28
200,674	Synthomer	520,950	0.32
56,500	Treatt	240,690	0.15
25,654	Victrex	332,989	0.20
109,691	Zotefoams	416,826	0.25
	<b>Commercial Services – 2.79% (2023 – 2.46%)</b>		
1,250	Ashtead	70,475	0.04
4,580,000	Aukett Swanke*	52,670	0.03
53,161	Babcock	276,437	0.17
3,645,740	Capita	480,873	0.29

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Commercial Services continued</b>		
506,445	De La Rue	409,208	0.25
357,244	Driver*	85,739	0.05
9,095	Dynamics*	154,615	0.09
180,705	Hays	170,676	0.10
5,074	Intertek	252,787	0.15
182,381	Johnson Service*	239,284	0.15
91,119	Mears	335,773	0.20
273,461	Mind Gym*	103,915	0.06
325,008	Mitie	340,608	0.21
24,290	Pagegroup	108,916	0.07
50,830	Rentokil Initial	239,765	0.15
45,370	Restore	97,999	0.06
130,030	RWS*	243,806	0.15
21,588	Savills	230,128	0.14
789,340	Speedy Hire	198,519	0.12
235,000	Tribal*	101,285	0.06
44,128	Wise	409,684	0.25
	<b>Computers – 0.87% (2023 – 0.71%)</b>		
926,229	Eckoh*	342,705	0.21
36,590	FDM	124,772	0.08
79,841	GB	217,327	0.13
141,764	NCC	176,071	0.11
131,177	Serco Group	248,843	0.15
13,598	Softcat	215,936	0.13
304,450	TPXImpact	106,557	0.06
	<b>Cosmetics &amp; Personal Care – 2.64% (2023 – 2.75%)</b>		
105,909	Haleon	352,783	0.21
145,000	PZ Cussons	130,065	0.08
97,240	Unilever	3,865,290	2.35
	<b>Distribution &amp; Wholesale – 0.57% (2023 – 0.29%)</b>		
150,000	Angling Direct*	51,000	0.03
5,000	Inchcape	36,200	0.02
341,896	RM	181,205	0.11
44,898	RS	326,319	0.20
562,120	SIG	164,139	0.10
25,370	Travis Perkins	184,998	0.11
	<b>Diversified Financial Services – 4.43% (2023 – 3.13%)</b>		
95,798	AJ Bell	289,693	0.18
79,096	Allfunds	452,064	0.27
5,500	Alpha International*	103,400	0.06
75,419	Aquis Exchange*	289,609	0.18

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>Diversified Financial Services continued</b>			
218,436	Argentex*	118,392	0.07
55,000	Ashmore	107,635	0.07
8,759	Brooks Macdonald*	158,100	0.10
55,787	Close Brothers	233,190	0.14
205,707	CMC Markets	447,413	0.27
54,499	Foresight	242,521	0.15
59,982	Hargreaves Lansdown	441,348	0.27
41,632	IG	303,705	0.19
85,857	IntegraFin	238,682	0.15
284,950	International Personal Finance	310,595	0.19
70,435	Liontrust Asset Management	471,562	0.29
4,215	London Stock Exchange	400,003	0.24
54,837	Mortgage Advice Bureau*	492,436	0.30
44,750	Ninety One	76,343	0.05
79,873	OSB Group	301,281	0.18
41,155	PayPoint	199,807	0.12
217,372	Pensionbee	228,241	0.14
46,329	Polar Capital*	210,797	0.13
760,462	Premier Miton*	403,045	0.25
9,700	Rathbones	149,768	0.09
49,143	Schroders	185,023	0.11
174,045	TP ICAP	391,949	0.24
<b>Electrical Components &amp; Equipment – 0.21% (2023 – 0.12%)</b>			
1,483,440	Tekmar*	133,510	0.08
74,449	Volex*	214,041	0.13
<b>Electricity – 0.96% (2023 – 0.58%)</b>			
83,480	Drax	418,402	0.25
6,263,244	Eenergy*	413,374	0.25
70,291	National Grid	748,951	0.46
<b>Electronics – 0.59% (2023 – 0.43%)</b>			
32,493	DiscoverIE	245,647	0.15
3,500	Halma	82,635	0.05
71,260	Luceco	98,909	0.06
5,013	Renishaw	212,952	0.13
2,530	Spectris	83,667	0.05
160,270	TT Electronics	253,868	0.15
<b>Engineering &amp; Construction – 1.19% (2023 – 1.02%)</b>			
427,958	Costain	320,113	0.20
183,374	John Wood	242,604	0.15
38,356	Keller	401,204	0.24
372,955	Kier	490,809	0.30

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Engineering &amp; Construction continued</b>		
33,517	Ricardo	152,167	0.09
625,486	Severfield	342,766	0.21
	<b>Entertainment – 0.97% (2023 – 0.63%)</b>		
51,314	Entain	409,178	0.25
515,201	Everyman Media*	283,361	0.17
185,000	Nexteq	284,900	0.17
535,241	Rank	370,387	0.23
1,757,812	XP Factory	246,094	0.15
	<b>Food Producers – 1.59% (2023 – 2.36%)</b>		
187,597	Cake Box*	300,155	0.18
4,051	Cranswick	165,848	0.10
23,909	Hilton Food	201,553	0.12
267,032	Marks & Spencer	707,902	0.43
44,454	Ocado	202,310	0.12
169,859	SSP	372,331	0.23
49,653	Tate & Lyle	306,607	0.19
124,500	Tesco	369,267	0.22
	<b>Food Services – 0.00% (2023 – 0.15%)</b>		
	<b>Forest Products &amp; Paper – 0.22% (2023 – 0.21%)</b>		
31,633	James Cropper	75,919	0.05
19,821	Mondi	276,503	0.17
	<b>Gas – 0.24% (2023 – 0.66%)</b>		
307,891	Centrica	393,023	0.24
	<b>Hand &amp; Machine Tools – 0.10% (2023 – 0.08%)</b>		
208,907	Flowtech Fluidpower*	171,304	0.10
	<b>Healthcare Products – 0.60% (2023 – 0.44%)</b>		
850,523	Creo Medical*	284,925	0.17
299,078	Inspecc	140,567	0.09
56,510	Smith & Nephew	560,240	0.34
	<b>Healthcare Services – 0.15% (2023 – 0.00%)</b>		
835,251	HVIVO	238,047	0.15
	<b>Home Builders – 2.61% (2023 – 2.11%)</b>		
106,820	Barratt Developments	508,036	0.31

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Home Builders continued</b>		
5,490	Berkeley	261,214	0.16
202,874	Crest Nicholson	391,750	0.24
180,204	Gleeson	863,177	0.53
74,800	Persimmon	984,368	0.60
26,181	Redrow	174,235	0.11
611,164	Taylor Wimpey	837,600	0.51
20,657	Vistry	254,081	0.15
	<b>Household Products – 0.65% (2023 – 0.73%)</b>		
363,988	McBride	360,348	0.22
15,613	Reckitt Benckiser	704,302	0.43
	<b>Housewares – 0.10% (2023 – 0.00%)</b>		
151,814	IG Design	170,032	0.10
	<b>Insurance – 0.65% (2023 – 2.52%)</b>		
149,553	Direct Line Insurance	291,703	0.18
168,908	Legal & General	429,533	0.26
196,967	Sabre Insurance	351,389	0.21
	<b>Internet – 2.46% (2023 – 2.71%)</b>		
319,285	ADVFN*	35,121	0.02
46,466	ASOS*	178,104	0.11
48,940	Auction Technology	302,449	0.18
208,734	Deliveroo	246,932	0.15
1,079,468	Ebiquity*	410,198	0.25
29,455	Future	180,412	0.11
73,304	Gear4Music*	98,960	0.06
162,629	iomart*	234,511	0.14
17,500	Kooth	46,900	0.03
294,886	Moonpig	499,242	0.30
47,802	Rightmove	262,720	0.16
120,890	Team Internet*	174,565	0.11
381,092	THG	263,030	0.16
98,593	Trainline	365,188	0.22
262,063	Trustpilot	520,457	0.32
300,771	Victorian Plumbing	237,910	0.14
	<b>Investment Companies – 0.21% (2023 – 1.10%)</b>		
771,076	Mercia Asset Management*	251,371	0.15
35,470	TMT Investments	104,452	0.06



# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Leisure Time – 0.54% (2023 – 0.45%)</b>		
406,186	Gym	464,677	0.28
262,171	On the Beach	433,106	0.26
	<b>Lodging – 0.29% (2023 – 0.45%)</b>		
14,286	Whitbread	473,438	0.29
	<b>Machinery Construction &amp; Mining – 0.15% (2023 – 0.24%)</b>		
12,581	Weir	254,262	0.15
	<b>Machinery Diversified – 1.44% (2023 – 1.75%)</b>		
18,309	IMI	332,308	0.20
114,443	Mpac*	514,993	0.31
1,034,820	Renold*	388,057	0.24
142,214	Rotork	467,315	0.28
3,845	Spirax-Sarco Engineering	386,422	0.24
57,740	Vesuvius	285,928	0.17
	<b>Media – 0.96% (2023 – 1.46%)</b>		
1,037,929	Centaur Media	394,413	0.24
757,306	ITV	559,498	0.34
16,866	Pearson	175,744	0.11
241,205	Rangers International Football**	48,241	0.03
494,164	Reach	387,425	0.24
	<b>Metal &amp; Hardware – 0.40% (2023 – 0.40%)</b>		
50,985	Bodycote	355,110	0.22
428,106	Trifast	299,674	0.18
	<b>Mining – 3.74% (2023 – 4.67%)</b>		
123,376	Anglo American	2,408,053	1.47
169,967	Central Asia Metals*	335,855	0.20
63,283	Rio Tinto	3,174,908	1.93
345,083	Serabi Gold*	231,206	0.14
	<b>Miscellaneous Manufacturing – 0.62% (2023 – 0.59%)</b>		
28,255	Avon Protection	305,154	0.19
1,082,049	Carclo	75,743	0.05
144,084	Morgan Advanced Materials	410,639	0.25
19,700	Porvair	122,534	0.07
551,717	Thruvision*	93,792	0.06

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Office &amp; Business Equipment – 0.11% (2023 – 0.23%)</b>		
165,114	Xaar	173,370	0.11
	<b>Oil &amp; Gas Producers – 5.70% (2023 – 8.49%)</b>		
786,135	BP	3,896,871	2.37
3,194,144	EnQuest	450,374	0.27
187,062	Harbour Energy	515,917	0.31
2,536,178	Savannah Energy**	665,747	0.41
89,560	Serica Energy*	168,731	0.10
136,051	Shell	3,571,339	2.17
302,175	Trinity Exploration & Production*	117,848	0.07
	<b>Oil &amp; Gas Services – 0.30% (2023 – 0.58%)</b>		
87,169	Hunting	288,094	0.18
15,729	Subsea 7	197,581	0.12
	<b>Packaging &amp; Containers – 0.52% (2023 – 0.47%)</b>		
113,466	DS Smith	449,666	0.27
236,326	Essentra	414,988	0.25
	<b>Pharmaceuticals – 2.37% (2023 – 1.99%)</b>		
6,111	AstraZeneca	652,533	0.40
555,639	Benchmark*	238,925	0.15
8,310	CVS*	81,022	0.05
166,282	GSK	2,841,094	1.73
4,000	Indivior	67,760	0.04
	<b>Private Equity – 0.77% (2023 – 0.65%)</b>		
82,280	Bridgepoint	214,093	0.13
22,231	Intermediate Capital	456,625	0.28
621,644	IP	295,903	0.18
126,840	Molten Ventures	299,850	0.18
	<b>Real Estate Investment &amp; Services – 1.27% (2023 – 0.82%)</b>		
608,313	Foxtons	328,489	0.20
147,816	Grainger	381,070	0.23
291,670	Harworth	392,296	0.24
174,997	Helical	363,994	0.22
261,797	Henry Boot	471,235	0.29
354,025	Watkin Jones	144,088	0.09
	<b>Real Estate Investment Trusts – 2.54% (2023 – 2.41%)</b>		
570,388	Assura	241,388	0.15
145,218	British Land	573,902	0.35

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>Real Estate Investment Trusts continued</b>			
237,796	CLS	204,505	0.12
15,336	Derwent London	332,178	0.20
80,959	Great Portland Estates	313,959	0.19
525,000	Hammerson	156,135	0.10
31,087	Land	204,552	0.12
71,267	Segro	644,111	0.39
617,663	Shaftesbury Capital	891,288	0.54
223,321	Supermarket Income Reit	173,074	0.11
96,171	Tritax Big Box REIT	151,181	0.09
56,916	Workspace	291,410	0.18
<b>Retail – 3.15% (2023 – 3.86%)</b>			
31,560	Associated British Foods	788,369	0.48
476,304	Card Factory	440,105	0.27
1,053,451	Currys	637,865	0.39
281,555	DFS Furniture	311,400	0.19
17,909	Dunelm	202,551	0.12
105,172	Headlam	181,422	0.11
39,646	J D Wetherspoon	291,596	0.18
215,638	JD Sports Fashion	289,817	0.18
109,128	Kingfisher	272,056	0.17
34,954	Loungers	72,005	0.04
2,812	Next	259,604	0.16
2,059,078	Science in Sport*	319,157	0.19
651,435	Tortilla Mexican Grill	293,146	0.18
73,296	Watches of Switzerland	262,839	0.16
21,345	WH Smith	280,900	0.17
167,706	Wickes	260,112	0.16
<b>Semiconductors – 0.37% (2023 – 0.16%)</b>			
2,411,427	IQE*	506,400	0.31
1,752,546	Sondrel	96,390	0.06
<b>Software – 1.72% (2023 – 1.75%)</b>			
96,612	ActiveOps*	92,747	0.06
568,126	Altitude*	164,757	0.10
31,210	Aptitude Software	96,127	0.06
173,280	Bango*	176,746	0.11
72,400	Big Technologies*	97,740	0.06
14,573	Craneware*	320,606	0.20
100,116	Darktrace	437,307	0.27
364,284	dotdigital	309,641	0.19
34,127	FD Technologies*	418,397	0.25
294,212	Learning Technologies*	250,669	0.15
51,760	Oxford Metrics	53,313	0.03

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Software continued</b>		
134,690	Team17	309,787	0.19
8,600	Tracsis	77,400	0.05
	<b>Telecommunications – 1.56% (2023 – 2.43%)</b>		
169,494	Airtel Africa	179,155	0.11
402,423	BT	441,257	0.27
1,039,591	Filtronic*	374,253	0.23
22,885	Gamma Communications*	312,151	0.19
189,582	GlobalData*	341,248	0.21
50,249	Gooch & Housego	261,295	0.16
897,326	Vodafone	632,166	0.39
	<b>Textiles – 0.26% (2023 – 0.34%)</b>		
527,636	Coats	427,913	0.26
	<b>Transportation – 0.44% (2023 – 0.09%)</b>		
5,975	Clarkson	239,299	0.15
86,015	International Distributions Services	197,232	0.12
108,308	James Fisher & Sons	279,976	0.17
	<b>Water – 0.19% (2023 – 0.00%)</b>		
12,530	Severn Trent	309,366	0.19
	<b>Australia – 0.51% (2023 – 0.53%)</b>		
284,473	South32	439,795	0.27
62,286	Treasury Wine Estates	400,164	0.24
	<b>Austria – 0.00% (2023 – 0.30%)</b>		
	<b>Bermuda – 0.68% (2023 – 0.58%)</b>		
51,273	Conduit Holdings	265,081	0.16
23,539	Hiscox	291,884	0.18
40,376	Ocean Wilsons	561,226	0.34
	<b>Brazil – 0.37% (2023 – 0.27%)</b>		
508,407	Marcopolo pref.	605,428	0.37
	<b>Canada – 0.23% (2023 – 0.34%)</b>		
28,317	Barrick Gold	372,038	0.23
	<b>Chile – 0.00% (2023 – 0.06%)</b>		

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>China – 1.02% (2023 – 0.79%)</b>		
60,631	Alibaba	430,812	0.26
44,610	Baidu	463,393	0.28
990,300	China Lesso	369,606	0.23
193,000	Li Ning	406,038	0.25
	<b>France – 0.21% (2023 – 0.74%)</b>		
2,332	Airbus	340,374	0.21
	<b>Germany – 0.00% (2023 – 0.62%)</b>		
	<b>Gibraltar – 0.22% (2023 – 0.11%)</b>		
405,810	888	358,736	0.22
	<b>Greece – 0.14% (2023 – 0.13%)</b>		
150,818	Eurobank Ergasias Services	229,776	0.14
	<b>Guernsey – 0.19% (2023 – 0.00%)</b>		
247,679	Peel Hunt	309,599	0.19
	<b>Hong Kong – 1.39% (2023 – 0.00%)</b>		
85,428	HUTCHMED China*	225,957	0.14
276,578	Prudential	2,054,975	1.25
	<b>India – 0.11% (2023 – 0.09%)</b>		
1,778,507	OPG Power Ventures*	177,851	0.11
	<b>Ireland – 2.32% (2023 – 1.41%)</b>		
36,854	Bank of Ireland	296,811	0.18
155,664	C&C	254,978	0.16
191,471	Cairn Homes	261,166	0.16
3,746	DCC	215,695	0.13
6,224	Flutter Entertainment	982,769	0.60
37,010	Grafton	370,914	0.23
428,970	Greencore	511,332	0.31
287,119	Hostelworld	447,906	0.27
13,952	Keywords Studios	181,655	0.11
7,842	Smurfit Kappa	283,567	0.17
	<b>Isle of Man – 0.26% (2023 – 0.39%)</b>		
54,603	Playtech	251,938	0.15
260,028	Strix*	177,079	0.11

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Israel – 0.18% (2023 – 0.21%)</b>		
144,686	Nexxen International*	301,815	0.18
	<b>Italy – 0.00% (2023 – 0.23%)</b>		
	<b>Japan – 1.60% (2023 – 0.93%)</b>		
18,829	Eiken Chemical	196,871	0.12
16,400	Kansai Paint	186,443	0.11
15,118	Komatsu	349,668	0.21
28,722	Kyoto Financial	414,335	0.25
8,556	Nintendo	366,743	0.22
7,131	Sony Group	484,323	0.30
32,335	Tosei	418,254	0.26
8,100	Tsubakimoto Chain	217,766	0.13
	<b>Jersey – 0.53% (2023 – 0.44%)</b>		
280,897	Centamin	316,290	0.19
4,598,451	XLMedia*	551,814	0.34
	<b>Luxembourg – 0.19% (2023 – 0.22%)</b>		
19,926	Tenaris	311,927	0.19
	<b>Macau – 0.46% (2023 – 0.49%)</b>		
339,767	Sands China	756,050	0.46
	<b>Mexico – 0.38% (2023 – 0.23%)</b>		
87,778	Cemex	625,373	0.38
	<b>Netherlands – 1.02% (2023 – 1.16%)</b>		
28,640	Fugro	555,341	0.34
34,301	ING Groep	446,985	0.27
21,398	Just Eat Takeaway.com	251,854	0.15
16,860	Prosus	419,104	0.26
	<b>Nigeria – 0.21% (2023 – 0.27%)</b>		
235,818	SEPLAT Energy	340,521	0.21
	<b>Portugal – 0.00% (2023 – 0.14%)</b>		
	<b>Singapore – 0.17% (2023 – 0.11%)</b>		
25,250	XP Power	274,720	0.17

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>South Africa – 0.16% (2023 – 0.20%)</b>		
521,166	Old Mutual	257,717	0.16
	<b>South Korea – 0.34% (2023 – 0.19%)</b>		
11,559	Samsung Electronics	559,378	0.34
	<b>Spain – 0.44% (2023 – 0.69%)</b>		
65,203	CaixaBank	250,466	0.15
35,422	Repsol	467,589	0.29
	<b>Sweden – 0.42% (2023 – 0.29%)</b>		
3,319	Spotify	693,752	0.42
	<b>Switzerland – 1.81% (2023 – 1.71%)</b>		
493,483	Glencore	2,147,885	1.31
132,566	IWG	255,587	0.15
1,878	Roche	379,050	0.23
8,147	UBS	198,627	0.12
	<b>Taiwan – 0.25% (2023 – 0.17%)</b>		
21,332	Taiwan Semiconductor Manufacturing	410,510	0.25
	<b>United States of America – 9.84% (2023 – 6.44%)</b>		
6,672	Advanced Micro Devices	952,909	0.58
5,900	Alphabet	704,264	0.43
4,920	Amazon.com	701,984	0.43
20,433	Baker Hughes	541,375	0.33
13,658	Baxter International	461,556	0.28
240,088	Boku*	436,960	0.27
167	Booking	479,055	0.29
32,796	Carnival	383,549	0.23
8,397	Charles Schwab	480,655	0.29
6,048	Colgate-Palmolive	430,984	0.26
930,981	Devolver Digital*	176,887	0.11
22,365	Diversified Energy	211,797	0.13
6,881	DocuSign	324,318	0.20
19,950	DraftKings	716,984	0.44
1,654	Electronic Arts	173,681	0.11
8,598	Globus Medical	364,951	0.22
6,529	Henry Schein	390,215	0.24
3,093	Johnson & Johnson	387,295	0.24
21,516	Kenvue	365,001	0.22
659	KLA	364,042	0.22
12,768	Kraft Heinz	372,655	0.23

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>United States of America continued</b>			
9,636	Marvell Technology	540,669	0.33
16,431	Match	471,891	0.29
89,292	MaxCyte	299,128	0.18
1,509	McKesson	641,013	0.39
2,741	Meta	1,053,264	0.64
1,802	Netflix	865,959	0.53
5,925	PayPal	314,061	0.19
17,531	Pfizer	384,829	0.23
213,610	Rockwood Strategic	440,037	0.27
148,275	Somero Enterprises*	496,721	0.30
2,927	Take-Two Interactive Software	343,918	0.21
3,177,276	Tinybuild	174,750	0.11
2,069,400	Tinybuild	82,776	0.05
2,230	Valmont Industries	402,980	0.24
2,164	Walt Disney	209,574	0.13
<b>United States Virgin Islands – 0.24% (2023 – 0.00%)</b>			
318,954	AdvancedAdvT	398,693	0.24
<b>Collective Investment Schemes – 0.43% (2023 – 0.00%)</b>			
169,017	Renewables Infrastructure	170,031	0.10
121,204	River & Mercantile UK Micro Cap Investment***	181,806	0.11
1,324,489	Schroders Capital Global Innovation Trust	168,210	0.10
164,661	Syncona	201,874	0.12
<b>Investment Trusts – 0.82% (2023 – 1.28%)</b>			
206,490	Augmentum Fintech	205,251	0.13
188,684	AVI Japan Opportunity Trust PLC/Fund	242,459	0.15
105,840	Fidelity China Special Situations	212,209	0.13
26,592	International Biotechnology Trust	174,443	0.11
35	Lindsell Train Investment Trust	27,720	0.02
108,448	Montanaro UK Smaller Companies Investment Trust	108,990	0.07
25,528	Scottish Mortgage Investment Trust	228,016	0.14
38,069	Strategic Equity Capital	121,821	0.07
<b>FORWARD CURRENCY CONTRACTS – 0.00% (2023 – 0.02%)</b>			
£2,934,805	Forward Currency Contract 14/06/2024: UK sterling 2,934,805 vs Euro 3,419,000	4,270	0.00
<b>Portfolio of investments</b>		<b>164,473,079</b>	<b>100.16</b>
<b>Net other liabilities</b>		<b>(260,367)</b>	<b>(0.16)</b>
<b>Net assets</b>		<b>164,212,712</b>	<b>100.00</b>



# ES River and Mercantile UK Recovery Fund

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## Portfolio Statement continued

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2023.

\*Security listed in AIM.

\*\*Delisted security.

\*\*\*Related party.

# ES River and Mercantile UK Recovery Fund

## Comparative table

For the year ending:	31/03/2024	31/03/2023	31/03/2022
B-Class Distribution shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	1,180.48	1,211.13	1,182.01
Return before operating charges*	118.42	9.72	62.32
Operating charges	(13.36)	(13.10)	(13.82)
Return after operating charges	105.06	(3.38)	48.50
Distributions	(25.62)	(27.27)	(19.38)
<b>Closing net asset value per share</b>	<b>1,259.92</b>	<b>1,180.48</b>	<b>1,211.13</b>
*After direct transaction costs of	(2.02)	(2.51)	(3.91)
<b>Performance</b>			
Return after charges	8.90%	(0.28)%	4.10%
<b>Other information</b>			
Closing net asset value (£)	86,228,089	132,564,164	143,845,110
Closing number of shares	6,843,949	11,229,684	11,876,972
Operating charges**	1.12%	1.12%	1.11%
Direct transaction costs	0.17%	0.21%	0.31%
<b>Prices</b>			
Highest share price	1,272.70	1,285.04	1,310.11
Lowest share price	1,102.12	1,026.56	1,105.21

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 1.20%.

# ES River and Mercantile UK Recovery Fund

## Comparative table continued

For the year ending:	31/03/2024	31/03/2023	31/03/2022+
S-Class Accumulation shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	248.66	248.22	250.00
Return before operating charges*	25.29	2.55	0.22
Operating charges	(2.20)	(2.11)	(2.00)
Return after operating charges	23.09	0.44	(1.78)
Distributions	(6.07)	(6.23)	(4.03)
Retained distributions on accumulation shares	6.07	6.23	4.03
<b>Closing net asset value per share</b>	<b>271.75</b>	<b>248.66</b>	<b>248.22</b>
*After direct transaction costs of	(0.43)	(0.52)	(0.73)
<b>Performance</b>			
Return after charges	9.29%	0.18%	(0.71)%
<b>Other information</b>			
Closing net asset value (£)	7,788,866	7,058,245	9,423,923
Closing number of shares	2,866,143	2,838,527	3,796,610
Operating charges**	0.87%	0.87%	0.86%
Direct transaction costs	0.17%	0.21%	0.34%
<b>Prices</b>			
Highest share price	272.50	268.53	266.64
Lowest share price	235.72	214.30	225.01

+Launched on 30 April 2021.

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.95%.

# ES River and Mercantile UK Recovery Fund

## Comparative table continued

For the year ending:	31/03/2024	31/03/2023	31/03/2022
	pence per share	pence per share	pence per share
<b>S-Class Distribution shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	267.33	274.30	267.73
Return before operating charges*	26.84	2.19	14.10
Operating charges	(2.35)	(2.31)	(2.43)
Return after operating charges	24.49	(0.12)	11.67
Distributions	(6.48)	(6.85)	(5.10)
<b>Closing net asset value per share</b>	<b>285.34</b>	<b>267.33</b>	<b>274.30</b>
*After direct transaction costs of	(0.46)	(0.57)	(0.89)
<b>Performance</b>			
Return after charges	9.16%	(0.04)%	4.36%
<b>Other information</b>			
Closing net asset value (£)	66,470,660	79,452,446	90,813,055
Closing number of shares	23,295,040	29,720,683	33,107,472
Operating charges**	0.87%	0.87%	0.86%
Direct transaction costs	0.17%	0.21%	0.31%
<b>Prices</b>			
Highest share price	288.57	291.32	296.94
Lowest share price	249.63	232.49	250.59

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.95%.

# ES River and Mercantile UK Recovery Fund

## Comparative table continued

For the year ending:	31/03/2024	31/03/2023	31/03/2022
Z-Class Accumulation shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	2,345.56	2,323.88	2,210.52
Return before operating charges*	240.01	24.41	115.95
Operating charges	(2.88)	(2.73)	(2.59)
Return after operating charges	237.13	21.68	113.36
Distributions	(75.41)	(75.64)	(60.08)
Retained distributions on accumulation shares	75.41	75.64	60.08
<b>Closing net asset value per share</b>	<b>2,582.69</b>	<b>2,345.56</b>	<b>2,323.88</b>
*After direct transaction costs of	(4.06)	(4.89)	(7.38)
<b>Performance</b>			
Return after charges	10.11%	0.93%	5.13%
<b>Other information</b>			
Closing net asset value (£)	3,725,097	3,656,688	3,484,974
Closing number of shares	144,233	155,898	149,964
Operating charges**	0.12%	0.12%	0.11%
Direct transaction costs	0.17%	0.21%	0.31%
<b>Prices</b>			
Highest share price	2,589.62	2,531.74	2,492.55
Lowest share price	2,233.06	2,014.51	2,105.56

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.20%.

# ES River and Mercantile UK Recovery Fund

## Synthetic Risk Reward Indicator (SRRI)



Typically Lower Rewards

Typically Higher Rewards



This sub-fund is ranked at 6 because funds of this type have experienced medium to high rises and falls in value in the past. The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile. The risk and reward score is not guaranteed and may change over time. The lowest category does not mean risk free. While the risk indicator takes into account the broader risk profile, the following risks are considered most relevant to this sub-fund:

- **Equity Securities:** Equities can lose value rapidly, and typically involve higher market risks than bonds, money market instruments or other debt instruments. Fluctuation in value may occur in response to activities of individual companies, the general market, economic conditions, or changes in currency exchange rates.
- **Small and Mid-Cap Stock:** Stocks of small and mid-size companies can be more volatile and less liquid than stocks of larger companies. Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks.
- **Concentration:** In certain conditions the sub-fund may invest in a relatively small number of securities, which may result in portfolio concentration in sectors, countries, or other groupings. These potential concentrations mean that a loss arising in a single investment may cause a proportionately greater loss in the sub-fund than if a larger number of investments were made.
- **Liquidity:** There is a risk that adverse market conditions may affect the sub-fund's ability to sell assets at the price the sub-fund would like, or the sub-fund may have to sell them at a loss.
- **Currency:** To the extent that a sub-fund holds assets that are denominated in currencies other than the base currency, any changes in currency exchange rates could reduce investment gains or income, or increase investment losses.

## Summary of Largest Portfolio Changes

The table below shows the top ten purchases and sales for the year.

<b>Purchases</b>	<b>£</b>	<b>Sales</b>	<b>£</b>
Diageo	2,418,320	HSBC	7,140,155
Liontrust Asset Management	1,029,867	BP	4,518,019
Persimmon	800,386	Shell	4,047,849
AstraZeneca	753,978	Rolls-Royce	2,281,114
Samsung Electronics	621,067	Lloyds Banking	2,146,642
Baxter International	591,998	Gresham House	2,023,606
Johnson & Johnson	577,876	Rio Tinto	1,736,120
RS	571,537	Anglo American	1,622,165
Anglo American	564,727	Unilever	1,534,372
Valmont Industries	563,258	Centrica	1,517,457

# ES River and Mercantile UK Recovery Fund

## Statement of Total Return for the year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024		1 April 2022 to 31 March 2023	
		£	£	£	£
Income					
Net capital gains/(losses)	2		11,650,300		(5,149,341)
Revenue	3	6,587,955		7,821,368	
Expenses	4	(1,971,128)		(2,199,164)	
Interest payable and similar charges	6	(4,089)		(4,869)	
Net revenue before taxation for the year		4,612,738		5,617,335	
Taxation	5	(103,051)		(220,829)	
Net revenue after taxation for the year			4,509,687		5,396,506
Total return before distributions			16,159,987		247,165
Distributions	7		(4,521,999)		(5,415,937)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>11,637,988</b>		<b>(5,168,772)</b>

## Statement of Change in Net Assets attributable to Shareholders for the year ended 31 March 2024

	1 April 2023 to 31 March 2024		1 April 2022 to 31 March 2023	
	£	£	£	£
Opening net assets attributable to Shareholders		222,731,543		247,567,062
Amounts received on creation of shares	29,857,775		58,168,318	
Amounts paid on cancellation of shares	(100,400,383)		(78,180,094)	
		(70,542,608)		(20,011,776)
Dilution adjustment		97,942		57,211
Stamp duty reserve tax		(291)		—
Change in net assets attributable to Shareholders from investment activities		11,637,988		(5,168,772)
Retained distributions on accumulation shares		288,138		287,818
<b>Closing net assets attributable to Shareholders</b>		<b>164,212,712</b>		<b>222,731,543</b>

# ES River and Mercantile UK Recovery Fund

## Balance Sheet as at 31 March 2024

	Notes	31 March 2024		31 March 2023	
		£	£	£	£
<b>ASSETS</b>					
Fixed assets					
Investments			164,473,079		222,562,623
Current assets					
Debtors	8	3,037,431		1,937,916	
Cash and bank balances		28,351		6,785,052	
<b>Total other assets</b>			<b>3,065,782</b>		<b>8,722,968</b>
<b>Total assets</b>			<b>167,538,861</b>		<b>231,285,591</b>
<b>LIABILITIES</b>					
Creditors					
Bank overdrafts		(1,030,245)		—	
Distribution payable		(1,201,435)		(1,764,396)	
Other creditors	9	(1,094,469)		(6,789,652)	
<b>Total other liabilities</b>			<b>(3,326,149)</b>		<b>(8,554,048)</b>
<b>Total liabilities</b>			<b>(3,326,149)</b>		<b>(8,554,048)</b>
<b>Net assets attributable to Shareholders</b>			<b>164,212,712</b>		<b>222,731,543</b>



# ES River and Mercantile UK Recovery Fund

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## Notes to the Financial Statements

### 1 Accounting policies

The accounting policies for the sub-fund are set out on pages 7 to 9.

### 2 Net capital gains/(losses)

	31 March 2024 £	31 March 2023 £
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	11,471,150	(4,833,493)
Forward currency contracts	252,741	(435,142)
Currency (losses)/gains	(26,925)	175,824
Custodial transaction fees	<u>(46,666)</u>	<u>(56,530)</u>
Net capital gains/(losses)	<u>11,650,300</u>	<u>(5,149,341)</u>

### 3 Revenue

	31 March 2024 £	31 March 2023 £
Bank interest	18,229	7,118
Franked distributions from authorised funds	44,753	58,732
Management fee rebates	1,106	1,293
Non-taxable overseas dividends	1,049,307	1,695,925
Taxable overseas dividends	59,641	18,407
UK dividends	5,240,053	5,901,769
UK REIT dividends	<u>174,866</u>	<u>138,124</u>
	<u>6,587,955</u>	<u>7,821,368</u>

# ES River and Mercantile UK Recovery Fund

## Notes to the Financial Statements continued

### 4 Expenses

	31 March 2024 £	31 March 2023 £
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	<u>1,781,836</u>	<u>1,998,601</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	29,961	33,064
Safe custody fees	<u>12,894</u>	<u>14,360</u>
	<u>42,855</u>	<u>47,424</u>
Other expenses:		
Audit fee*	18,911	15,203
Fund accounting fees	48,514	47,773
Legal and professional fees	3,886	3,589
Registration fees	(579)	646
Transfer agency fees	53,287	63,865
Other fees	<u>22,418</u>	<u>22,063</u>
	<u>146,437</u>	<u>153,139</u>
Total expenses	<u><u>1,971,128</u></u>	<u><u>2,199,164</u></u>

\*Total audit fees of £14,882 (2023 - £13,908) exclusive of VAT.

# ES River and Mercantile UK Recovery Fund

## Notes to the Financial Statements continued

### 5 Taxation

	31 March 2024 £	31 March 2023 £
<b>a) Analysis of taxation charge in year</b>		
Overseas tax	<u>103,051</u>	<u>220,829</u>
Total taxation	<u>103,051</u>	<u>220,829</u>

### b) Factors affecting taxation charge for the year

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company with variable capital (20%) (2023: 20%). The difference is explained below:

Net revenue before taxation for the year	<u>4,612,738</u>	<u>5,617,335</u>
Return on ordinary activities before taxation at the applicable rate of Corporation tax in the UK of 20% (2023: 20%)	922,548	1,123,467
Effects of:		
Movement in tax losses	346,064	408,370
Overseas tax	103,051	220,829
Relief on overseas tax expensed	(1,789)	(552)
Revenue not subject to tax	<u>(1,266,823)</u>	<u>(1,531,285)</u>
Total taxation	<u>103,051</u>	<u>220,829</u>

Open Ended Investment Companies are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation of the sub-fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

### c) Provision for deferred tax

There is no deferred tax provision in the current or preceding year.

At the year end there is a potential deferred tax asset of £6,053,176 (£5,707,112 as at 31 March 2023) due to tax losses. It is unlikely the sub-fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (same as at 31 March 2023).

### 6 Interest payable and similar charges

	31 March 2024 £	31 March 2023 £
Interest	<u>4,089</u>	<u>4,869</u>
	<u>4,089</u>	<u>4,869</u>

# ES River and Mercantile UK Recovery Fund

## Notes to the Financial Statements continued

### 7 Distributions

The distributions take account of revenue received on the creation of shares and deducted on the cancellation of shares, and comprise:

	31 March 2024 £	31 March 2023 £
Interim	2,862,776	3,441,542
Final	<u>1,312,228</u>	<u>1,874,328</u>
	4,175,004	5,315,870
Add: revenue deducted on cancellation of shares	511,808	536,925
Deduct: revenue received on creation of shares	<u>(164,813)</u>	<u>(436,858)</u>
	<u>4,521,999</u>	<u>5,415,937</u>
Distributions for the year		
Reconciliation between net revenue after taxation for the year and the distributions:		
Net revenue after taxation for the year	4,509,687	5,396,506
Equalisation on conversions	(64)	5,417
Expenses transferred to capital	<u>12,376</u>	<u>14,014</u>
Distributions for the year	<u>4,521,999</u>	<u>5,415,937</u>

### 8 Debtors

	31 March 2024 £	31 March 2023 £
Accrued revenue	842,495	1,151,389
Amounts receivable for issue of shares	157,545	427,453
Foreign currency contracts awaiting settlement	236,824	54,570
Overseas tax recoverable	25,497	19,739
Sales awaiting settlement	<u>1,775,070</u>	<u>284,765</u>
	<u>3,037,431</u>	<u>1,937,916</u>

### 9 Other creditors

	31 March 2024 £	31 March 2023 £
<b>a) Distribution payable</b>		
Gross distribution payable	<u>1,201,435</u>	<u>1,764,396</u>
Total distribution payable	<u>1,201,435</u>	<u>1,764,396</u>
<b>b) Other creditors</b>		
Accrued expenses	201,277	289,110
Amounts payable for cancellation of shares	495,045	6,446,049
Foreign currency contracts awaiting settlement	236,940	54,493
Purchases awaiting settlement	<u>161,207</u>	<u>—</u>
	<u>1,094,469</u>	<u>6,789,652</u>

### 10 Contingent liabilities and outstanding commitments

There were no commitments or contingent liabilities at the balance sheet date (31 March 2023: same).

# ES River and Mercantile UK Recovery Fund

## Notes to the Financial Statements continued

### 11 Related party transactions

Equity Trustees Fund Services Ltd, as ACD, is a related party, and acts as principal in respect of all the transactions of shares in the company. The aggregate monies received through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets attributable to Shareholders. The amounts outstanding at the year end are disclosed in notes 8 and 9 as amounts receivable on creation of shares and amounts payable on cancellation of shares respectively.

Amounts paid to Equity Trustees Fund Services Ltd in respect of the ACD, associates of the ACD and agents of either of them are disclosed in note 4. The balance outstanding as at the year end was £131,237 (£183,021 as at 31 March 2023).

Equity Trustees Fund Services Limited, as the sub-fund's ACD, wishes to disclose to the sub-fund's Shareholders that 24.17% of the sub-fund's shares in issue are under the control of an international central securities depository and its related parties.

### 12 Financial instruments

The main risks and the ACD's policy for managing these risks, are stated within the notes to the financial statements of all the sub-funds of the ES River and Mercantile Funds ICVC.

#### a) Credit risk

Certain transactions in securities that the sub-fund enters into expose it to risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibility.

This risk is managed by appraising the credit profile of financial instruments and trade counterparties.

At 31 March 2024, the sub-fund held non exchange traded derivatives in the form of forward currency contracts.

The counterparty exposure is shown below:

Counterparty Details of OTC Financial Derivative Transactions	Forwards Assets £	Forwards Liabilities £
Northern Trust	4,270	—

At 31 March 2023, the sub-fund held non exchange traded derivatives in the form of forward currency contracts.

The counterparty exposure is shown below:

Counterparty Details of OTC Financial Derivative Transactions	Forwards Assets £	Forwards Liabilities £
Northern Trust	47,978	—

No collateral is held or pledged (2023: same)

#### b) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

31 March 2024		Assets £	Liabilities £
Level 1	Unadjusted quoted price in an active market for an identical instrument	163,754,821	—
Level 2	Valuation techniques using observable inputs other than quoted prices within level 1	4,270	—
Level 3	Valuation techniques using unobservable inputs	713,988	—
		<b>164,473,079</b>	<b>—</b>

# ES River and Mercantile UK Recovery Fund

## Notes to the Financial Statements continued

### 12 Financial instruments continued

#### b) Valuation of financial investments continued

31 March 2023		Assets £	Liabilities £
Level 1	Unadjusted quoted price in an active market for an identical instrument	222,466,404	—
Level 2	Valuation techniques using observable inputs other than quoted prices within level 1	47,978	—
Level 3	Valuation techniques using unobservable inputs	48,241	—
		<b>222,562,623</b>	<b>—</b>

Where a price is unavailable or the price provided is not thought to be a fair reflection of the current market value of the asset, the Manager, at its discretion, may permit a different method of valuation to be used.

Level 3 assets held in the sub-fund have been identified on the portfolio statement. Includes securities fair valued by the Manager. These securities are identified on the Fund's Portfolio Statement.

Upon review of the most recent Rangers company accounts, the 20pence FVP is still considered relevant. Whilst a limited number of new shares have been issued at 25pence, per share during the year, the current valuation was deemed to be conservative. As the stock continued to reflect a lack of liquidity, it was decided to price at a 20% discount.

Following the announcement regarding the acquisition of Petronas Carigali Nile Ltd in South Sudan, the shares of Savannah Energy were suspended from trading in the AIM awaiting completion of the proposed transaction. In order for completion to take place, a written approval for the proposed transaction from the Government of South Sudan as well as publication of both companies FY 2023 audited annual accounts should be filed to progress the relisting within the AIM. Currently these shares are stale priced at the last traded price on the AIM exchange, this is believed to be the best estimated price in this prolonged suspension. Once the shares are relisted the price will be returned to the variable market price.

#### c) Foreign currency risk

Foreign currency risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. The risk may be managed by the utilisation of forward currency contracts as necessary.

# ES River and Mercantile UK Recovery Fund

## Notes to the Financial Statements continued

### 12 Financial instruments continued

#### c) Foreign currency risk continued

The currency profile for the sub-fund's net assets at the balance sheet date was:

31 March 2024 Currency	Monetary exposures £	Net foreign currency assets	
		Non-monetary exposures £	Total £
Australian Dollar	644	405,304	405,948
Brazilian Real	—	634,607	634,607
Canadian Dollar	155	372,039	372,194
Danish Krone	93	—	93
Euro	871	883,117	883,988
Hong Kong Dollar	244	2,425,899	2,426,143
Japanese Yen	84	2,657,822	2,657,906
Korean Won	—	563,027	563,027
Mexican Peso	290	—	290
Norwegian Krone	387	197,581	197,968
Singapore Dollar	104	—	104
South African Rand	434	—	434
Swedish Krona	159	—	159
Swiss Franc	143	577,677	577,820
Taiwan Dollar	—	411,991	411,991
US Dollar	24,742	15,067,270	15,092,012
	<b>28,350</b>	<b>24,196,334</b>	<b>24,224,684</b>

31 March 2023 Currency	Monetary exposures £	Net foreign currency assets	
		Non-monetary exposures £	Total £
Australian Dollar	676	—	676
Brazilian Real	—	620,760	620,760
Canadian Dollar	842	749,267	750,109
Danish Krone	257	—	257
Euro	1,619	664,748	666,367
Hong Kong Dollar	28	2,851,163	2,851,191
Japanese Yen	572	2,094,124	2,094,696
Korean Won	—	426,174	426,174
Mexican Peso	273	—	273
Norwegian Krone	455	334,743	335,198
Singapore Dollar	108	—	108
South African Rand	473	—	473
Swedish Krona	168	4,972	5,140
Swiss Franc	81	634,553	634,634
Taiwan Dollar	—	390,929	390,929
US Dollar	13,486	13,710,289	13,723,775
	<b>19,038</b>	<b>22,481,722</b>	<b>22,500,760</b>

# ES River and Mercantile UK Recovery Fund

## Notes to the Financial Statements continued

### 12 Financial instruments continued

#### c) Foreign currency risk continued

#### d) Derivative risk

At the balance sheet date, no derivatives were held that could impact the sub-fund in a significant way (2023: same).

#### e) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk exposure of the sub-fund is not considered to be significant.

#### f) Sensitivity analysis

##### Currency risk

If sterling (the sub-fund base currency) increased by 10% against non-sterling currencies as at the balance sheet date the net asset value of the sub-fund would have decreased by £2,422,468 (2023: £2,250,076). A weakening in sterling against non-sterling currencies of 10% will have resulted in an equal but opposite effect.

##### Price risk

If market prices had increased by 10% as at the balance sheet date the net asset value of the sub-fund would have increased by £16,446,881 (2023: £22,251,465). A weakening in market prices of 10% will have resulted in an equal but opposite effect.

#### g) Leverage

The sub-fund did not employ significant leverage during the year.

### 13 Portfolio transaction costs

For the year 1 April 2023 to 31 March 2024

Purchases	Transaction Value	Commissions	%	Taxes	
	£			£	£
Equity instruments (direct)	65,918,224	41,387	0.06	207,474	0.31
Collective investment schemes	1,452,315	1,012	0.07	4,738	0.33
Total purchases	67,370,539	42,399		212,212	
Total purchases including transaction costs	67,625,150				
Sales	Transaction Value	Commissions	%	Taxes	
	£			£	£
Equity instruments (direct)	135,311,070	72,334	0.05	4,506	0.00
Collective investment schemes	1,862,726	1,159	0.06	57	0.00
Total sales	137,173,796	73,493		4,563	
Total sales net of transaction costs	137,095,740				
Total transaction costs		115,892		216,775	
as a % of average net assets		0.06%		0.11%	



# ES River and Mercantile UK Recovery Fund

## Notes to the Financial Statements continued

### 13 Portfolio transaction costs continued

For the year 1 April 2022 to 31 March 2023

<b>Purchases</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	100,537,880	65,401	0.07	327,080	0.33
Collective investment schemes	726,102	556	0.08	2,809	0.39
<b>Total purchases</b>	<b>101,263,982</b>	<b>65,957</b>		<b>329,889</b>	
<b>Total purchases including transaction costs</b>	<b>101,659,828</b>				
<b>Sales</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	120,796,925	71,163	0.06	6,297	0.01
Collective investment schemes	2,466,403	1,915	0.08	34	0.00
<b>Total sales</b>	<b>123,263,328</b>	<b>73,078</b>		<b>6,331</b>	
<b>Total sales net of transaction costs</b>	<b>123,183,919</b>				
<b>Total transaction costs</b>		<b>139,035</b>		<b>336,220</b>	
<b>as a % of average net assets</b>		<b>0.06%</b>		<b>0.15%</b>	

The above analysis covers any direct transaction costs suffered by the sub-fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the sub-fund's investment in collective investment scheme holdings there will potentially be a dilution adjustment cost applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.63% (2023 - 0.48%).

### 14 Share movement

	<b>B-Class Distribution shares</b>	<b>S-Class Accumulation shares</b>	<b>S-Class Distribution shares</b>	<b>Z-Class Accumulation shares</b>
Opening shares	11,229,684	2,838,527	29,720,683	155,898
Shares issued	1,043,771	38,441	6,506,785	1,639
Shares redeemed	(5,441,456)	(10,825)	(12,901,442)	(10,870)
Shares converted	11,950	—	(30,986)	(2,434)
<b>Closing shares</b>	<b>6,843,949</b>	<b>2,866,143</b>	<b>23,295,040</b>	<b>144,233</b>

# ES River and Mercantile UK Recovery Fund

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## Notes to the Financial Statements continued

### 15 Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

# ES River and Mercantile UK Recovery Fund

## Distribution tables for the year ended 31 March 2024

Group 1: shares purchased prior to a distribution period

Group 2: shares purchased during a distribution period

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. As capital it is not liable to Income tax but must be deducted from the cost of shares for Capital Gains tax purposes.

Interim dividend distribution in pence per share		Period 01/04/2023 — 30/09/2023		
	Net Revenue	Equalisation	Distribution paid 30/11/23	Distribution paid 30/11/22
<b>B-Class Distribution shares</b>				
Group 1	16.3484	—	16.3484	17.9983
Group 2	11.1501	5.1983	16.3484	17.9983
<b>S-Class Accumulation shares</b>				
Group 1	3.7612	—	3.7612	3.9874
Group 2	2.1877	1.5735	3.7612	3.9874
<b>S-Class Distribution shares</b>				
Group 1	4.0435	—	4.0435	4.4137
Group 2	1.5704	2.4731	4.0435	4.4137
<b>Z-Class Accumulation shares</b>				
Group 1	44.4223	—	44.4223	45.9412
Group 2	20.8578	23.5645	44.4223	45.9412

Final dividend distribution in pence per share		Period 01/10/2023 — 31/03/2024		
	Net Revenue	Equalisation	Distribution payable 31/05/24	Distribution paid 31/05/23
<b>B-Class Distribution shares</b>				
Group 1	9.2674	—	9.2674	9.2741
Group 2	6.3706	2.8968	9.2674	9.2741
<b>S-Class Accumulation shares</b>				
Group 1	2.3061	—	2.3061	2.2418
Group 2	1.7859	0.5202	2.3061	2.2418
<b>S-Class Distribution shares</b>				
Group 1	2.4348	—	2.4348	2.4325
Group 2	1.7117	0.7231	2.4348	2.4325
<b>Z-Class Accumulation shares</b>				
Group 1	30.9882	—	30.9882	29.6968
Group 2	18.0836	12.9046	30.9882	29.6968

# ES River and Mercantile UK Equity Income Fund

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## Investment Objective

The investment objective of the sub-fund is to (a) generate an average annual income above the dividend yield of the Benchmark over a rolling 3 year period; and (b) achieve a total return (income and growth in the value of your investments (known as “capital growth”)) above the total return of the Benchmark over a rolling 5 year period, after the deduction of all fees.

The “Benchmark” for the sub-fund is the MSCI United Kingdom Investable Market Index (IMI) Net Total Return.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The sub-fund’s capital is at risk meaning that the sub-fund could suffer a decrease in value and the value of your investment would decrease as a result.

## Investment Policy

The sub-fund seeks to achieve its investment objective by investing at least 60% of its value in shares of UK companies (companies which are domiciled, incorporated, or have significant operations in the UK). Investment can be direct, or indirect, in shares (including common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

In addition, up to 20% of the sub-fund may be invested in shares of companies which are not UK companies but which, at the time of investment, are listed in the UK. Investment can be direct or indirect as noted above. It is expected that at least 80% of the sub-fund will be invested in UK companies and companies which are listed in the UK.

Up to 20% of the sub-fund may be invested in shares of overseas companies (companies which are not UK companies and which are not listed in the UK), excluding emerging markets, investment grade bonds issued by companies and governments (an investment grade rating conveys the rating agency’s view that there is a lower risk of loss resulting from the issuer defaulting, than would apply to a non-investment grade bond), convertible bonds, collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager.

The sub-fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as “efficient portfolio management”). As an example, the sub-fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The sub-fund is actively managed, meaning the Investment Manager will use their expertise to pick investments to achieve the sub-fund’s objectives.

The sub-fund will invest in a range of companies by industry sector and size and does not have to hold the same companies that are included in the Benchmark or in the same weights. However, where the sub-fund invests in companies which are included in the Benchmark the sub-fund’s exposure to any company will not be more than 5% above or below the Benchmark’s exposure to that company. Exposure to any industry sector will not be more than 8% above or below the Benchmark’s exposure to that sector, measured at the Sector level of MSCI GICS (Global Industry Classification Standard).

# ES River and Mercantile UK Equity Income Fund

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## Investment Manager's Review

Over the financial year ended 31st March 2024, the ES River and Mercantile UK Equity Income Fund delivered a total return of +7.3% compared to the MSCI UK IMI Index's return of +8.8%. The total dividends declared (based on the B Income share class) for the 12 months were 23.0 pence per share compared to 23.5 pence in the comparative period.

UK markets were up +8.8% over the period with little dispersion between different market capitalisations (mega, large, mid-sized and smaller) over the twelve months. However, at the sector level, there was a high level of dispersion with cyclical and higher beta sectors leading the way and higher quality and defensive assets generally lagging. Industrial, Information Technology and Financials were the strongest sectors while Real Estate, Energy and Consumer Discretionary also beat the market. Conversely, Health Care, Utilities, Consumer Staples and Materials sectors lagged the market.

As discussed in previous reports, the portfolio was skewed towards Consumer and Industrial Cyclical over more defensive sectors and this was a positive driver of returns. The portfolio was also substantially overweight in smaller capitalisation stocks at the expense of mega/large cap exposures. Whilst this skew was not supportive over the last year (negative overall size contribution), the extent of the recent small cap underperformance sets up an attractive opportunity for future portfolio returns and there is increasing evidence that this stance is starting to deliver.

At the stock level key positive contributors included: **Sabre Insurance**, **Restaurant Group**, **Cranswick** and **Hollywood Bowl** (smaller capitalisation stocks); **Sage**, **BAE Systems** and a new holding in **NatWest** (all larger-caps) and the underweight in **Diageo**. Conversely, positions in **Diversified Energy** (now exited), **Close Brothers** and **Capita** were all negative contributors, while the zero weightings in **RELX** (sold early in the period), **CRH**, **Rolls Royce** and **3i** impacted performance negatively.

Key transactions in the period, in addition to those referenced above, include new holdings across a range of market caps and sectors including **Prudential** (Insurance), **FeverTree Drinks** (Beverages), **Severn Trent** (Utilities), **Workspace** (Real Estate) and **Central Asia Metals** (Mining). Other less significant new positions included **CLS** (Real Estate), **Softcat** (Software), **Barratt Developments** (Housebuilding) and **Kier Group** (Support Services). Funding for these purchases was provided mainly by exiting larger-cap defensives such as **British American Tobacco**, **Reckitt Benckiser** and **Tate & Lyle** and reducing exposures in **HSBC** and **Shell**.

## Outlook

While the upcoming elections in the UK, Eurozone and the US create a wider range of potential investment outcomes than might otherwise have been the case, our central view is that we are entering a period of later-cycle expansion with potential upside drivers from some long awaited capital investment cycles, outside of the obvious "Artificial Intelligence" related technology investment spend. The market consensus has moved from worrying about an economic hard landing to the expectations of a "soft landing" with the US still driving global growth. Therefore, the portfolio retains a skew towards industrial and manufacturing sectors which should benefit from the oncoming restocking cycle whilst recognising that inflation in developed economies is likely to remain at higher levels than in previous cycles, reducing the scope for aggressive interest rate cuts in the short term. Higher inflation should mean higher nominal global growth, which is usually good for equities.

Turning to the UK, after a period of low economic growth we can see more reasons for upside surprise, based on reducing mortgage finance costs and higher real wages (helping consumers) and the acceleration in the global inventory cycle. While monetary policy will be loosened over the next few quarters, fiscal policy will probably remain restrictive, whichever party wins the next General Election, given high levels of government debt. However, while government activity is constrained by high debt, corporate and consumer "balance sheets" are generally in a much stronger position, which should be positive for demand.

UK equities remain out of favour with many investors, despite the obvious valuation discount of the UK equity market to most international markets. We note that Merger and Acquisition activity has accelerated in the first quarter of 2024, interest rates are on the way down and the outlook for nominal economic growth is improving. Following the turmoil during and after Covid, the UK dividend base is now in a more stable condition as earnings have recovered (better coverage ratio) and we anticipate that dividend growth will return to its historic medium-term average (mid-single digits), a good underpinning for "income" returns through the cycle.

# ES River and Mercantile UK Equity Income Fund

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## Investment Manager's Review continued

Importantly, from a portfolio perspective, the universe of opportunities for dividend growth and high yield is both deep (across the market cap sections) and wide (across multiple sectors) and our investment process enables the portfolio to take advantage of the best opportunities for dividend returns and capital growth across the UK market.

River Global

March 2024

Investment Adviser to the sub-fund

Source: River Global Investors, Bloomberg LP. Fund performance is calculated using midday published prices. Benchmark performance is calculated using close of business mid-market prices.

# ES River and Mercantile UK Equity Income Fund

## Portfolio Statement as at 31 March 2024

Holding	Investment	Market Value £	% of Net Assets
<b>United Kingdom – 91.35% (2023 – 90.64%)</b>			
<b>Aerospace &amp; Defence – 4.89% (2023 – 2.86%)</b>			
59,000	BAE Systems	796,205	3.58
80,000	QinetiQ	292,000	1.31
<b>Agriculture – 0.00% (2023 – 4.60%)</b>			
<b>Airlines – 0.00% (2023 – 0.82%)</b>			
<b>Banks – 7.39% (2023 – 8.31%)</b>			
60,000	HSBC	371,340	1.67
1,180,000	Lloyds Banking	610,768	2.74
250,000	NatWest	663,500	2.98
<b>Beverages – 2.16% (2023 – 2.25%)</b>			
40,000	Fevertree Drinks*	480,000	2.16
<b>Chemicals – 0.00% (2023 – 1.08%)</b>			
<b>Commercial Services – 2.84% (2023 – 5.96%)</b>			
1,400,000	Capita	184,660	0.83
195,000	XPS Pensions	448,500	2.01
<b>Computers – 3.01% (2023 – 1.98%)</b>			
270,000	Serco Group	512,190	2.30
10,000	Softcat	158,800	0.71
<b>Cosmetics &amp; Personal Care – 1.43% (2023 – 2.10%)</b>			
8,000	Unilever	318,000	1.43
<b>Distribution &amp; Wholesale – 1.79% (2023 – 0.00%)</b>			
55,000	RS	399,740	1.79
<b>Diversified Financial Services – 7.18% (2023 – 4.91%)</b>			
39,000	Close Brothers	163,020	0.73
40,000	Hargreaves Lansdown	294,320	1.32
46,020	Impax Asset Management	213,533	0.96
210,000	Man PLC	560,700	2.52
30,000	OSB Group	113,160	0.51
480,000	Premier Miton*	254,400	1.14

# ES River and Mercantile UK Equity Income Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Electricity – 1.72% (2023 – 1.90%)</b>		
76,500	Drax	383,418	1.72
	<b>Electronics – 0.70% (2023 – 1.17%)</b>		
214,267	Atrato Onsite Energy	155,986	0.70
	<b>Engineering &amp; Construction – 0.71% (2023 – 0.00%)</b>		
120,000	Kier	157,920	0.71
	<b>Food Producers – 4.98% (2023 – 5.90%)</b>		
9,000	Cranswick	368,460	1.65
155,000	Premier Foods	231,260	1.04
172,000	Tesco	510,152	2.29
	<b>Forest Products &amp; Paper – 1.63% (2023 – 1.86%)</b>		
26,000	Mondi	362,700	1.63
	<b>Home Builders – 1.68% (2023 – 0.00%)</b>		
78,500	Barratt Developments	373,346	1.68
	<b>Home Furnishings – 2.03% (2023 – 1.37%)</b>		
50,000	Howden Joinery	453,100	2.03
	<b>Household Products – 0.00% (2023 – 4.51%)</b>		
	<b>Insurance – 5.18% (2023 – 6.10%)</b>		
175,000	M&G	385,875	1.73
430,500	Sabre Insurance	768,012	3.45
	<b>Internet – 0.00% (2023 – 0.72%)</b>		
	<b>Leisure Time – 1.63% (2023 – 1.62%)</b>		
110,000	Hollywood Bowl	362,450	1.63
	<b>Lodging – 1.93% (2023 – 1.54%)</b>		
13,000	Whitbread	430,820	1.93
	<b>Machinery Diversified – 3.65% (2023 – 1.21%)</b>		
19,600	IMI	355,740	1.60
92,000	Vesuvius	455,584	2.05



# ES River and Mercantile UK Equity Income Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Mining – 3.84% (2023 – 2.83%)</b>		
20,000	Anglo American	390,360	1.75
235,000	Central Asia Metals*	464,360	2.09
	<b>Miscellaneous Manufacturing – 0.63% (2023 – 0.35%)</b>		
39,000	Chemring	141,375	0.63
	<b>Oil &amp; Gas Producers – 6.75% (2023 – 7.44%)</b>		
128,500	Serica Energy*	242,094	1.09
48,000	Shell	1,260,000	5.66
	<b>Packaging &amp; Containers – 1.56% (2023 – 0.70%)</b>		
197,259	Essentra	346,387	1.56
	<b>Pharmaceuticals – 9.50% (2023 – 9.07%)</b>		
9,000	AstraZeneca	961,020	4.32
67,500	GSK	1,153,305	5.18
	<b>Private Equity – 0.00% (2023 – 0.96%)</b>		
	<b>Real Estate Investment Trusts – 4.02% (2023 – 0.74%)</b>		
180,000	CLS	154,800	0.69
334,000	Shaftesbury Capital	481,962	2.16
51,000	Workspace	261,120	1.17
	<b>Retail – 4.71% (2023 – 3.20%)</b>		
140,000	DFS Furniture	154,840	0.70
150,000	Mitchells & Butlers	338,400	1.52
6,000	Next	553,920	2.49
	<b>Software – 1.70% (2023 – 1.95%)</b>		
30,000	Sage	379,650	1.70
	<b>Telecommunications – 0.00% (2023 – 0.63%)</b>		
	<b>Water – 2.11% (2023 – 0.00%)</b>		
19,000	Severn Trent	469,110	2.11
	<b>Bermuda – 3.13% (2023 – 2.12%)</b>		
135,000	Conduit Holdings	697,950	3.13

# ES River and Mercantile UK Equity Income Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Canada – 1.52% (2023 – 1.85%)</b>		
25,700	Barrick Gold	337,655	1.52
	<b>France – 1.68% (2023 – 1.81%)</b>		
4,800	Sanofi	373,281	1.68
	<b>Guernsey – 0.00% (2023 – 0.13%)</b>		
	<b>Hong Kong – 2.54% (2023 – 0.00%)</b>		
76,000	Prudential	564,680	2.54
	<b>Ireland – 0.00% (2023 – 0.39%)</b>		
	<b>Isle of Man – 0.00% (2023 – 0.69%)</b>		
	<b>Jersey – 0.00% (2023 – 0.20%)</b>		
	<b>Switzerland – 0.72% (2023 – 0.00%)</b>		
800	Roche	161,470	0.72
	<b>United States of America – 0.00% (2023 – 2.15%)</b>		
	<b>Portfolio of investments</b>	<b>22,477,398</b>	<b>100.94</b>
	<b>Net other liabilities</b>	<b>(209,384)</b>	<b>(0.94)</b>
	<b>Net assets</b>	<b>22,268,014</b>	<b>100.00</b>

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2023.

\*Security listed in AIM.

# ES River and Mercantile UK Equity Income Fund

## Comparative table

For the year ending:	31/03/2024	31/03/2023	31/03/2022
B-Class Distribution shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	508.19	533.38	507.68
Return before operating charges*	42.12	2.83	49.81
Operating charges	(4.66)	(4.68)	(4.65)
Return after operating charges	37.46	(1.85)	45.16
Distributions	(22.94)	(23.34)	(19.46)
<b>Closing net asset value per share</b>	<b>522.71</b>	<b>508.19</b>	<b>533.38</b>
*After direct transaction costs of	(1.13)	(0.90)	(1.46)
<b>Performance</b>			
Return after charges	7.37%	(0.35)%	8.90%
<b>Other information</b>			
Closing net asset value (£)	17,167,648	24,369,623	57,464,544
Closing number of shares	3,284,365	4,795,352	10,773,561
Operating charges**	0.92%	0.90%	0.87%
Direct transaction costs	0.22%	0.18%	0.27%
<b>Prices</b>			
Highest share price	530.90	551.73	564.26
Lowest share price	477.14	460.24	495.70

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.95%.

# ES River and Mercantile UK Equity Income Fund

## Comparative table continued

For the year ending:	31/03/2024	31/03/2023	31/03/2022
S–Class Distribution shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	256.15	268.14	254.56
Return before operating charges*	21.26	1.49	25.01
Operating charges	(1.71)	(1.73)	(1.66)
Return after operating charges	19.55	(0.24)	23.35
Distributions	(11.57)	(11.75)	(9.77)
<b>Closing net asset value per share</b>	<b>264.13</b>	<b>256.15</b>	<b>268.14</b>
*After direct transaction costs of	(0.57)	(0.45)	(0.73)
<b>Performance</b>			
Return after charges	7.63%	(0.09)%	9.17%
<b>Other information</b>			
Closing net asset value (£)	5,100,366	11,423,072	14,316,913
Closing number of shares	1,930,999	4,459,442	5,339,275
Operating charges**	0.67%	0.66%	0.62%
Direct transaction costs	0.22%	0.18%	0.27%
<b>Prices</b>			
Highest share price	268.27	277.39	283.25
Lowest share price	240.85	231.71	249.15

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.70%.

# ES River and Mercantile UK Equity Income Fund

## Synthetic Risk Reward Indicator (SRRI)



Typically Lower Rewards

Typically Higher Rewards



This sub-fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past. The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile. The risk and reward score is not guaranteed and may change over time. The lowest category does not mean risk free. While the risk indicator takes into account the broader risk profile, the following risks are considered most relevant to this sub-fund:

- **Equity Securities:** Equities can lose value rapidly, and typically involve higher market risks than bonds, money market instruments or other debt instruments. Fluctuation in value may occur in response to activities of individual companies, the general market, economic conditions, or changes in currency exchange rates.
- **Small and Mid-Cap Stock:** Stocks of small and mid-size companies can be more volatile and less liquid than stocks of larger companies. Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks.
- **Concentration:** In certain conditions the sub-fund may invest in a relatively small number of securities, which may result in portfolio concentration in sectors, countries, or other groupings. These potential concentrations mean that a loss arising in a single investment may cause a proportionately greater loss in the sub-fund than if a larger number of investments were made.
- **Liquidity:** There is a risk that adverse market conditions may affect the sub-fund's ability to sell assets at the price the sub-fund would like, or the sub-fund may have to sell them at a loss.
- **Currency:** To the extent that a sub-fund holds assets that are denominated in currencies other than the base currency, any changes in currency exchange rates could reduce investment gains or income, or increase investment losses.

## Summary of Largest Portfolio Changes

The table below shows the top ten purchases and sales for the year.

<b>Purchases</b>	<b>£</b>	<b>Sales</b>	<b>£</b>
Prudential	810,066	British American Tobacco	1,544,970
NatWest	546,313	Reckitt Benckiser	1,510,292
Fevertree Drinks	479,542	Shell	1,364,686
Severn Trent	477,321	RELX	1,248,749
Central Asia Metals	463,419	Aviva	973,810
Hargreaves Lansdown	453,885	HSBC	953,773
Roche	425,867	Standard Chartered	769,256
Sabre Insurance	412,897	Diageo	763,349
XPS Pensions	391,606	GSK	750,958
Mitchells & Butlers	369,109	Sage	608,797

# ES River and Mercantile UK Equity Income Fund

## Statement of Total Return for the year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024		1 April 2022 to 31 March 2023	
		£	£	£	£
Income					
Net capital gains/(losses)	2		584,258		(2,048,762)
Revenue	3	1,263,818		2,372,161	
Expenses	4	(238,932)		(399,726)	
Interest payable and similar charges	6	(106)		(243)	
Net revenue before taxation for the year		1,024,780		1,972,192	
Taxation	5	25,970		(133,363)	
Net revenue after taxation for the year			1,050,750		1,838,829
Total return before distributions			1,635,008		(209,933)
Distributions	7		(1,285,822)		(2,228,965)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>349,186</b>		<b>(2,438,898)</b>

## Statement of Change in Net Assets attributable to Shareholders for the year ended 31 March 2024

	1 April 2023 to 31 March 2024		1 April 2022 to 31 March 2023	
	£	£	£	£
Opening net assets attributable to Shareholders		35,792,695		71,781,457
Amounts received on creation of shares	2,862,768		8,140,423	
Amounts paid on cancellation of shares	(16,763,861)		(41,786,186)	
		(13,901,093)		(33,645,763)
Dilution adjustment		27,226		95,689
Change in net assets attributable to Shareholders from investment activities		349,186		(2,438,898)
Unclaimed distributions over 6 years old		—		210
<b>Closing net assets attributable to Shareholders</b>		<b>22,268,014</b>		<b>35,792,695</b>

# ES River and Mercantile UK Equity Income Fund

## Balance Sheet as at 31 March 2024

	Notes	31 March 2024		31 March 2023	
		£	£	£	£
<b>ASSETS</b>					
Fixed assets					
Investments			22,477,398		35,784,848
Current assets					
Debtors	8	562,678		615,562	
Cash and bank balances		147,240		454,410	
<b>Total other assets</b>			<b>709,918</b>		<b>1,069,972</b>
<b>Total assets</b>			<b>23,187,316</b>		<b>36,854,820</b>
<b>LIABILITIES</b>					
Creditors					
Distribution payable		(418,829)		(720,472)	
Other creditors	9	(500,473)		(341,653)	
<b>Total other liabilities</b>			<b>(919,302)</b>		<b>(1,062,125)</b>
<b>Total liabilities</b>			<b>(919,302)</b>		<b>(1,062,125)</b>
<b>Net assets attributable to Shareholders</b>			<b>22,268,014</b>		<b>35,792,695</b>

# ES River and Mercantile UK Equity Income Fund

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## Notes to the Financial Statements

### 1 Accounting policies

The accounting policies for the sub-fund are set out on pages 7 to 9.

### 2 Net capital gains/(losses)

	31 March 2024 £	31 March 2023 £
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	592,026	(2,040,168)
Currency (losses)/gains	(1,347)	266
Custodial transaction fees	(6,421)	(8,860)
Net capital gains/(losses)	<u>584,258</u>	<u>(2,048,762)</u>

### 3 Revenue

	31 March 2024 £	31 March 2023 £
Bank interest	15,533	7,012
Franked distributions from authorised funds	16,602	—
Non-taxable overseas dividends	219,819	435,584
UK dividends	1,007,994	1,888,386
UK REIT dividends	3,870	41,179
	<u>1,263,818</u>	<u>2,372,161</u>



# ES River and Mercantile UK Equity Income Fund

## Notes to the Financial Statements continued

### 4 Expenses

	31 March 2024 £	31 March 2023 £
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	<u>198,176</u>	<u>337,626</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	6,011	7,840
Safe custody fees	<u>1,038</u>	<u>1,504</u>
	<u>7,049</u>	<u>9,344</u>
Other expenses:		
Audit fee*	15,291	12,293
Fund accounting fees	5,870	9,063
Legal and professional fees	2,847	(4,662)
Registration fees	(614)	613
Transfer agency fees	19,233	9,920
Other fees	<u>(8,920)</u>	<u>25,529</u>
	<u>33,707</u>	<u>52,756</u>
Total expenses	<u><u>238,932</u></u>	<u><u>399,726</u></u>

\*Total audit fees of £12,033 (2023 - £11,246) exclusive of VAT.

# ES River and Mercantile UK Equity Income Fund

## Notes to the Financial Statements continued

### 5 Taxation

	31 March 2024 £	31 March 2023 £
<b>a) Analysis of taxation (credit)/charge in year</b>		
Overseas tax	<u>(25,970)</u>	<u>133,363</u>
Total taxation	<u>(25,970)</u>	<u>133,363</u>

### b) Factors affecting taxation (credit)/charge for the year

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company with variable capital (20%) (2023: 20%). The difference is explained below:

Net revenue before taxation for the year	<u>1,024,780</u>	<u>1,972,192</u>
Return on ordinary activities before taxation at the applicable rate of Corporation tax in the UK of 20% (2023: 20%)	204,956	394,438
Effects of:		
Movement in tax losses	43,927	70,356
Overseas tax	(25,970)	133,363
Revenue not subject to tax	<u>(248,883)</u>	<u>(464,794)</u>
Total taxation	<u>(25,970)</u>	<u>133,363</u>

Open Ended Investment Companies are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation of the sub-fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

### c) Provision for deferred tax

There is no deferred tax provision in the current or preceding year.

At the year end there is a potential deferred tax asset of £3,487,609 (£3,443,682 as at 31 March 2023) due to tax losses. It is unlikely the sub-fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (same as at 31 March 2023).

### 6 Interest payable and similar charges

	31 March 2024 £	31 March 2023 £
Interest	<u>106</u>	<u>243</u>
	<u>106</u>	<u>243</u>

# ES River and Mercantile UK Equity Income Fund

## Notes to the Financial Statements continued

### 7 Distributions

The distributions take account of revenue received on the creation of shares and deducted on the cancellation of shares, and comprise:

	<b>31 March 2024</b>	<b>31 March 2023</b>
	£	£
Interim	703,193	1,167,349
Final	<u>418,829</u>	<u>720,472</u>
	1,122,022	1,887,821
Add: revenue deducted on cancellation of shares	191,869	466,925
Deduct: revenue received on creation of shares	<u>(28,069)</u>	<u>(125,781)</u>
Distributions for the year	<u>1,285,822</u>	<u>2,228,965</u>
Reconciliation between net revenue after taxation for the year and the distributions:		
Net revenue after taxation for the year	1,050,750	1,838,829
Expenses transferred to capital	238,932	399,726
Tax relief on expenses taken to capital	<u>(3,860)</u>	<u>(9,590)</u>
Distributions for the year	<u>1,285,822</u>	<u>2,228,965</u>

### 8 Debtors

	<b>31 March 2024</b>	<b>31 March 2023</b>
	£	£
Accrued revenue	137,982	323,025
Amounts receivable for issue of shares	93,058	216,888
Expense rebate due from the ACD	2,899	—
Foreign currency contracts awaiting settlement	59,491	—
Overseas tax recoverable	10,828	7,352
Sales awaiting settlement	<u>258,420</u>	<u>68,297</u>
	<u>562,678</u>	<u>615,562</u>

### 9 Other creditors

	<b>31 March 2024</b>	<b>31 March 2023</b>
	£	£
<b>a) Distribution payable</b>		
Gross distribution payable	<u>418,829</u>	<u>720,472</u>
Total distribution payable	<u>418,829</u>	<u>720,472</u>
<b>b) Other creditors</b>		
Accrued expenses	43,165	60,829
Amounts payable for cancellation of shares	86,644	118,276
Foreign currency contracts awaiting settlement	59,793	—
Purchases awaiting settlement	<u>310,871</u>	<u>162,548</u>
	<u>500,473</u>	<u>341,653</u>

# ES River and Mercantile UK Equity Income Fund

## Notes to the Financial Statements continued

### 10 Contingent liabilities and outstanding commitments

There were no commitments or contingent liabilities at the balance sheet date (31 March 2023: same).

### 11 Related party transactions

Equity Trustees Fund Services Ltd, as ACD, is a related party, and acts as principal in respect of all the transactions of shares in the company. The aggregate monies received through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets attributable to Shareholders. The amounts outstanding at the year end are disclosed in notes 8 and 9 as amounts receivable on creation of shares and amounts payable on cancellation of shares respectively.

Amounts paid to Equity Trustees Fund Services Ltd in respect of the ACD, associates of the ACD and agents of either of them are disclosed in note 4. The balance outstanding as at the year end was £1,209 (£22,404 as at 31 March 2023).

Equity Trustees Fund Services Limited, as the sub-fund's ACD, wishes to disclose to the sub-fund's Shareholders that 36.32% of the sub-fund's shares in issue are under the control of an international central securities depository.

### 12 Financial instruments

The main risks and the ACD's policy for managing these risks, are stated within the notes to the financial statements of all the sub-funds of the ES River and Mercantile Funds ICVC.

#### a) Credit risk

Certain transactions in securities that the sub-fund enters into expose it to risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibility.

This risk is managed by appraising the credit profile of financial instruments and trade counterparties.

#### b) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

		Assets	Liabilities
		£	£
<b>31 March 2024</b>			
Level 1	Unadjusted quoted price in an active market for an identical instrument	22,477,398	—
		<b>22,477,398</b>	<b>—</b>

		Assets	Liabilities
		£	£
<b>31 March 2023</b>			
Level 1	Unadjusted quoted price in an active market for an identical instrument	35,784,848	—
		<b>35,784,848</b>	<b>—</b>

#### c) Foreign currency risk

Foreign currency risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. The risk may be managed by the utilisation of forward currency contracts as necessary.

At the balance sheet date, no significant foreign currency was held (2023: same).

#### d) Derivative risk

At the balance sheet date, no derivatives were held that could impact the sub-fund in a significant way (2023: same).

# ES River and Mercantile UK Equity Income Fund

## Notes to the Financial Statements continued

### 12 Financial instruments continued

#### e) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk exposure of the sub-fund is not considered to be significant.

#### f) Sensitivity analysis

##### Price risk

If market prices had increased by 10% as at the balance sheet date the net asset value of the sub-fund would have increased by £2,247,740 (2023: £3,578,485). A weakening in market prices of 10% will have resulted in an equal but opposite effect.

#### g) Leverage

The sub-fund did not employ significant leverage during the year.

### 13 Portfolio transaction costs

For the year 1 April 2023 to 31 March 2024

<b>Purchases</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	10,468,009	6,661	0.06	41,771	0.40
Collective investment schemes	8,388	7	0.08	42	0.50
<b>Total purchases</b>	<b>10,476,397</b>	<b>6,668</b>		<b>41,813</b>	
<b>Total purchases including transaction costs</b>	<b>10,524,878</b>				
<b>Sales</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	24,247,627	12,906	0.05	238	0.00
Collective investment schemes	150,879	116	0.08	7	0.00
<b>Total sales</b>	<b>24,398,506</b>	<b>13,022</b>		<b>245</b>	
<b>Total sales net of transaction costs</b>	<b>24,385,239</b>				
<b>Total transaction costs</b>		<b>19,690</b>		<b>42,058</b>	
<b>as a % of average net assets</b>		<b>0.07%</b>		<b>0.15%</b>	

# ES River and Mercantile UK Equity Income Fund

## Notes to the Financial Statements continued

### 13 Portfolio transaction costs continued

For the year 1 April 2022 to 31 March 2023

<b>Purchases</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	11,711,944	7,233	0.06	50,132	0.43
Corporate actions	6,817,084	—	—	—	—
<b>Total purchases</b>	<b>18,529,028</b>	<b>7,233</b>		<b>50,132</b>	
<b>Total purchases including transaction costs</b>	<b>18,586,393</b>				
<b>Sales</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	45,563,103	25,043	0.05	378	0.00
Corporate actions	7,075,003	—	—	—	—
<b>Total sales</b>	<b>52,638,106</b>	<b>25,043</b>		<b>378</b>	
<b>Total sales net of transaction costs</b>	<b>52,612,685</b>				
<b>Total transaction costs</b>		<b>32,276</b>		<b>50,510</b>	
<b>as a % of average net assets</b>		<b>0.07%</b>		<b>0.11%</b>	

The above analysis covers any direct transaction costs suffered by the sub-fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the sub-fund's investment in collective investment scheme holdings there will potentially be a dilution adjustment cost applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.14% (2023 - 0.18%).

### 14 Share movement

	<b>B-Class Distribution shares</b>	<b>S-Class Distribution shares</b>
Opening shares	4,795,353	4,459,441
Shares issued	532,329	69,439
Shares redeemed	(2,044,123)	(2,596,274)
Shares converted	806	(1,607)
<b>Closing shares</b>	<b>3,284,365</b>	<b>1,930,999</b>

# ES River and Mercantile UK Equity Income Fund

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## Notes to the Financial Statements continued

### 15 Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

# ES River and Mercantile UK Equity Income Fund

## Distribution tables for the year ended 31 March 2024

Group 1: shares purchased prior to a distribution period

Group 2: shares purchased during a distribution period

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. As capital it is not liable to Income tax but must be deducted from the cost of shares for Capital Gains tax purposes.

Interim dividend distribution in pence per share		Period 01/04/2023 — 30/09/2023		
	Net Revenue	Equalisation	Distribution paid 30/11/23	Distribution paid 30/11/22
<b>B-Class Distribution shares</b>				
Group 1	13.1100	—	13.1100	13.1100
Group 2	8.0567	5.0533	13.1100	13.1100
<b>S-Class Distribution shares</b>				
Group 1	6.5977	—	6.5977	6.5977
Group 2	4.7856	1.8121	6.5977	6.5977

Final dividend distribution in pence per share		Period 01/10/2023 — 31/03/2024		
	Net Revenue	Equalisation	Distribution payable 31/05/24	Distribution paid 31/05/23
<b>B-Class Distribution shares</b>				
Group 1	9.8292	—	9.8292	10.2310
Group 2	4.7897	5.0395	9.8292	10.2310
<b>S-Class Distribution shares</b>				
Group 1	4.9717	—	4.9717	5.1545
Group 2	4.2607	0.7110	4.9717	5.1545



# ES River and Mercantile Global Recovery Fund

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## Investment Objective

The investment objective of the sub-fund is to grow the value of your investment (known as “capital growth”) in excess of the MSCI All Country World Index (ACWI) Net Total Return (the “Benchmark”) over a rolling 5 year period, after the deduction of all fees.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The sub-fund’s capital is at risk meaning that the sub-fund could suffer a decrease in value and the value of your investment would decrease as a result.

## Investment Policy

The sub-fund seeks to achieve its investment objective by investing at least 80% of its value in shares of global companies (including Emerging Markets). Investment can be direct, or indirect, in shares (including common and preference shares and units combining common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

Up to 20% of the sub-fund may be invested in collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds), can include those operated and/or managed by the ACD or the Investment Manager.

The sub-fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as “efficient portfolio management”). As an example, the sub-fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The sub-fund is actively managed meaning the Investment Manager uses their expertise to pick investments to achieve the sub-fund’s objectives.

The Fund will have a bias towards “Value” metrics (as described in the Investment Strategy section).

The term ‘Recovery’ (as used in the sub-fund’s name) refers to investments where the Investment Manager believes at the time of investing, the potential to grow shareholder value through increases in profits and cash is particularly high due to levels of profits being depressed and therefore capable of significant recovery.

The sub-fund will invest in a broad range of companies by region, industry sector and size and its investments are not restricted by reference to a benchmark.

# ES River and Mercantile Global Recovery Fund

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## Investment Manager's Review

### Investment review

The ES R&M Global Recovery Fund returned 13.1% over the 12 months to 31 March 2024, compared to the MSCI ACWI return of 20.6%.

**Positive contributors:** individual stock successes (**Rolls Royce, Spotify, Meta, Filtronic, Draftkings, Wayfair, Titan Cement, Valid, Citigroup**).

**Negative contributors:** underweight tech mega caps (**NVIDIA, Microsoft, Broadcom**); underweight GLP1 beneficiaries (**Eli Lilly, Novo Nordisk**); individual stock disappointments (**Farfetch, 2U, Ams-Osram**).

Looking at the component parts of the portfolio, the Investment Manager has added exposure to sectors where historically it has been difficult to find Recovery opportunities at an appealing valuation such as Healthcare (**Baxter International, Globus Medical, Johnson & Johnson**) and Consumer Staples (**Nestle**). As timing started to improve (stock specific) the Investment Manager added to classic recovery stocks such as **Target, DSM-Firmenich, Estee Lauder** and bought initial positions in **Alcoa, Block or Diageo**. The Investment Manager added to China stocks due to a combination of very modest valuations and improving economic support (**BYD, Li Ning, Sands China**). Additionally, the allocation to stocks in Japan that combine recovery characteristics with improvement in corporate governance continues to be increased, with new positions in **Eiken Chemical** and **Kansai Paint**.

Sales have included taking full profits where the Investment Manager's **PVT (Potential, Valuation, Timing)** thesis has been delivered, most notably the continued recipients of Merger and Acquisition activity (**Applus, Gresham House, Splunk**), earlier in the quarter taking some profits in mining and energy stocks following a strong run (**Elis, Mediobanca, RTX corp**) and re-focusing capital towards higher conviction ideas (**Nokia, Fedex, Spirit Aerosystems**).

### Outlook

As economic growth accelerates and markets begin to broaden out from their focus on US equities, particularly the largest growth stocks in that market, I anticipate a strong period of both absolute and relative performance for our approach to global equity investing as we move through the year. The Global Recovery portfolio continues to be highly exposed to the areas of the market we deem offer the largest recovery potential combined with very attractive relative and absolute valuations, trading at 30% to 50% discounts to the benchmark (and a 40% to 70% discount to the US market).

River Global

March 2024

Investment Adviser to the sub-fund

Source: River Global Investors, Bloomberg LP. Fund performance is calculated using midday published prices. Benchmark performance is calculated using close of business mid-market prices.

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement as at 31 March 2024

Holding	Investment	Market Value £	% of Net Assets
<b>UNITED KINGDOM – 6.29% (2023 – 7.74%)</b>			
197,807	Allfunds	1,130,543	0.47
51,602	Anglo American	1,007,168	0.42
74,821	ASOS	286,789	0.12
943,349	boohoo*	339,228	0.14
72,632	BP	360,037	0.15
135,183	British Land	534,243	0.22
2,438,743	Capita	321,670	0.13
555,651	Coats	450,633	0.19
22,777	Diageo	666,341	0.28
865,477	Eckoh*	320,226	0.13
11,773	Fevertree Drinks*	141,276	0.06
2,119,415	Filtronic*	762,989	0.32
239,061	Harbour Energy	659,330	0.27
190,216	Hunting	628,664	0.26
1,703,402	Lloyds Banking	881,681	0.36
9,370	Manchester United	103,472	0.04
331,369	Moonpig	561,008	0.23
213,081	NatWest	565,517	0.23
231,918	On the Beach	383,129	0.16
804,549	Rangers International Football**	160,910	0.07
223,766	Rolls-Royce	954,810	0.39
588,999	Shaftesbury Capital	849,926	0.35
65,846	Smith & Nephew	652,797	0.27
80,524	Standard Chartered	540,638	0.22
13,591	Unilever	540,242	0.22
20,528	Weir	414,871	0.17
230,886	Wickes	358,104	0.15
3,032	Willis Towers Watson	659,492	0.27
<b>AUSTRALIA – 0.82% (2023 – 0.75%)</b>			
15,452	Rio Tinto	971,665	0.40
196,442	South32	303,700	0.12
112,201	Treasury Wine Estates	720,849	0.30
<b>AUSTRIA – 0.43% (2023 – 0.72%)</b>			
426,243	ams-OSRAM	392,415	0.16
17,180	OMV	643,047	0.27
<b>BELGIUM – 0.58% (2023 – 0.44%)</b>			
51,532	Recticel	479,347	0.20
41,425	Titan Cement	936,768	0.38
<b>BRAZIL – 1.78% (2023 – 1.38%)</b>			
224,809	B3 - Brasil Bolsa Balcao	426,274	0.18
42,737	Banco do Brasil	382,675	0.16
838,515	Cielo	714,753	0.29
716,079	Clear Sale	583,209	0.24

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>BRAZIL continued</b>		
117,274	Lojas Renner	314,731	0.13
142,278	Marisa Lojas	41,401	0.02
577,270	Profarma Distribuidora de Produtos Farmaceuticos	511,238	0.21
572,548	Qualicorp Consultoria e Corretora de Seguros	183,808	0.08
499,410	Trisul	447,813	0.18
241,571	Valid Solucoes e Servicos de Seguranca em Meios de Pagamento e Identificacao	701,031	0.29
	<b>CANADA – 0.56% (2023 – 0.82%)</b>		
31,778	Barrick Gold	417,510	0.17
50,966	Canada Goose	485,064	0.20
26,193	Sleep Country Canada	455,984	0.19
	<b>CHILE – 0.92% (2023 – 0.38%)</b>		
346,746	Bursatil Regional	1,268,543	0.53
202,103	Falabella	416,616	0.17
82,551	Inversiones La Construccion	536,323	0.22
	<b>CHINA – 5.15% (2023 – 6.90%)</b>		
229,365	Alibaba	1,629,746	0.67
278,585	Anhui Conch Cement	458,732	0.19
65,560	Autohome	340,507	0.14
121,283	Baidu	1,259,844	0.52
600,167	Beijing Capital International Airport	143,262	0.06
25,845	Bilibili	230,695	0.09
28,429	BYD	579,694	0.24
462,320	Chanjet Information Technology	154,781	0.06
1,982,465	China Lesso	739,909	0.31
461,390	China Longyuan Power	255,738	0.11
624,918	Fu Shou Yuan International	305,925	0.13
1,193,675	Greentown Service	358,582	0.15
904,699	Haitong	341,318	0.14
44,677	Hello	219,627	0.09
130,593	iQIYI	437,291	0.18
60,075	JD Health International	168,314	0.07
233,197	JD Logistics	187,751	0.08
36,856	JD.com	401,859	0.17
58,599	Kingsoft Cloud	141,482	0.06
382,433	Li Ning	804,572	0.33
65,595	Meituan	641,901	0.26
28,756	Noah	259,504	0.11
157,030	Ping An Healthcare and Technology	187,418	0.08
152,175	Ping An Insurance of China	508,699	0.21
28,569	Tencent	877,868	0.36
10,341	Trip.com	361,060	0.15
14,934	Yum China	470,275	0.19

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>COLOMBIA – 0.05% (2023 – 0.32%)</b>		
53,791	Grupo Argos SA/Colombia pref.	122,063	0.05
	<b>DENMARK – 0.61% (2023 – 0.59%)</b>		
549,449	Bang & Olufsen	585,686	0.24
7,838	Orsted	345,786	0.14
2,094	Rockwool	543,385	0.23
	<b>FINLAND – 0.18% (2023 – 0.65%)</b>		
3,934	Kone	145,400	0.06
14,056	Valmet	293,462	0.12
	<b>FRANCE – 3.04% (2023 – 4.56%)</b>		
4,493	Airbus	655,790	0.27
11,883	BNP Paribas	669,000	0.28
25,729	Cegedim	285,083	0.12
11,494	Cie de Saint-Gobain	706,454	0.29
24,289	Criteo	674,305	0.28
680	Dassault Aviation	118,600	0.05
2,503	EssilorLuxottica	448,642	0.19
14,555	Imerys	390,738	0.16
92,644	Kerlink	71,523	0.03
4,006	Remy Cointreau	320,028	0.13
11,530	Renault	461,289	0.19
4,692	Sanofi	364,882	0.15
13,832	SCOR	379,134	0.16
11,802	TotalEnergies	640,425	0.26
14,121	Veolia Environnement	363,755	0.15
19,694	Vicat	614,569	0.25
22,879	Vivendi	197,562	0.08
	<b>GERMANY – 5.03% (2023 – 4.86%)</b>		
72,255	Aumann	1,090,945	0.45
14,976	BASF	677,451	0.28
15,577	Bayer	378,221	0.16
242,276	CECONOMY	386,308	0.16
8,547	Continental	488,567	0.20
15,553	Daimler Truck	621,508	0.26
16,273	Delivery Hero	371,261	0.15
10,165	FUCHS pref.	398,900	0.16
5,519	Heidelberg Materials	481,759	0.20
9,789	Henkel	559,061	0.23
24,082	Infineon Technologies	648,761	0.27
14,063	Kion	586,855	0.24
11,446	Porsche Automobil pref.	480,974	0.20
61,665	ProSiebenSat.1 Media	343,108	0.14
5,706	SAP	881,329	0.36
3,461	Scout24	207,485	0.09
4,315	Siemens	652,830	0.27

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>GERMANY continued</b>		
39,073	Siemens Energy	567,730	0.23
25,038	TeamViewer	295,408	0.12
82,707	thyssenkrupp	352,777	0.15
7,129	Volkswagen pref.	748,464	0.31
22,268	Vonovia	520,313	0.21
19,827	Zalando	449,885	0.19
	<b>GREECE – 0.75% (2023 – 0.73%)</b>		
480,132	Eurobank Ergasias Services	731,497	0.30
88,982	Fourlis	321,040	0.13
72,353	Hellenic Exchanges - Athens Stock Exchange	337,748	0.14
17,672	Piraeus Port Authority	428,334	0.18
	<b>HONG KONG – 1.81% (2023 – 2.31%)</b>		
849,208	Alibaba Health Information Technology	273,142	0.11
1,809,236	China Overseas Grand Oceans	316,583	0.13
335,659	Chow Sang Sang International	281,788	0.12
100,005	CK Hutchison	382,349	0.16
456,727	Geely Automobile	426,388	0.18
4,660,121	Hi Sun Technology China	235,675	0.10
14,692	Hong Kong Exchanges & Clearing	338,220	0.14
149,798	Hongkong Land	362,859	0.15
2,719,286	Hutchison Port Trust	269,077	0.11
61,736	Prudential	458,698	0.19
1,055,444	Shangri-La Asia	523,092	0.21
505,881	Swire Pacific	521,909	0.21
	<b>INDIA – 0.26% (2023 – 0.20%)</b>		
9,709	HDFC Bank	430,170	0.18
3,391	MakeMyTrip	190,428	0.08
	<b>INDONESIA – 0.25% (2023 – 0.45%)</b>		
25,139,722	Bukalapak.com	192,042	0.08
7,506,816	Mega Manunggal Property	112,440	0.04
5,261,368	Nippon Indosari Corpindo	308,661	0.13
	<b>IRELAND – 1.25% (2023 – 0.76%)</b>		
63,321	Bank of Ireland	511,375	0.21
402,230	Cairn Homes	548,642	0.22
4,723	Flutter Entertainment	745,762	0.31
17,946	Johnson Controls International	927,524	0.38
8,728	Smurfit Kappa	315,421	0.13
	<b>ISRAEL – 0.27% (2023 – 0.13%)</b>		
156,094	Nexxen International*	325,612	0.13
97,346	Taboola.com	342,146	0.14
	<b>ITALY – 3.66% (2023 – 3.82%)</b>		
26,026	Alkemy	280,364	0.11

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>ITALY continued</b>		
104,007	Almawave	410,817	0.17
6,859	Amplifon	198,208	0.08
160,211	Banca Monte dei Paschi di Siena	575,288	0.24
50,403	Danieli	1,053,609	0.43
33,283	Datalogic	162,908	0.07
49,806	Eni	623,656	0.26
44,491	FinecoBank Banca Fineco	527,966	0.22
16,002	Gruppo MutuiOnline	512,354	0.21
336,901	Intesa Sanpaolo	967,224	0.40
10,602	Italmobiliare	313,623	0.13
66,926	Iveco	789,620	0.33
296,962	MFE-MediaForEurope A	610,605	0.25
94,041	MFE-MediaForEurope B	258,529	0.11
43,532	Nexi	218,544	0.09
17,150	RAI Way	75,952	0.03
336,308	Saipem	650,390	0.27
96,136	Seco	298,850	0.12
88,933	SIT	135,340	0.06
11,791	Tinexta	191,333	0.08
	<b>JAPAN – 9.61% (2023 – 6.55%)</b>		
74,603	Anritsu	482,105	0.20
284,501	BASE	482,138	0.20
94,965	Coca-Cola Bottlers Japan	1,100,966	0.45
34,208	Dai-ichi Life	688,323	0.28
19,957	Dowa	555,954	0.23
50,000	Eiken Chemical	522,788	0.22
24,774	FANUC	542,164	0.22
28,720	Food & Life Cos	432,257	0.18
11,947	Fukuda Denshi	431,172	0.18
37,077	GMO internet	538,546	0.22
107,975	Japan Post	864,369	0.36
46,258	Kansai Paint	525,883	0.22
79,764	Kitz	567,816	0.23
19,751	Komatsu	456,826	0.19
52,494	Kyocera	555,179	0.23
72,051	Kyoto Financial	1,039,386	0.43
206,383	LY	418,300	0.17
66,414	Mitsubishi Estate	967,274	0.40
69,660	MS&AD Insurance	987,587	0.41
15,430	Nabtesco	206,326	0.08
4,939	Nitto Denko	355,855	0.15
254,539	Nomura	1,300,343	0.54
14,221	Okamoto Industries	367,451	0.15
14,831	Resonac	281,204	0.12
95,786	Sansei Technologies	634,777	0.26
42,822	Seino	473,606	0.20

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>JAPAN continued</b>		
12,772	Shiseido	273,361	0.11
8,504	SoftBank	397,786	0.16
8,820	Sony Group	599,036	0.25
21,979	Sumitomo Mitsui Financial	1,023,843	0.42
14,376	Sumitomo Osaka Cement	289,570	0.12
66,797	Tadano	451,226	0.19
41,244	Taiheiyo Cement	759,141	0.31
10,558	Tokuyama	149,932	0.06
15,189	TOPPAN	308,091	0.13
39,851	Tosei	515,473	0.21
5,494	Toyota Industries	449,436	0.19
37,318	Toyota Motor	740,166	0.31
8,548	Trend Micro Inc/Japan	350,126	0.14
23,634	Tsubakimoto Chain	635,394	0.26
83,545	Vital KSK	546,664	0.23
	<b>LUXEMBOURG – 0.13% (2023 – 0.14%)</b>		
191,134	Aroundtown	318,244	0.13
	<b>MACAU – 0.61% (2023 – 0.38%)</b>		
311,242	Sands China	692,576	0.28
1,120,280	Wynn Macau	790,912	0.33
	<b>MALAYSIA – 1.03% (2023 – 0.99%)</b>		
409,451	CIMB	454,036	0.19
433,368	Genting	340,667	0.14
927,040	Sime Darby	401,581	0.16
4,136,566	Sime Darby Property	633,047	0.26
12,509,304	Tune Protect	669,512	0.28
	<b>MEXICO – 0.64% (2023 – 0.84%)</b>		
259,138	Bolsa Mexicana de Valores	457,250	0.19
90,248	Cemex	642,970	0.27
2,912,810	Consortio ARA	441,137	0.18
	<b>NETHERLANDS – 2.36% (2023 – 2.34%)</b>		
13,552	Aalberts	516,636	0.21
2,882	BE Semiconductor	349,270	0.15
5,433	EXOR	478,433	0.20
66,759	ING Groep	869,953	0.36
50,283	Kendrion	585,521	0.24
29,111	Koninklijke Philips	462,879	0.19
2,152	NXP Semiconductors	421,695	0.18
27,363	Prosus	680,186	0.28
4,396	Redcare Pharmacy	568,268	0.24
13,236	Stellantis	297,786	0.12
19,334	Universal Music	460,683	0.19



# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>NORWAY – 0.05% (2023 – 0.49%)</b>		
313,002	Aker Carbon Capture	131,555	0.05
	<b>PHILIPPINES – 0.12% (2023 – 0.10%)</b>		
4,244,563	Cosco Capital	294,672	0.12
	<b>POLAND – 0.17% (2023 – 0.13%)</b>		
16,262	Wirtualna Polska	403,524	0.17
	<b>PORTUGAL – 0.19% (2023 – 0.19%)</b>		
35,055	Galp Energia SGPS	458,099	0.19
	<b>RUSSIA – 0.00% (2023 – 0.00%)</b>		
118,801	VK **	-	0.00
	<b>SINGAPORE – 0.83% (2023 – 1.24%)</b>		
502,390	Fraser and Neave	303,514	0.13
537,615	Genting Singapore	279,071	0.12
81,746	Grab	203,192	0.08
7,217	Jardine Cycle & Carriage	102,314	0.04
155,797	SATS	237,593	0.10
13,520	Sea	574,834	0.24
361,540	Wing Tai	299,004	0.12
	<b>SOUTH AFRICA – 0.13% (2023 – 0.55%)</b>		
49,392	Absa	305,587	0.13
	<b>SOUTH KOREA – 2.36% (2023 – 1.90%)</b>		
7,082	CJ	540,525	0.22
41,655	Hecto Innovation	327,724	0.13
2,453	Hyundai Glovis	251,120	0.10
5,825	Hyundai Motor pref.	526,104	0.22
11,140	LG pref.	420,538	0.17
1,470	LG Chem	379,461	0.16
1,259	LG H&H	280,946	0.12
4,137	Samsung C&T	385,567	0.16
34,492	Samsung Electronics	1,669,180	0.69
12,457	Samsung Life Insurance	676,083	0.28
2,510	SK Hynix	269,943	0.11
	<b>SPAIN – 1.61% (2023 – 2.19%)</b>		
44,058	Acerinox	382,703	0.16
8,506	Amadeus IT	432,118	0.18
203,838	Banco Santander	787,974	0.32
83,012	Bankinter	481,330	0.20
9,886	Fluidra	185,270	0.08
33,762	Iberdrola	331,804	0.14
7,480	Industria de Diseno Textil	298,458	0.12
46,111	Neinor Homes	400,537	0.16
46,028	Repsol	607,594	0.25

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>SWEDEN – 0.93% (2023 – 0.93%)</b>		
38,473	SKF	622,634	0.26
5,605	Spotify	1,171,582	0.48
21,909	Volvo	471,838	0.19
	<b>SWITZERLAND – 2.79% (2023 – 3.01%)</b>		
10,886	ABB	400,786	0.17
20,883	Adecco	653,947	0.27
19,585	Avolta	645,833	0.27
3,708	Cie Financiere Richemont	448,102	0.19
1,193	dormakaba	496,996	0.21
4,221	DSM-Firmenich	380,365	0.16
296,801	GAM	68,083	0.03
1,774	Garmin	209,018	0.09
7,297	Landis+Gyr	443,797	0.18
6,179	Nestle	519,931	0.21
6,263	Roche	1,264,104	0.52
6,607	Sensirion	387,315	0.16
4,023	STMicroelectronics	137,287	0.06
27,074	UBS	660,075	0.27
	<b>TAIWAN – 1.04% (2023 – 0.89%)</b>		
188,429	ASE Technology	748,059	0.31
97,213	Gourmet Master	221,942	0.09
36,630	Taiwan Semiconductor Manufacturing	704,903	0.29
58,274	Yageo	851,873	0.35
	<b>THAILAND – 0.21% (2023 – 0.29%)</b>		
168,653	Bangkok Bank	508,599	0.21
	<b>UNITED STATES OF AMERICA – 41.67% (2023 – 38.38%)</b>		
6,511	3M	546,496	0.23
6,887	Advanced Micro Devices	983,616	0.41
3,967	Airbnb	517,743	0.21
20,348	Alcoa	543,311	0.22
39,690	Alphabet	4,737,665	1.96
38,215	Amazon.com	5,452,501	2.25
3,774	American Electric Power	257,227	0.11
1,919	American Express	345,868	0.14
6,399	Applied Materials	1,044,001	0.43
7,807	Artisan Partners Asset Management	282,677	0.12
8,783	Avnet	344,298	0.14
23,694	Axalta Coating Systems	645,032	0.27
22,247	Baker Hughes	589,438	0.24
5,877	Ball	313,238	0.13
48,881	Bank of America	1,466,914	0.61
15,972	Bath & Body Works	632,179	0.26
18,699	Baxter International	631,910	0.26
1,164	Berkshire Hathaway	387,315	0.16

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>UNITED STATES OF AMERICA continued</b>			
5,828	BILL	316,993	0.13
488	BlackRock	321,379	0.13
10,225	Block	684,365	0.28
19,837	Bloomin' Brands	450,052	0.19
3,341	Boeing	509,911	0.21
244	Booking	699,937	0.29
6,211	Boot Barn	467,626	0.19
10,088	BorgWarner	277,345	0.11
9,776	Boston Properties	505,342	0.21
9,390	Bristol-Myers Squibb	403,103	0.17
814	Carlisle	252,116	0.10
33,693	Carnival	435,549	0.18
4,706	CBRE	362,212	0.15
76,170	ChargePoint	114,564	0.05
11,550	Charles Schwab	661,136	0.27
8,397	Cheesecake Factory	240,095	0.10
50,310	Chegg	301,083	0.12
36,701	Citigroup	1,836,721	0.76
30,978	Citizens Financial	889,675	0.37
1,153	Clorox	139,711	0.06
20,051	Coca-Cola	970,606	0.40
9,832	Coursera	109,041	0.05
5,397	CubeSmart	193,066	0.08
3,673	CVS Health	231,821	0.10
3,231	Datadog	316,105	0.13
18,258	Delta Air Lines	691,441	0.29
8,214	DigitalOcean	248,127	0.10
9,118	DocuSign	429,753	0.18
1,611	Domino's Pizza	633,126	0.26
4,468	DR Horton	582,069	0.24
14,017	DraftKings	503,758	0.21
843	Duolingo	146,812	0.06
2,810	Dynatrace	103,213	0.04
10,872	East West Bancorp	680,334	0.28
10,778	Eastman Chemical	854,732	0.35
13,897	eBay	580,632	0.24
13,728	El Pollo Loco	105,847	0.04
4,303	Elastic	341,106	0.14
5,772	Estee Lauder	703,743	0.29
15,604	Exxon Mobil	1,435,704	0.59
8,626	Fidelity National Information Services	506,259	0.21
8,800	Fiserv	1,111,869	0.46
12,904	Fluor	431,478	0.18
5,527	Fortive	376,313	0.16
4,652	GE HealthCare Technologies	334,671	0.14
4,168	General Electric	578,884	0.24
22,999	General Motors	825,106	0.34

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>UNITED STATES OF AMERICA continued</b>			
7,901	Gilead Sciences	458,017	0.19
9,405	Gitlab	434,123	0.18
15,094	Globus Medical	640,681	0.27
17,499	Harley-Davidson	605,625	0.25
6,841	Henry Schein	408,862	0.17
2,090	Home Depot	634,271	0.26
47,858	Huntington Bancshares Inc/OH	528,114	0.22
9,571	IAC	403,751	0.17
22,096	Intel	772,245	0.32
7,926	Intercontinental Exchange	861,837	0.36
3,231	International Business Machines	488,263	0.20
4,333	Johnson & Johnson	542,564	0.22
2,405	Jones Lang LaSalle	370,712	0.15
10,103	JPMorgan Chase	1,601,764	0.66
17,732	Kenvue	300,809	0.12
5,223	KKR	415,814	0.17
21,056	Kraft Heinz	614,553	0.25
41,259	Kyndryl	710,377	0.29
22,272	Las Vegas Sands	911,155	0.38
1,760	Lincoln Electric	355,539	0.15
127,570	LL Flooring	184,804	0.08
1,526	Madison Square Garden Sports	222,658	0.09
28,042	Marathon Oil	628,878	0.26
15,269	Marvell Technology	856,732	0.35
29,979	Match	860,984	0.36
1,281	McKesson	544,160	0.23
10,542	Meta	4,050,899	1.67
14,109	Micron Technology	1,316,468	0.54
2,870	Microsoft	954,183	0.39
10,669	Mohawk Industries	1,104,525	0.46
10,306	Mosaic	264,738	0.11
2,179	Netflix	1,047,127	0.43
7,008	NIKE	521,252	0.22
40,718	NOV	629,183	0.26
1,760	Nucor	275,484	0.11
645	NVIDIA	460,836	0.19
6,253	Okta	517,812	0.21
7,930	Omnicom	607,407	0.25
5,873	Oracle	583,743	0.24
27,169	Organon	403,906	0.17
19,389	Paramount Global	180,498	0.07
1,597	Parker-Hannifin	701,542	0.29
20,093	PayPal	1,065,052	0.44
2,616	PepsiCo	362,419	0.15
45,592	Pfizer	1,000,804	0.41
25,412	Pinterest	697,434	0.29
4,911	PPG Industries	562,768	0.23

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>UNITED STATES OF AMERICA continued</b>			
6,411	QUALCOMM	858,945	0.36
52,100	RE/MAX	361,700	0.15
170,843	RealReal	528,792	0.22
51,234	Resideo Technologies	908,078	0.38
5,919	RingCentral	162,682	0.07
15,345	ROBLOX	463,539	0.19
304,556	Rockwood Strategic	627,385	0.26
55,828	Sabre	106,507	0.04
4,180	Salesforce	995,391	0.41
8,586	Sensata Technologies	249,577	0.10
6,451	Shake Shack	530,838	0.22
1,582	Snowflake	202,251	0.08
257,733	Somero Enterprises*	863,406	0.36
22,871	Southwest Airlines	528,120	0.22
7,459	Stanley Black & Decker	578,180	0.24
8,018	Starbucks	579,746	0.24
16,735	State Street	1,023,905	0.42
12,214	Stericycle	510,025	0.21
5,670	Take-Two Interactive Software	666,217	0.28
7,108	Target	996,273	0.41
21,696	Topgolf Callaway Brands	277,372	0.12
16,682	TripAdvisor	366,984	0.15
8,127	Twilio	393,145	0.16
12,395	Uber Technologies	755,229	0.31
51,693	UiPath	927,262	0.38
27,200	Under Armour	158,904	0.07
9,018	Unity Software	190,461	0.08
103,073	Upland Software	251,308	0.10
2,264	Valmont Industries	409,124	0.17
56,654	Viatis	535,034	0.22
22,208	Victoria's Secret	340,701	0.14
193,394	Vimeo	624,617	0.26
12,216	Walmart	581,765	0.24
16,091	Walt Disney	1,558,340	0.64
36,139	Warner Bros Discovery	249,747	0.10
2,846	Waters	775,162	0.32
12,740	Wayfair	683,770	0.28
17,767	Westrock	695,209	0.29
22,108	Weyerhaeuser	628,282	0.26
4,969	Whirlpool	470,329	0.19
10,130	Zillow	383,789	0.16
7,393	Zimmer Biomet	771,810	0.32
17,084	Zions Bancorp	586,935	0.24
21,100	ZoomInfo Technologies	267,748	0.11
<b>COLLECTIVE INVESTMENT SCHEMES – 0.03% (2023 – 0.00%)</b>			
1,830	BB Biotech	73,261	0.03

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>FORWARD CURRENCY CONTRACTS – 0.05% (2023 – (0.13%))</b>		
US\$10,807,028	Forward Currency Contract 14/06/2024: US dollar 10,807,028 vs Euro 9,826,000	129,348	0.05
	<b>Portfolio of investments</b>	<b>242,792,729</b>	<b>100.25</b>
	<b>Net other liabilities</b>	<b>(610,027)</b>	<b>(0.25)</b>
	<b>Net assets</b>	<b>242,182,702</b>	<b>100.00</b>

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2023.

\*Security listed in AIM.

\*\*Delisted security.

# ES River and Mercantile Global Recovery Fund

## Comparative table

For the year ending:	31/03/2024	31/03/2023	31/03/2022
B-Class Distribution shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	620.69	612.40	611.86
Return before operating charges*	82.90	22.45	11.76
Operating charges	(7.10)	(6.90)	(7.04)
Return after operating charges	75.80	15.55	4.72
Distributions	(6.24)	(7.26)	(4.18)
<b>Closing net asset value per share</b>	<b>690.25</b>	<b>620.69</b>	<b>612.40</b>
*After direct transaction costs of	(0.37)	(0.52)	(0.70)
<b>Performance</b>			
Return after charges	12.21%	2.54%	0.77%
<b>Other information</b>			
Closing net asset value (£)	34,429,964	79,145,683	110,391,526
Closing number of shares	4,988,070	12,751,220	18,025,943
Operating charges**	1.13%	1.15%	1.12%
Direct transaction costs	0.06%	0.09%	0.11%
<b>Prices</b>			
Highest share price	689.65	673.62	661.49
Lowest share price	580.06	547.30	565.13

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 1.35%.

# ES River and Mercantile Global Recovery Fund

## Comparative table continued

For the year ending:	31/03/2024	31/03/2023	31/03/2022
S-Class Distribution shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	288.17	284.32	284.07
Return before operating charges*	38.59	10.44	5.45
Operating charges	(2.57)	(2.51)	(2.51)
Return after operating charges	36.02	7.93	2.94
Distributions	(3.66)	(4.08)	(2.69)
<b>Closing net asset value per share</b>	<b>320.53</b>	<b>288.17</b>	<b>284.32</b>
*After direct transaction costs of	(0.17)	(0.24)	(0.33)
<b>Performance</b>			
Return after charges	12.50%	2.79%	1.04%
<b>Other information</b>			
Closing net asset value (£)	201,853,121	211,330,649	263,478,059
Closing number of shares	62,974,374	73,336,516	92,669,078
Operating charges**	0.88%	0.90%	0.86%
Direct transaction costs	0.06%	0.09%	0.11%
<b>Prices</b>			
Highest share price	320.63	313.00	307.21
Lowest share price	269.40	254.11	262.67

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 1.10%.



# ES River and Mercantile Global Recovery Fund

## Comparative table continued

For the year ending:	31/03/2024	31/03/2023	31/03/2022
Z-Class Accumulation shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	1,481.71	1,428.85	1,403.82
Return before operating charges*	201.36	54.98	26.77
Operating charges	(1.97)	(2.12)	(1.74)
Return after operating charges	199.39	52.86	25.03
Distributions	(30.26)	(31.22)	(24.25)
Retained distributions on accumulation shares	30.26	31.22	24.25
<b>Closing net asset value per share</b>	<b>1,681.10</b>	<b>1,481.71</b>	<b>1,428.85</b>
*After direct transaction costs of	(0.89)	(1.22)	(1.62)
<b>Performance</b>			
Return after charges	13.46%	3.70%	1.78%
<b>Other information</b>			
Closing net asset value (£)	5,899,617	5,989,891	19,417,140
Closing number of shares	350,937	404,256	1,358,931
Operating charges**	0.13%	0.15%	0.12%
Direct transaction costs	0.06%	0.09%	0.11%
<b>Prices</b>			
Highest share price	1,676.55	1,602.58	1,534.37
Lowest share price	1,404.37	1,298.20	1,315.02

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.35%.

# ES River and Mercantile Global Recovery Fund

## Synthetic Risk Reward Indicator (SRRI)



Typically Lower Rewards

Typically Higher Rewards



This sub-fund is ranked at 6 because funds of this type have experienced medium to high rises and falls in value in the past. The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile. The risk and reward score is not guaranteed and may change over time. The lowest category does not mean risk free. While the risk indicator takes into account the broader risk profile, the following risks are considered most relevant to this sub-fund:

- **Equity Securities:** Equities can lose value rapidly, and typically involve higher market risks than bonds, money market instruments or other debt instruments. Fluctuation in value may occur in response to activities of individual companies, the general market, economic conditions, or changes in currency exchange rates.
- **Small and Mid-Cap Stock:** Stocks of small and mid-size companies can be more volatile and less liquid than stocks of larger companies. Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks.
- **Liquidity:** There is a risk that adverse market conditions may affect the sub-fund's ability to sell assets at the price the sub-fund would like, or the sub-fund may have to sell them at a loss.
- **Currency:** To the extent that a sub-fund holds assets that are denominated in currencies other than the base currency, any changes in currency exchange rates could reduce investment gains or income, or increase investment losses.
- **Emerging Markets:** Where a sub-fund invests substantially in securities listed or traded in emerging markets, the performance of the sub-fund may be more volatile than a fund that invests in securities traded in developed countries.

## Summary of Largest Portfolio Changes

The table below shows the top ten purchases and sales for the year.

<b>Purchases</b>	<b>£</b>	<b>Sales</b>	<b>£</b>
Exxon Mobil	1,324,249	Meta	2,907,452
UiPath	986,587	Alphabet	2,696,824
Target	923,635	Wells Fargo	2,346,815
ams-OSRAM	829,718	Amazon.com	2,191,540
Remy Cointreau	795,273	Gresham House	1,754,592
Li Ning	775,466	Splunk	1,663,563
Match	739,378	PayPal	1,456,762
Diageo	702,503	Southwestern Energy	1,404,120
Estee Lauder	668,190	Cemex	1,258,411
Sands China	648,750	NVIDIA	1,220,648

# ES River and Mercantile Global Recovery Fund

## Statement of Total Return for the year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024		1 April 2022 to 31 March 2023	
		£	£	£	£
Income					
Net capital gains/(losses)	2		24,593,710		(731,616)
Revenue	3	6,301,239		9,448,821	
Expenses	4	(2,324,340)		(3,010,788)	
Interest payable and similar charges	6	(12,744)		(10,109)	
Net revenue before taxation for the year		3,964,155		6,427,924	
Taxation	5	(708,933)		(1,386,036)	
Net revenue after taxation for the year			3,255,222		5,041,888
Total return before distributions			27,848,932		4,310,272
Distributions	7		(3,268,672)		(5,059,402)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>24,580,260</b>		<b>(749,130)</b>

## Statement of Change in Net Assets attributable to Shareholders for the year ended 31 March 2024

		1 April 2023 to 31 March 2024		1 April 2022 to 31 March 2023	
		£	£	£	£
Opening net assets attributable to Shareholders			296,466,223		393,286,725
Amounts received on creation of shares	38,879,734			35,659,186	
Amounts paid on cancellation of shares	(117,991,687)			(131,884,732)	
			(79,111,953)		(96,225,546)
Dilution adjustment			133,067		25,503
Change in net assets attributable to Shareholders from investment activities			24,580,260		(749,130)
Retained distributions on accumulation shares			115,105		128,644
Unclaimed distributions over 6 years old			—		27
<b>Closing net assets attributable to Shareholders</b>			<b>242,182,702</b>		<b>296,466,223</b>

# ES River and Mercantile Global Recovery Fund

## Balance Sheet as at 31 March 2024

	Notes	31 March 2024		31 March 2023	
		£	£	£	£
<b>ASSETS</b>					
Fixed assets					
Investments			242,792,729		296,581,943
Current assets					
Debtors	8	3,218,460		1,647,722	
Cash and bank balances		380,137		1,286,312	
<b>Total other assets</b>			<b>3,598,597</b>		<b>2,934,034</b>
<b>Total assets</b>			<b>246,391,326</b>		<b>299,515,977</b>
<b>LIABILITIES</b>					
Investment liabilities			—		(373,816)
Creditors					
Distribution payable		(658,133)		(801,519)	
Other creditors	9	(3,550,491)		(1,874,419)	
<b>Total other liabilities</b>			<b>(4,208,624)</b>		<b>(2,675,938)</b>
<b>Total liabilities</b>			<b>(4,208,624)</b>		<b>(3,049,754)</b>
<b>Net assets attributable to Shareholders</b>			<b>242,182,702</b>		<b>296,466,223</b>

# ES River and Mercantile Global Recovery Fund

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## Notes to the Financial Statements

### 1 Accounting policies

The accounting policies for the sub-fund are set out on pages 7 to 9.

### 2 Net capital gains/(losses)

	31 March 2024 £	31 March 2023 £
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	24,485,886	(2,478,251)
Derivative securities	(29,128)	(9,863)
Forward currency contracts	269,134	2,014,479
Currency losses	(87,945)	(127,611)
Custodial transaction fees	(68,740)	(158,865)
US REIT gains	24,503	28,495
Net capital gains/(losses)	<u>24,593,710</u>	<u>(731,616)</u>

### 3 Revenue

	31 March 2024 £	31 March 2023 £
Bank interest	28,715	17,826
Franked distributions from authorised funds	11,511	18,841
Non-taxable overseas dividends	5,396,271	8,095,214
Non-US overseas REIT dividends	—	5,057
Stock dividends	28,276	119,804
Taxable overseas dividends	290,069	320,493
UK dividends	476,846	809,633
UK REIT dividends	33,582	38,742
US REIT dividends	35,969	23,211
	<u>6,301,239</u>	<u>9,448,821</u>

# ES River and Mercantile Global Recovery Fund

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## Notes to the Financial Statements continued

### 4 Expenses

	31 March 2024 £	31 March 2023 £
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	<u>2,067,634</u>	<u>2,664,745</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	38,331	48,437
Safe custody fees	<u>53,652</u>	<u>83,416</u>
	<u>91,983</u>	<u>131,853</u>
Other expenses:		
Audit fee*	18,314	14,724
Fund accounting fees	56,972	75,967
Legal and professional fees	3,261	301
Registration fees	(1,093)	1,066
Transfer agency fees	58,762	88,418
Other fees	<u>28,507</u>	<u>33,714</u>
	<u>164,723</u>	<u>214,190</u>
Total expenses	<u><u>2,324,340</u></u>	<u><u>3,010,788</u></u>

\*Total audit fees of £14,410 (2023 - £13,467) exclusive of VAT.

# ES River and Mercantile Global Recovery Fund

## Notes to the Financial Statements continued

### 5 Taxation

	31 March 2024 £	31 March 2023 £
<b>a) Analysis of taxation charge in year</b>		
Overseas tax	<u>708,933</u>	<u>1,386,036</u>
Total taxation	<u>708,933</u>	<u>1,386,036</u>

### b) Factors affecting taxation charge for the year

The tax assessed for the year is lower (2023: higher) than the standard rate of corporation tax in the UK for an Open Ended Investment Company with variable capital (20%) (2023: 20%). The difference is explained below:

Net revenue before taxation for the year	<u>3,964,155</u>	<u>6,427,924</u>
Return on ordinary activities before taxation at the applicable rate of Corporation tax in the UK of 20% (2023: 20%)	792,831	1,285,585
Effects of:		
Capitalised income subject to tax	4,901	4,334
Movement in tax losses	394,315	530,934
Overseas tax	708,933	1,386,036
Relief on overseas tax expensed	(9,466)	(11,143)
Revenue not subject to tax	<u>(1,182,581)</u>	<u>(1,809,710)</u>
Total taxation	<u>708,933</u>	<u>1,386,036</u>

Open Ended Investment Companies are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation of the sub-fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

### c) Provision for deferred tax

There is no deferred tax provision in the current or preceding year.

At the year end there is a potential deferred tax asset of £5,839,673 (£5,445,358 as at 31 March 2023) due to tax losses. It is unlikely the sub-fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (same as at 31 March 2023).

### 6 Interest payable and similar charges

	31 March 2024 £	31 March 2023 £
Interest	<u>12,744</u>	<u>10,109</u>
	<u>12,744</u>	<u>10,109</u>

# ES River and Mercantile Global Recovery Fund

## Notes to the Financial Statements continued

### 7 Distributions

The distributions take account of revenue received on the creation of shares and deducted on the cancellation of shares, and comprise:

	<b>31 March 2024</b>	<b>31 March 2023</b>
	£	£
Interim	2,250,109	3,572,414
Final	<u>695,821</u>	<u>841,821</u>
	2,945,930	4,414,235
Add: revenue deducted on cancellation of shares	462,439	761,335
Deduct: revenue received on creation of shares	<u>(139,697)</u>	<u>(116,168)</u>
Distributions for the year	<u><u>3,268,672</u></u>	<u><u>5,059,402</u></u>
Reconciliation between net revenue after taxation for the year and the distributions:		
Net revenue after taxation for the year	3,255,222	5,041,888
Equalisation on conversions	(57)	255
Expenses transferred to capital	<u>13,507</u>	<u>17,259</u>
Distributions for the year	<u><u>3,268,672</u></u>	<u><u>5,059,402</u></u>

### 8 Debtors

	<b>31 March 2024</b>	<b>31 March 2023</b>
	£	£
Accrued revenue	638,129	708,977
Amounts receivable for issue of shares	503,192	457,220
Foreign currency contracts awaiting settlement	1,071,402	44,246
Overseas tax recoverable	234,004	290,170
Sales awaiting settlement	<u>771,733</u>	<u>147,109</u>
	<u><u>3,218,460</u></u>	<u><u>1,647,722</u></u>

### 9 Other creditors

	<b>31 March 2024</b>	<b>31 March 2023</b>
	£	£
<b>a) Distribution payable</b>		
Gross distribution payable	<u>658,133</u>	<u>801,519</u>
Total distribution payable	<u><u>658,133</u></u>	<u><u>801,519</u></u>
<b>b) Other creditors</b>		
Accrued expenses	269,860	402,750
Amounts payable for cancellation of shares	1,092,088	1,427,485
Foreign currency contracts awaiting settlement	1,071,421	44,184
Purchases awaiting settlement	<u>1,117,122</u>	<u>—</u>
	<u><u>3,550,491</u></u>	<u><u>1,874,419</u></u>

### 10 Contingent liabilities and outstanding commitments

There were no commitments or contingent liabilities at the balance sheet date (31 March 2023: same).



# ES River and Mercantile Global Recovery Fund

## Notes to the Financial Statements continued

### 11 Related party transactions

Equity Trustees Fund Services Ltd, as ACD, is a related party, and acts as principal in respect of all the transactions of shares in the company. The aggregate monies received through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets attributable to Shareholders. The amounts outstanding at the year end are disclosed in notes 8 and 9 as amounts receivable on creation of shares and amounts payable on cancellation of shares respectively.

Amounts paid to Equity Trustees Fund Services Ltd in respect of the ACD, associates of the ACD and agents of either of them are disclosed in note 4. The balance outstanding as at the year end was £167,466 (£214,147 as at 31 March 2023).

Equity Trustees Fund Services Limited, as the sub-fund's ACD, wishes to disclose to the sub-fund's Shareholders that 26.13% and 41.10% of the sub-fund's shares in issue are under the control of an international central securities depository and a nominee and their related parties.

### 12 Financial instruments

The main risks and the ACD's policy for managing these risks, are stated within the notes to the financial statements of all the sub-funds of the ES River and Mercantile Funds ICVC.

#### a) Credit risk

Certain transactions in securities that the sub-fund enters into expose it to risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibility.

This risk is managed by appraising the credit profile of financial instruments and trade counterparties.

At 31 March 2024, the sub-fund held non exchange traded derivatives in the form of forward currency contracts.

The counterparty exposure is shown below:

Counterparty Details of OTC Financial Derivative Transactions	Forwards Assets £	Forwards Liabilities £
The Bank of New York Mellon	129,348	—

At 31 March 2023, the sub-fund held non exchange traded derivatives in the form of forward currency contracts.

The counterparty exposure is shown below:

Counterparty Details of OTC Financial Derivative Transactions	Forwards Assets £	Forwards Liabilities £
JP Morgan Chase Bank	—	(373,816)

No collateral is held or pledged (2023: same)

#### b) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

31 March 2024		Assets £	Liabilities £
Level 1	Unadjusted quoted price in an active market for an identical instrument	242,502,471	—
Level 2	Valuation techniques using observable inputs other than quoted prices within level 1	129,348	—
Level 3	Valuation techniques using unobservable inputs	160,910	—
		<b>242,792,729</b>	<b>—</b>

# ES River and Mercantile Global Recovery Fund

## Notes to the Financial Statements continued

### 12 Financial instruments continued

#### b) Valuation of financial investments continued

<b>31 March 2023</b>		<b>Assets</b>	<b>Liabilities</b>
		<b>£</b>	<b>£</b>
Level 1	Unadjusted quoted price in an active market for an identical instrument	296,148,452	—
Level 2	Valuation techniques using observable inputs other than quoted prices within level 1	—	(373,816)
Level 3	Valuation techniques using unobservable inputs	433,491	—
		<b>296,581,943</b>	<b>(373,816)</b>

Where a price is unavailable or the price provided is not thought to be a fair reflection of the current market value of the asset, the Manager, at its discretion, may permit a different method of valuation to be used.

Level 3 assets held in the sub-fund have been identified on the portfolio statement. Includes securities fair valued by the Manager. These securities are identified on the Fund's Portfolio Statement.

Upon review of the most recent Rangers company accounts, the 20pence FVP is still considered relevant. Whilst a limited number of new shares have been issued at 25pence, per share during the year, the current valuation was deemed to be conservative. As the stock continued to reflect a lack of liquidity, it was decided to price at a 20% discount.

Due to ongoing sanctions against UK investors trading Russian assets and the continued conflict in Ukraine, we have written down the value of VK to zero. This is in line with the overwhelming industry consensus that all Russian assets should be nil priced. Accordingly, we have classified this as a level 3 asset in the fair value hierarchy.

#### c) Foreign currency risk

Foreign currency risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. The risk may be managed by the utilisation of forward currency contracts as necessary.

# ES River and Mercantile Global Recovery Fund

## Notes to the Financial Statements continued

### 12 Financial instruments continued

#### c) Foreign currency risk continued

The currency profile for the sub-fund's net assets at the balance sheet date was:

31 March 2024 Currency	Monetary exposures £	Net foreign currency assets	
		Non-monetary exposures £	Total £
Australian Dollar	616	1,732,096	1,732,712
Brazilian Real	22,594	4,334,081	4,356,675
Canadian Dollar	425	1,358,558	1,358,983
Chilean Peso	—	2,221,482	2,221,482
Colombian Peso	271	122,063	122,334
Danish Krone	573	1,493,439	1,494,012
Euro	7,560	36,284,809	36,292,369
Hong Kong Dollar	7,476	15,720,809	15,728,285
Indonesian Rupiah	—	613,143	613,143
Japanese Yen	51,172	23,487,108	23,538,280
Korean Won	—	5,812,130	5,812,130
Malaysian Ringgit	4,652	2,522,829	2,527,481
Mexican Peso	268	898,387	898,655
Norwegian Krone	98	131,554	131,652
Philippine Peso	—	294,672	294,672
Polish Zloty	446	404,401	404,847
Singapore Dollar	23,215	1,221,496	1,244,711
South African Rand	232	305,588	305,820
Swedish Krona	329	1,142,502	1,142,831
Swiss Franc	7,939	6,456,394	6,464,333
Taiwan Dollar	21	2,529,282	2,529,303
Thai Baht	—	508,599	508,599
TRY	249	—	249
US Dollar	33,748	116,801,827	116,835,575
	<b>161,884</b>	<b>226,397,249</b>	<b>226,559,133</b>

# ES River and Mercantile Global Recovery Fund

## Notes to the Financial Statements continued

### 12 Financial instruments continued

#### c) Foreign currency risk continued

31 March 2023 Currency	Monetary exposures £	Net foreign currency assets	
		Non-monetary exposures £	Total £
Australian Dollar	773	1,854,028	1,854,801
Brazilian Real	24,041	4,149,502	4,173,543
Canadian Dollar	192	1,856,910	1,857,102
Chilean Peso	1,373	1,130,200	1,131,573
Chinese Yuan Renminbi	98	339,053	339,151
Colombian Peso	156	950,096	950,252
Danish Krone	27,873	1,788,355	1,816,228
Euro	34,146	47,037,469	47,071,615
Hong Kong Dollar	3,530	23,706,182	23,709,712
Indonesian Rupiah	—	1,341,889	1,341,889
Japanese Yen	25,536	19,662,101	19,687,637
Korean Won	—	5,733,315	5,733,315
Malaysian Ringgit	7,263	3,052,957	3,060,220
Mexican Peso	589	1,022,782	1,023,371
Norwegian Krone	478	1,455,192	1,455,670
Philippine Peso	—	282,294	282,294
Polish Zloty	4,408	373,094	377,502
Singapore Dollar	24	2,502,501	2,502,525
South African Rand	1,752	1,643,427	1,645,179
Swedish Krona	23,282	1,472,770	1,496,052
Swiss Franc	6,820	9,227,230	9,234,050
Taiwan Dollar	22	2,652,603	2,652,625
Thai Baht	—	871,439	871,439
TRY	430	—	430
US Dollar	158,223	138,786,794	138,945,017
	<b>321,009</b>	<b>272,892,183</b>	<b>273,213,192</b>

#### d) Derivative risk

At the balance sheet date, no derivatives were held that could impact the sub-fund in a significant way (2023: same).

#### e) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk exposure of the sub-fund is not considered to be significant.

#### f) Sensitivity analysis

##### Currency risk

If sterling (the sub-fund base currency) increased by 10% against non-sterling currencies as at the balance sheet date the net asset value of the sub-fund would have decreased by £22,655,913 (2023: £27,321,319). A weakening in sterling against non-sterling currencies of 10% will have resulted in an equal but opposite effect.

# ES River and Mercantile Global Recovery Fund

## Notes to the Financial Statements continued

### 12 Financial instruments continued

#### f) Sensitivity analysis continued

##### Price risk

If market prices had increased by 10% as at the balance sheet date the net asset value of the sub-fund would have increased by £24,266,338 (2023: £29,658,194). A weakening in market prices of 10% will have resulted in an equal but opposite effect.

#### g) Leverage

The sub-fund did not employ significant leverage during the year.

### 13 Portfolio transaction costs

For the year 1 April 2023 to 31 March 2024

<b>Purchases</b>	<b>Transaction Value</b>	<b>Commissions</b>	<b>%</b>	<b>Taxes</b>	
	<b>£</b>			<b>£</b>	<b>£</b>
Equity instruments (direct)	58,688,120	34,641	0.06	27,822	0.05
Collective investment schemes	71,728	43	0.06	—	—
<b>Total purchases</b>	<b>58,759,848</b>	<b>34,684</b>		<b>27,822</b>	
<b>Total purchases including transaction costs</b>	<b>58,822,354</b>				
<b>Sales</b>	<b>Transaction Value</b>	<b>Commissions</b>	<b>%</b>	<b>Taxes</b>	
	<b>£</b>			<b>£</b>	<b>£</b>
Equity instruments (direct)	136,642,830	70,742	0.05	16,145	0.01
Collective investment schemes	468,483	355	0.08	7	0.00
<b>Total sales</b>	<b>137,111,313</b>	<b>71,097</b>		<b>16,152</b>	
<b>Total sales net of transaction costs</b>	<b>137,024,064</b>				
<b>Total transaction costs</b>		<b>105,781</b>		<b>43,974</b>	
<b>as a % of average net assets</b>		<b>0.04%</b>		<b>0.02%</b>	

# ES River and Mercantile Global Recovery Fund

## Notes to the Financial Statements continued

### 13 Portfolio transaction costs continued

For the year 1 April 2022 to 31 March 2023

<b>Purchases</b>	<b>Transaction Value</b>	<b>Commissions</b>		<b>Taxes</b>	
	<b>£</b>	<b>£</b>	<b>%</b>	<b>£</b>	<b>%</b>
Equity instruments (direct)	126,786,179	76,830	0.06	53,300	0.04
Collective investment schemes	334,406	252	0.08	425	0.13
<b>Total purchases</b>	<b>127,120,585</b>	<b>77,082</b>		<b>53,725</b>	
<b>Total purchases including transaction costs</b>	<b>127,251,392</b>				
<b>Sales</b>	<b>Transaction Value</b>	<b>Commissions</b>		<b>Taxes</b>	
	<b>£</b>	<b>£</b>	<b>%</b>	<b>£</b>	<b>%</b>
Equity instruments (direct)	221,877,439	120,831	0.05	32,665	0.01
Collective investment schemes	604,503	424	0.07	17	0.00
<b>Total sales</b>	<b>222,481,942</b>	<b>121,255</b>		<b>32,682</b>	
<b>Total sales net of transaction costs</b>	<b>222,328,005</b>				
<b>Total transaction costs</b>		<b>198,337</b>		<b>86,407</b>	
<b>as a % of average net assets</b>		<b>0.06%</b>		<b>0.03%</b>	

The above analysis covers any direct transaction costs suffered by the sub-fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the sub-fund's investment in collective investment scheme holdings there will potentially be a dilution adjustment cost applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.21% (2023 - 0.23%).

### 14 Share movement

	<b>B-Class Distribution shares</b>	<b>S-Class Distribution shares</b>	<b>Z-Class Accumulation shares</b>
Opening shares	12,751,220	73,336,516	404,256
Shares issued	872,626	11,628,997	1,804
Shares redeemed	(8,638,599)	(21,985,081)	(55,123)
Shares converted	2,823	(6,058)	—
<b>Closing shares</b>	<b>4,988,070</b>	<b>62,974,374</b>	<b>350,937</b>

# ES River and Mercantile Global Recovery Fund

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## Notes to the Financial Statements continued

### 15 Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

# ES River and Mercantile Global Recovery Fund

## Distribution tables for the year ended 31 March 2024

Group 1: shares purchased prior to a distribution period

Group 2: shares purchased during a distribution period

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. As capital it is not liable to Income tax but must be deducted from the cost of shares for Capital Gains tax purposes.

Interim dividend distribution in pence per share		Period 01/04/2023 — 30/09/2023		
	Net Revenue	Equalisation	Distribution paid 30/11/23	Distribution paid 30/11/22
<b>B-Class Distribution shares</b>				
Group 1	5.0199	—	5.0199	6.1058
Group 2	2.3165	2.7034	5.0199	6.1058
<b>S-Class Distribution shares</b>				
Group 1	2.7074	—	2.7074	3.1841
Group 2	1.2436	1.4638	2.7074	3.1841
<b>Z-Class Accumulation shares</b>				
Group 1	19.5253	—	19.5253	21.2538
Group 2	16.7817	2.7436	19.5253	21.2538

Final dividend distribution in pence per share		Period 01/10/2023 — 31/03/2024		
	Net Revenue	Equalisation	Distribution payable 31/05/24	Distribution paid 31/05/23
<b>B-Class Distribution shares</b>				
Group 1	1.2195	—	1.2195	1.1552
Group 2	1.1116	0.1079	1.2195	1.1552
<b>S-Class Distribution shares</b>				
Group 1	0.9485	—	0.9485	0.8921
Group 2	0.7599	0.1886	0.9485	0.8921
<b>Z-Class Accumulation shares</b>				
Group 1	10.7392	—	10.7392	9.9695
Group 2	7.2888	3.4504	10.7392	9.9695



# ES River and Mercantile Global Alpha Fund

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## Investment Objective

The investment objective of the sub-fund is to grow the value of your investment (known as “capital growth”) in excess of the MSCI All Country World Index (ACWI) Net Total Return (the “Benchmark”) over a rolling 5 year period, after the deduction of all fees.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The sub-fund’s capital is at risk meaning that the sub-fund could suffer a decrease in value and the value of your investment would decrease as a result.

## Investment Policy

The sub-fund seeks to achieve its investment objective by investing at least 80% of its value in shares of global companies (including emerging markets). Investment can be direct, or indirect, in shares (including common and preference shares and units of common and preferred shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

Up to 20% of the sub-fund may be invested in collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager.

The sub-fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as “efficient portfolio management”). As an example, the sub-fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The sub-fund is actively managed meaning the Investment Manager uses their expertise to pick investments to achieve the sub-fund’s objective.

The sub-fund will have a bias towards “Value” metrics (as described in the Investment Strategy section).

The term ‘Alpha’ (as used in the name of the sub-fund), is typically defined as the excess return (or performance) of an investment relative to the return (or performance) of a benchmark.

The sub-fund will invest in a broad range of companies by region, industry group and size and does not have to hold the same companies that are included in the Benchmark or in the same weights. The sub-fund’s exposure to any one region will not be more than 25% above or below the Benchmark’s exposure to that region. The regions are: the US, the UK, Japan, Developed Europe ex UK, Developed Asia-Pacific ex Japan, other developed markets and Emerging Markets. The sub-fund follows MSCI’s categorisation of countries as Developed Markets, Emerging Markets or other. Exposure to any company will not be more than 4% above or below the Benchmark’s exposure to that company. Exposure to any industry group will not be more than 8% above or below the benchmark’s exposure to that industry group, measured at the Industry Group level of MSCI GICS (Global Industry Classification Standard).

# ES River and Mercantile Global Alpha Fund

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## Investment Manager's Review

The ES River and Mercantile Global Alpha Fund returned +18.4% (net of fees) during the year to 31 March 2024, versus a total return of +20.6% by its comparator benchmark, the MSCI ACWI index, and +15.5% for the MSCI ACWI Value index (all in GBP). Underperformance was broadly two-thirds due to sector allocation and the balance from stock selection. In addition, the Fund's overweight to small and mid-cap companies was a material headwind to relative performance.

The three most material positive contributors within the portfolio were **TopBuild** (+107% in GBP), **MakeMyTrip** (+159%), and **Valid Solucoes** (+99%). The three most negative contributors were **Prudential** (-31%), **Sony Group** (-6%), and **Henry Schein** (-9%). Having no holding or a material underweight in **NVIDIA**, **Microsoft**, **Eli Lilly**, and **Broadcom** cost -3.7% in relative performance, partially offset by +1.0% relative performance from no holding in **Tesla** and a material underweight in **Apple**.

TopBuild was among the interest rate sensitive companies which rallied hardest. A combination of lower interest rate expectations and higher housing starts rapidly increased investor optimism about the outlook for the US building materials industry. MakeMyTrip is delivering strong growth in the Indian online travel agent market. Valid Solucoes delivered a strong earnings recovery from a low starting valuation and was aided by a buoyant Brazilian stock market.

Prudential has delivered a strong earnings recovery, but its shares have been impacted by negative sentiment towards China. Sony gave a tepid initial outlook for growth in its Games division. Henry Schein was hit by a cybersecurity incident and weak short-term trading in parts of the dental industry.

Our largest new purchases were UK-listed ship broker **Clarkson**, and four Japanese-listed companies all with sub-\$5 billion market cap – **Tsubakimoto Chain**, **Kansai Paint**, **DTS**, and **Eiken Chemical**. Clarkson has a market leading ship broking franchise, underpinned by a significant scale and strategic data and market research advantage over peers. The new Japanese investments all have balance sheets which can support a material increase in cash returns to shareholders, alongside business fundamentals which are either showing accelerating growth or positively inflecting profitability. These replaced existing positions with share prices trading at our fair value estimates where our investment case had played out, such as **Oracle**, **SAP**, **Whitbread** and **Verallia**.

## Outlook

This portfolio is populated with investments where the Investment Manager sees the highest future return potential relative to downside risk considerations. It is as important to us that we understand how much we could lose in any investment if we are wrong as it is to consider the return we will make for our clients if we are right. This seems like an obvious statement, but it is an approach that has recently put us out of step with a market that is, to our minds at least, now breathless with the excitement of themes such as AI and where the zeitgeist seems to suggest that "the only risk is not having enough" investments directly exposed to these themes.

The Investment Manager continue to increase the portfolio's exposure to parts of the equity market that are believed to be temporarily inefficient, because investors' eyes (and capital) are currently drawn elsewhere to companies whose share prices have recently done best (the 'momentum' factor) to a greater extent than usual. International versus US valuation spreads are in the 99th percentile of data since 1994, while large cap versus small cap valuation spreads are in the 91st percentile since 1988. All the higher observations for large versus small occurred between August 1998 and November 2001, and were in the 1st percentile by April 2006. Cheap assets can become cheaper but have high conviction that we are tilting clients' capital towards opportunities where the odds are tilted in our favour.

Our own assessments of the 'bear case' for each stock compared to our 'base case' or more bullish scenarios imply an attractive 3-to-1 skew to the upside. If, as some commentators suggest, we are only part of the way through a stock market bubble akin to 1999-2000, then it is unlikely we would keep up with market returns. But investing on this outcome alone strikes us as the very definition of 'greater fool theory', compared to the range of outcomes in which our well-diversified portfolio can deliver both attractive compound returns and strong relative performance.

The Investment Manager continues to investigate potential investments for the fund across a diverse opportunity set: flavour and fragrance ingredients, life sciences tools, chemicals, exchanges, utilities, semiconductors, software, and a handful of ideas in Brazil all feature among our current work-in-progress. The breadth of ideas speaks to our

# ES River and Mercantile Global Alpha Fund

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## Investment Manager's Review continued

ongoing opportunity to offer investors a well-balanced, attractively valued portfolio compared to highly concentrated, momentum-driven benchmark indices.

River Global

March 2024

Investment Adviser to the sub-fund

Source: River Global Investors, Bloomberg LP. Fund performance is calculated using midday published prices. Benchmark performance is calculated using close of business mid-market prices.

# ES River and Mercantile Global Alpha Fund

## Portfolio Statement as at 31 March 2024

Holding	Investment	Market Value £	% of Net Assets
	<b>UNITED KINGDOM – 14.35% (2023 – 9.64%)</b>		
21,180	Anglo American	413,391	2.06
13,600	Clarkson	544,680	2.72
30,320	Fevertree Drinks*	363,840	1.81
25,740	Mondi	359,073	1.79
36,560	Smith & Nephew	362,456	1.81
55,860	Tate & Lyle	344,935	1.72
2,250	Willis Towers Watson	489,398	2.44
	<b>AUSTRALIA – 1.43% (2023 – 0.82%)</b>		
44,600	Treasury Wine Estates	286,538	1.43
	<b>BERMUDA – 0.00% (2023 – 0.68%)</b>		
	<b>BRAZIL – 0.00% (2023 – 1.12%)</b>		
	<b>CANADA – 0.00% (2023 – 1.11%)</b>		
	<b>CHINA – 0.00% (2023 – 2.58%)</b>		
	<b>COLOMBIA – 0.00% (2023 – 0.70%)</b>		
	<b>DENMARK – 0.00% (2023 – 0.37%)</b>		
	<b>FAROE ISLANDS – 0.00% (2023 – 0.61%)</b>		
	<b>FINLAND – 0.72% (2023 – 1.18%)</b>		
15,264	Metso	143,812	0.72
	<b>FRANCE – 2.00% (2023 – 4.89%)</b>		
5,160	Sanofi	401,277	2.00
	<b>GERMANY – 0.00% (2023 – 3.41%)</b>		
	<b>GIBRALTAR – 0.00% (2023 – 0.09%)</b>		
	<b>GREECE – 0.00% (2023 – 0.83%)</b>		
	<b>HONG KONG – 1.83% (2023 – 0.69%)</b>		
49,460	Prudential	367,488	1.83
	<b>INDIA – 0.00% (2023 – 0.63%)</b>		
	<b>IRELAND – 2.84% (2023 – 1.69%)</b>		
1,050	Accenture	287,600	1.43
35,100	Bank of Ireland	283,465	1.41
	<b>ITALY – 2.59% (2023 – 2.32%)</b>		
24,900	Danieli	520,502	2.59
	<b>JAPAN – 16.15% (2023 – 8.52%)</b>		
27,000	DTS	566,305	2.82
28,600	Eiken Chemical	299,034	1.49

# ES River and Mercantile Global Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>JAPAN continued</b>		
5,430	Hitachi	394,782	1.97
15,300	Kansai Paint	173,938	0.87
22,110	Nikon	176,939	0.88
7,500	Resonac	142,204	0.71
8,840	Sony Group	600,395	2.99
23,500	T Hasegawa	370,593	1.85
19,200	Tsubakimoto Chain	516,187	2.57
	<b>LUXEMBOURG – 0.00% (2023 – 0.33%)</b>		
	<b>MACAU – 0.00% (2023 – 0.26%)</b>		
	<b>MALAYSIA – 0.00% (2023 – 0.30%)</b>		
	<b>MEXICO – 1.56% (2023 – 0.87%)</b>		
44,060	Cemex	313,905	1.56
	<b>NETHERLANDS – 1.71% (2023 – 3.25%)</b>		
8,980	Aalberts	342,340	1.71
	<b>RUSSIA – 0.00% (2023 – 0.00%)</b>		
25,119	VK **	-	0.00
	<b>SINGAPORE – 1.72% (2023 – 1.79%)</b>		
16,350	DBS	345,528	1.72
	<b>SOUTH KOREA – 3.49% (2023 – 1.82%)</b>		
14,480	Samsung Electronics	700,734	3.49
	<b>SPAIN – 1.43% (2023 – 1.18%)</b>		
74,540	Talgo	286,141	1.43
	<b>SWEDEN – 0.00% (2023 – 0.34%)</b>		
	<b>SWITZERLAND – 3.81% (2023 – 2.45%)</b>		
1,900	Roche	383,490	1.91
15,580	UBS	379,847	1.90
	<b>TAIWAN – 0.00% (2023 – 0.56%)</b>		
	<b>THAILAND – 0.00% (2023 – 0.48%)</b>		
	<b>UNITED STATES OF AMERICA – 39.33% (2023 – 42.90%)</b>		
2,110	AGCO	205,263	1.02
5,450	Alphabet	650,549	3.24
3,000	Arcosa	203,641	1.01
25,650	Baker Hughes	679,601	3.39
190	Booking	545,033	2.72
650	Carlisle	201,321	1.00
2,700	CDW Corp	546,348	2.72
9,370	Citigroup	468,926	2.34

# ES River and Mercantile Global Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>UNITED STATES OF AMERICA continued</b>			
5,850	Fiserv	739,140	3.68
4,444	Harley-Davidson	153,803	0.77
11,500	Henry Schein	687,314	3.43
440	KLA	243,063	1.21
1,150	McKesson	488,512	2.44
735	Microsoft	244,364	1.22
775	Owens Corning	102,252	0.51
5,050	State Street	308,976	1.54
1,350	TopBuild	470,985	2.35
575	Valmont Industries	103,907	0.52
4,290	Walt Disney	415,467	2.07
1,580	Waters	430,343	2.15
<b>URUGUAY – 0.00% (2023 – 0.36%)</b>			
<b>FORWARD CURRENCY CONTRACTS – 0.23% (2023 – (0.27%))</b>			
€996,000	Forward Currency Contract 14/06/2024: Euro 996,000 vs US Dollar 1,084,962	(4,819)	(0.02)
US\$1,361,602	Forward Currency Contract 14/06/2024: US dollar 1,361,602 vs Euro 1,238,000	16,297	0.08
US\$388,900	Forward Currency Contract 14/06/2024: US dollar 388,900 vs Japanese Yen 58,207,000	(49)	0.00
US\$1,026,277	Forward Currency Contract 14/06/2024: US dollar 1,026,277 vs Japanese Yen 149,388,000	22,163	0.11
US\$501,234	Forward Currency Contract 14/06/2024: US dollar 501,234 vs UK Sterling 394,000	2,623	0.01
US\$818,984	Forward Currency Contract 14/06/2024: US dollar 818,984 vs UK Sterling 639,000	9,056	0.05
<b>Portfolio of investments</b>		<b>19,094,896</b>	<b>95.19</b>
<b>Net other assets</b>		<b>964,980</b>	<b>4.81</b>
<b>Net assets</b>		<b>20,059,876</b>	<b>100.00</b>

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2023.

\*Security listed in AIM.

\*\*Delisted security.

# ES River and Mercantile Global Alpha Fund

## Comparative table

For the year ending:	31/03/2024	31/03/2023	31/03/2022
B-Class Accumulation shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	412.60	407.70	395.67
Return before operating charges*	77.99	8.33	15.58
Operating charges	(3.84)	(3.43)	(3.55)
Return after operating charges	74.15	4.90	12.03
Distributions	(3.24)	(5.07)	(3.34)
Retained distributions on accumulation shares	3.24	5.07	3.34
<b>Closing net asset value per share</b>	<b>486.75</b>	<b>412.60</b>	<b>407.70</b>
*After direct transaction costs of	(0.51)	(0.28)	(0.32)
<b>Performance</b>			
Return after charges	17.97%	1.20%	3.04%
<b>Other information</b>			
Closing net asset value (£)	19,279,271	19,881,574	40,416,257
Closing number of shares	3,960,790	4,818,630	9,913,185
Operating charges**	0.89%	0.85%	0.87%
Direct transaction costs	0.12%	0.07%	0.08%
<b>Prices</b>			
Highest share price	485.13	439.32	429.27
Lowest share price	405.41	374.79	379.25

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 1.00%.

# ES River and Mercantile Global Alpha Fund

## Comparative table continued

For the year ending:	31/03/2024	31/03/2023	31/03/2022
Z-Class Accumulation shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	865.89	849.13	817.99
Return before operating charges*	164.28	17.60	32.15
Operating charges	(1.00)	(0.84)	(1.01)
Return after operating charges	163.28	16.76	31.14
Distributions	(11.82)	(16.99)	(13.26)
Retained distributions on accumulation shares	11.82	16.99	13.26
<b>Closing net asset value per share</b>	<b>1,029.17</b>	<b>865.89</b>	<b>849.13</b>
*After direct transaction costs of	(1.06)	(0.58)	(0.67)
<b>Performance</b>			
Return after charges	18.86%	1.97%	3.81%
<b>Other information</b>			
Closing net asset value (£)	780,605	134,788,942	136,962,811
Closing number of shares	75,848	15,566,516	16,129,803
Operating charges**	0.11%	0.10%	0.12%
Direct transaction costs	0.12%	0.07%	0.08%
<b>Prices</b>			
Highest share price	1,025.67	921.00	891.57
Lowest share price	852.85	781.83	789.49

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.25%.



# ES River and Mercantile Global Alpha Fund

## Synthetic Risk Reward Indicator (SRRI)



Typically Lower Rewards

Typically Higher Rewards



This sub-fund is ranked at 6 because funds of this type have experienced medium to high rises and falls in value in the past. The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile. The risk and reward score is not guaranteed and may change over time. The lowest category does not mean risk free. While the risk indicator takes into account the broader risk profile, the following risks are considered most relevant to this sub-fund:

- **Equity Securities:** Equities can lose value rapidly, and typically involve higher market risks than bonds, money market instruments or other debt instruments. Fluctuation in value may occur in response to activities of individual companies, the general market, economic conditions, or changes in currency exchange rates.
- **Small and Mid-Cap Stock:** Stocks of small and mid-size companies can be more volatile and less liquid than stocks of larger companies. Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks.
- **Liquidity:** There is a risk that adverse market conditions may affect the sub-fund's ability to sell assets at the price the sub-fund would like, or the sub-fund may have to sell them at a loss.
- **Currency:** To the extent that a sub-fund holds assets that are denominated in currencies other than the base currency, any changes in currency exchange rates could reduce investment gains or income, or increase investment losses.
- **Emerging Markets:** Where a sub-fund invests substantially in securities listed or traded in emerging markets, the performance of the sub-fund may be more volatile than a fund that invests in securities traded in developed countries.

## Summary of Largest Portfolio Changes

The table below shows the top ten purchases and sales for the year.

<b>Purchases</b>	<b>£</b>	<b>Sales</b>	<b>£</b>
Samsung Electronics	1,950,502	Meta	2,885,014
CDW Corp	1,694,661	Advanced Micro Devices	2,703,108
Fevertree Drinks	1,515,439	Booking	2,499,596
DTS	1,458,877	Fiserv	2,466,924
Valmont Industries	1,452,409	Amazon.com	2,455,931
Tsubakimoto Chain	1,396,441	Alphabet	2,395,922
Elevance Health	1,281,230	McKesson	2,338,012
Hitachi	1,265,242	Oracle	2,211,462
Baxter International	1,129,784	Baker Hughes	2,197,519
Clarkson	1,044,007	Waters	2,151,251

# ES River and Mercantile Global Alpha Fund

## Statement of Total Return for the year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024		1 April 2022 to 31 March 2023	
		£	£	£	£
Income					
Net capital gains/(losses)	2		16,408,945		(1,161,671)
Revenue	3	2,951,175		3,954,017	
Expenses	4	(314,471)		(367,498)	
Interest payable and similar charges	6	(1,029)		(221)	
Net revenue before taxation for the year		2,635,675		3,586,298	
Taxation	5	(307,034)		(495,377)	
Net revenue after taxation for the year			2,328,641		3,090,921
Total return before distributions			18,737,586		1,929,250
Distributions	7		(2,363,278)		(3,096,037)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>16,374,308</b>		<b>(1,166,787)</b>

## Statement of Change in Net Assets attributable to Shareholders for the year ended 31 March 2024

		1 April 2023 to 31 March 2024		1 April 2022 to 31 March 2023	
		£	£	£	£
Opening net assets attributable to Shareholders			154,670,516		177,379,068
Amounts received on creation of shares	8,309,132			9,188,462	
Amounts paid on cancellation of shares	(161,106,989)			(33,748,010)	
			(152,797,857)		(24,559,548)
Dilution adjustment			167,997		—
Change in net assets attributable to Shareholders from investment activities			16,374,308		(1,166,787)
Retained distributions on accumulation shares			1,644,912		3,017,783
<b>Closing net assets attributable to Shareholders</b>			<b>20,059,876</b>		<b>154,670,516</b>

# ES River and Mercantile Global Alpha Fund

## Balance Sheet as at 31 March 2024

	Notes	31 March 2024		31 March 2023	
		£	£	£	£
<b>ASSETS</b>					
Fixed assets					
Investments			19,099,764		152,760,844
Current assets					
Debtors	8	313,322		1,927,725	
Cash and bank balances		720,818		928,460	
<b>Total other assets</b>			<b>1,034,140</b>		<b>2,856,185</b>
<b>Total assets</b>			<b>20,133,904</b>		<b>155,617,029</b>
<b>LIABILITIES</b>					
Investment liabilities			(4,868)		(411,012)
Creditors					
Other creditors	9	(69,160)		(535,501)	
<b>Total other liabilities</b>			<b>(69,160)</b>		<b>(535,501)</b>
<b>Total liabilities</b>			<b>(74,028)</b>		<b>(946,513)</b>
<b>Net assets attributable to Shareholders</b>			<b>20,059,876</b>		<b>154,670,516</b>

# ES River and Mercantile Global Alpha Fund

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## Notes to the Financial Statements

### 1 Accounting policies

The accounting policies for the sub-fund are set out on pages 7 to 9.

### 2 Net capital gains/(losses)

	<b>31 March 2024</b>	<b>31 March 2023</b>
	£	£
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	15,973,198	(2,087,698)
Forward currency contracts	396,819	1,106,773
Currency gains/(losses)	45,837	(189,496)
Custodial transaction fees	(28,297)	(26,318)
US REIT gains	21,388	35,068
Net capital gains/(losses)	<u>16,408,945</u>	<u>(1,161,671)</u>

### 3 Revenue

	<b>31 March 2024</b>	<b>31 March 2023</b>
	£	£
Bank interest	54,166	15,569
Non-taxable overseas dividends	2,404,713	3,477,826
Non-US overseas REIT dividends	6,219	2,232
Stock dividends	1,881	—
Taxable overseas dividends	103,914	30,705
UK dividends	376,499	419,777
US REIT dividends	3,783	7,908
	<u>2,951,175</u>	<u>3,954,017</u>

# ES River and Mercantile Global Alpha Fund

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## Notes to the Financial Statements continued

### 4 Expenses

	31 March 2024 £	31 March 2023 £
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	<u>187,705</u>	<u>237,299</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	21,831	24,583
Safe custody fees	<u>20,253</u>	<u>36,405</u>
	<u>42,084</u>	<u>60,988</u>
Other expenses:		
Audit fee*	15,291	12,293
Fund accounting fees	31,988	39,156
Legal and professional fees	3,356	1,130
Registration fees	(133)	121
Transfer agency fees	16,459	15,724
Other fees	<u>17,721</u>	<u>787</u>
	<u>84,682</u>	<u>69,211</u>
Total expenses	<u><u>314,471</u></u>	<u><u>367,498</u></u>

\*Total audit fees of £12,033 (2023 - £11,246) exclusive of VAT.

# ES River and Mercantile Global Alpha Fund

## Notes to the Financial Statements continued

### 5 Taxation

	31 March 2024 £	31 March 2023 £
<b>a) Analysis of taxation charge in year</b>		
Overseas tax	<u>307,034</u>	<u>495,377</u>
Total taxation	<u>307,034</u>	<u>495,377</u>

### b) Factors affecting taxation charge for the year

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company with variable capital (20%) (2023: 20%). The difference is explained below:

Net revenue before taxation for the year	<u>2,635,675</u>	<u>3,586,298</u>
Return on ordinary activities before taxation at the applicable rate of Corporation tax in the UK of 20% (2023: 20%)	527,135	717,260
Effects of:		
Capitalised income subject to tax	4,277	5,304
Movement in tax losses	30,330	145,649
Overseas tax	307,034	495,377
Prior year adjustment to tax losses	—	(85,972)
Relief on overseas tax expensed	(3,880)	(2,274)
Revenue not subject to tax	<u>(557,862)</u>	<u>(779,967)</u>
Total taxation	<u>307,034</u>	<u>495,377</u>

Open Ended Investment Companies are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation of the sub-fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

### c) Provision for deferred tax

There is no deferred tax provision in the current or preceding year.

At the year end there is a potential deferred tax asset of £239,622 (£209,292 as at 31 March 2023) due to tax losses. It is unlikely the sub-fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (same as at 31 March 2023).

### 6 Interest payable and similar charges

	31 March 2024 £	31 March 2023 £
Interest	<u>1,029</u>	<u>221</u>
	<u>1,029</u>	<u>221</u>

# ES River and Mercantile Global Alpha Fund

## Notes to the Financial Statements continued

### 7 Distributions

The distributions take account of revenue received on the creation of shares and deducted on the cancellation of shares, and comprise:

	31 March 2024 £	31 March 2023 £
Interim	1,643,621	1,910,467
Final	<u>1,291</u>	<u>1,107,316</u>
	1,644,912	3,017,783
Add: revenue deducted on cancellation of shares	736,407	127,940
Deduct: revenue received on creation of shares	<u>(18,041)</u>	<u>(49,686)</u>
Distributions for the year	<u>2,363,278</u>	<u>3,096,037</u>
Reconciliation between net revenue after taxation for the year and the distributions:		
Net revenue after taxation for the year	2,328,641	3,090,921
Expenses transferred to capital	1,025	1,052
Shortfall met from capital	29,671	—
Tax relief on expenses taken to capital	<u>3,941</u>	<u>4,064</u>
Distributions for the year	<u>2,363,278</u>	<u>3,096,037</u>

### 8 Debtors

	31 March 2024 £	31 March 2023 £
Accrued revenue	99,929	383,828
Amounts receivable for issue of shares	93,107	1,452,254
Overseas tax recoverable	<u>120,286</u>	<u>91,643</u>
	<u>313,322</u>	<u>1,927,725</u>

### 9 Other creditors

	31 March 2024 £	31 March 2023 £
<b>Other creditors</b>		
Accrued expenses	69,028	90,734
Amounts payable for cancellation of shares	132	50,321
Purchases awaiting settlement	<u>—</u>	<u>394,446</u>
	<u>69,160</u>	<u>535,501</u>

### 10 Contingent liabilities and outstanding commitments

There were no commitments or contingent liabilities at the balance sheet date (31 March 2023: same).

### 11 Related party transactions

Equity Trustees Fund Services Ltd, as ACD, is a related party, and acts as principal in respect of all the transactions of shares in the company. The aggregate monies received through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets attributable to Shareholders. The amounts outstanding at the year end are disclosed in notes 8 and 9 as amounts receivable on creation of shares and amounts payable on cancellation of shares respectively.

# ES River and Mercantile Global Alpha Fund

## Notes to the Financial Statements continued

### 11 Related party transactions continued

Amounts paid to Equity Trustees Fund Services Ltd in respect of the ACD, associates of the ACD and agents of either of them are disclosed in note 4. The balance outstanding as at the year end was £16,786 (£16,831 as at 31 March 2023).

Equity Trustees Fund Services Limited, as the sub-fund's ACD, wishes to disclose to the sub-fund's Shareholders that 94.54% of the sub-fund's shares in issue are under the control of a corporate client.

### 12 Financial instruments

The main risks and the ACD's policy for managing these risks, are stated within the notes to the financial statements of all the sub-funds of the ES River and Mercantile Funds ICVC.

#### a) Credit risk

Certain transactions in securities that the sub-fund enters into expose it to risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibility.

This risk is managed by appraising the credit profile of financial instruments and trade counterparties.

At 31 March 2024, the sub-fund held non exchange traded derivatives in the form of forward currency contracts.

The counterparty exposure is shown below:

Counterparty Details of OTC Financial Derivative Transactions	Forwards Assets £	Forwards Liabilities £
The Bank of New York Mellon	47,516	(49)
Northern Trust	2,623	(4,819)

At 31 March 2023, the sub-fund held non exchange traded derivatives in the form of forward currency contracts.

The counterparty exposure is shown below:

Counterparty Details of OTC Financial Derivative Transactions	Forwards Assets £	Forwards Liabilities £
The Bank of New York Mellon	—	(51,750)
JP Morgan Chase Bank	—	(359,262)

No collateral is held or pledged (2023: same)

#### b) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

31 March 2024		Assets £	Liabilities £
Level 1	Unadjusted quoted price in an active market for an identical instrument	19,049,625	—
Level 2	Valuation techniques using observable inputs other than quoted prices within level 1	50,139	(4,868)
		<b>19,099,764</b>	<b>(4,868)</b>



# ES River and Mercantile Global Alpha Fund

## Notes to the Financial Statements continued

### 12 Financial instruments continued

#### b) Valuation of financial investments continued

31 March 2023		Assets £	Liabilities £
Level 1	Unadjusted quoted price in an active market for an identical instrument	152,740,734	—
Level 2	Valuation techniques using observable inputs other than quoted prices within level 1	—	(411,012)
Level 3	Valuation techniques using unobservable inputs	20,110	—
		<b>152,760,844</b>	<b>(411,012)</b>

Where a price is unavailable or the price provided is not thought to be a fair reflection of the current market value of the asset, the Manager, at its discretion, may permit a different method of valuation to be used.

Level 3 assets held in the sub-fund have been identified on the portfolio statement. Includes securities fair valued by the Manager. These securities are identified on the Fund's Portfolio Statement.

Due to ongoing sanctions against UK investors trading Russian assets and the continued conflict in Ukraine, we have written down the value of VK to zero. This is in line with the overwhelming industry consensus that all Russian assets should be nil priced. Accordingly, we have classified this as a level 3 asset in the fair value hierarchy.

#### c) Foreign currency risk

Foreign currency risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. The risk may be managed by the utilisation of forward currency contracts as necessary.

The currency profile for the sub-fund's net assets at the balance sheet date was:

31 March 2024 Currency	Net foreign currency assets		
	Monetary exposures £	Non-monetary exposures £	Total £
Australian Dollar	329	295,642	295,971
Brazilian Real	206	3,220	3,426
Canadian Dollar	217	1,393	1,610
Colombian Peso	1	—	1
Danish Krone	172	—	172
Euro	12,814	1,878,802	1,891,616
Hong Kong Dollar	274	—	274
Japanese Yen	5,210	2,172,954	2,178,164
Korean Won	—	727,657	727,657
Mexican Peso	264	—	264
Norwegian Krone	92	—	92
Singapore Dollar	826	345,528	346,354
South African Rand	191	—	191
Swedish Krona	170	7,236	7,406
Swiss Franc	312	763,336	763,648
US Dollar	24,258	11,390,891	11,415,149
	<b>45,336</b>	<b>17,586,659</b>	<b>17,631,995</b>

# ES River and Mercantile Global Alpha Fund

## Notes to the Financial Statements continued

### 12 Financial instruments continued

#### c) Foreign currency risk continued

31 March 2023 Currency	Monetary exposures £	Net foreign currency assets	
		Non-monetary exposures £	Total £
Australian Dollar	346	1,286,456	1,286,802
Brazilian Real	207	1,345,553	1,345,760
Canadian Dollar	4,848	1,712,703	1,717,551
Colombian Peso	1	1,077,768	1,077,769
Danish Krone	524	570,017	570,541
Euro	43,801	20,271,283	20,315,084
Hong Kong Dollar	448	5,458,770	5,459,218
Japanese Yen	36,210	10,580,202	10,616,412
Korean Won	—	2,856,444	2,856,444
Malaysian Ringgit	—	467,046	467,046
Mexican Peso	545	547,625	548,170
Norwegian Krone	415	937,195	937,610
Singapore Dollar	470	2,777,172	2,777,642
South African Rand	208	—	208
Swedish Krona	282	560,969	561,251
Swiss Franc	710	3,789,499	3,790,209
Taiwan Dollar	—	868,027	868,027
Thai Baht	—	743,232	743,232
US Dollar	71,209	86,584,585	86,655,794
	<b>160,224</b>	<b>142,434,546</b>	<b>142,594,770</b>

#### d) Derivative risk

At the balance sheet date, no derivatives were held that could impact the sub-fund in a significant way (2023: same).

#### e) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk exposure of the sub-fund is not considered to be significant.

#### f) Sensitivity analysis

##### Currency risk

If sterling (the sub-fund base currency) increased by 10% against non-sterling currencies as at the balance sheet date the net asset value of the sub-fund would have decreased by £1,763,200 (2023: £14,259,477). A weakening in sterling against non-sterling currencies of 10% will have resulted in an equal but opposite effect.

##### Price risk

If market prices had increased by 10% as at the balance sheet date the net asset value of the sub-fund would have increased by £1,904,963 (2023: £15,276,084). A weakening in market prices of 10% will have resulted in an equal but opposite effect.

# ES River and Mercantile Global Alpha Fund

## Notes to the Financial Statements continued

### 12 Financial instruments continued

#### g) Leverage

The sub-fund did not employ significant leverage during the year.

### 13 Portfolio transaction costs

For the year 1 April 2023 to 31 March 2024

<b>Purchases</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	46,112,829	25,636	0.06	34,070	0.07
Total purchases	46,112,829	25,636		34,070	
Total purchases including transaction costs	46,172,535				
<b>Sales</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	195,625,159	81,834	0.04	20,223	0.01
Total sales	195,625,159	81,834		20,223	
Total sales net of transaction costs	195,523,102				
Total transaction costs		107,470		54,293	
as a % of average net assets		0.08%		0.04%	

For the year 1 April 2022 to 31 March 2023

<b>Purchases</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	52,534,622	29,773	0.06	36,684	0.07
Total purchases	52,534,622	29,773		36,684	
Total purchases including transaction costs	52,601,079				
<b>Sales</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	73,212,058	37,201	0.05	8,268	0.01
Total sales	73,212,058	37,201		8,268	
Total sales net of transaction costs	73,166,589				
Total transaction costs		66,974		44,952	
as a % of average net assets		0.04%		0.03%	

The above analysis covers any direct transaction costs suffered by the sub-fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

# ES River and Mercantile Global Alpha Fund

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## Notes to the Financial Statements continued

### 13 Portfolio transaction costs continued

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.13% (2023 - 0.15%).

### 14 Share movement

	<b>B-Class Accumulation shares</b>	<b>Z-Class Accumulation shares</b>
Opening shares	4,818,630	15,566,516
Shares issued	1,290,951	300,314
Shares redeemed	(2,148,791)	(15,790,982)
<b>Closing shares</b>	<b>3,960,790</b>	<b>75,848</b>

### 15 Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

# ES River and Mercantile Global Alpha Fund

## Distribution tables for the year ended 31 March 2024

Group 1: shares purchased prior to a distribution period

Group 2: shares purchased during a distribution period

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. As capital it is not liable to Income tax but must be deducted from the cost of shares for Capital Gains tax purposes.

Interim dividend distribution in pence per share		Period 01/04/2023 — 30/09/2023		
	Net Revenue	Equalisation	Distribution paid 30/11/23	Distribution paid 30/11/22
<b>B-Class Accumulation shares</b>				
Group 1	3.2371	—	3.2371	3.4715
Group 2	2.1921	1.0450	3.2371	3.4715
<b>Z-Class Accumulation shares</b>				
Group 1	10.1154	—	10.1154	10.3701
Group 2	5.7122	4.4032	10.1154	10.3701

Final dividend distribution in pence per share		Period 01/10/2023 — 31/03/2024		
	Net Revenue	Equalisation	Distribution payable 31/05/24	Distribution paid 31/05/23
<b>B-Class Accumulation shares</b>				
Group 1	0.0000	—	0.0000	1.5959
Group 2	0.0000	0.0000	0.0000	1.5959
<b>Z-Class Accumulation shares</b>				
Group 1	1.7015	—	1.7015	6.6194
Group 2	0.0000	1.7015	1.7015	6.6194

# ES River and Mercantile European Fund

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## Investment Objective

The investment objective of the sub-fund is to achieve a return (income and growth in the value of your investment (known as “capital growth)) over a rolling period of at least five years, by investing in a core concentrated portfolio of shares of European companies (typically numbering between 30 and 50). A rolling period of at least five years has been chosen because it is broadly similar to the length of an average business cycle (as defined in the investment policy).

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The sub-fund’s capital is at risk meaning that the sub-fund could suffer a decrease in value and the value of your investment would decrease as a result.

## Investment Policy

The sub-fund aims to achieve its objective over a business cycle, which is a multi-year period of time during which economic conditions are expected to move through distinct periods of being supportive and unsupportive of companies’ trading activities. The sub-fund will provide a dividend stream for investors derived from companies that the Investment Manager considers to be aligned to the Sustainable Investment Framework and appropriate with reference to the business cycle.

The length of a business cycle varies and as such investors looking to measure the sub-fund’s performance against its objective should do so over a rolling period of at least five years.

The sub-fund seeks to achieve its investment objective by investing at least 80% of its value in shares of European companies which are domiciled, incorporated, or have significant operations in Europe (excluding the UK). Investment can be direct, or indirect, in shares (including common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

Up to 20% of the sub-fund may be invested in shares of ‘non-European’ companies (including emerging markets and the UK), collective investment schemes and cash. The sub-fund’s investment into UK companies may be up to 10% of the sub-fund’s net assets, but typically will not exceed 5% of the sub-fund’s net assets. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager, and is limited to 10% of the overall sub-fund value.

The sub-fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as “efficient portfolio management”). As an example, the sub-fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The sub-fund is actively managed, meaning the Investment Manager will use their expertise to pick investments to achieve the sub-fund’s objectives.

The sub-fund will invest in a range of companies by industry sector and size. Although its investments are not restricted by reference to a benchmark the sub-fund will invest in a limited number of companies which means that the sub-fund will be concentrated. This absence of any benchmark constraints gives the Investment Manager wider scope to be dynamic in its investment decisions (for example by allowing the Investment Manager to change investments when they believe necessary in line with market circumstances to achieve the sub-fund’s objective) than if they were required to invest within such controls.

# ES River and Mercantile European Fund

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## Investment Manager's Review

### Investment Review

The ES River and Mercantile European Fund (B share class) returned 5.7% over the 12 months to 31 March 2024, an underperformance compared to the MSCI Europe (ex-UK) IMI return of 12.0%.

A key factor determining the relative performance over this period was the underperformance of European small and mid-sized companies compared to their larger capitalised brethren. This was the largest and longest relative draw down on record by some measures (source: Kepler Cheuvreux) even beating the relative underperformance of smaller market capitalisation stocks during the global financial crisis. As the fund is significantly underweight this style, both relative to peers and benchmark, this was a significant headwind.

Furthermore, following our business cycle approach, we determined that around the end of last year we were at a low point in the cycle and in a period where most investors were behaving very conservatively because of well-known macroeconomic headwinds. Therefore, following our process, it was appropriate to increase the cyclical nature of the portfolio. In the event this has proved a little early as the US banking crisis has extended this 'risk-off' period and cyclical companies have underperformed, which has been a headwind for the relative performance.

From a stock specific perspective, most of the biggest detractors were aligned with these two factors detailed above. This includes **Boliden**, **Swatch**, **Viaplay** and **Sensirion**. The exception would be **Recticel** where a deal to sell the majority of the business to a third party was renegotiated: an unhelpful event but one which was hard to foresee. Our underweight to the strongly performing **Novo Nordisk** was a headwind.

We did have two very significant positive contributors which were **BE Semiconductor**, contributing over 2% and **Zealand Pharma** at 1.75%. We bought **BE Semiconductor** in October 2022 after 2 profit warnings with another on the way, because we felt the short-term headwinds were masking the underlying progress of the business. In the event this has been the case with a significant recovery in the share price as the market begins to reflect the value of their new technology. Zealand Pharma is a very promising candidate to generate significant revenue in the obesity market. **Danieli** and **Heidelberg Materials Cement** also contributed more than 1%.

### Outlook

The potential for a better business cycle for European companies remains high, as we recover the underinvestment from the last cycle and the deflationary malaise of the post Global Financial Crisis period is well and truly over. Coupled with the imperative of decarbonisation, which represents a positive investment shock and favours Europe over other regions, we can expect stronger demand over this cycle.

With this in mind, within European equities it is exciting that we currently at low valuation levels relative to the rest of the world. We will continue to exploit our pragmatic, contrarian philosophy using both the business cycle to inform portfolio positioning and a focus on bottom-up stock-picking with a focus on the fundamental tenets of the investment case, the valuation, and considering whether the present time is an apposite entry point for our investments.

River Global

March 2024

Investment Adviser to the sub-fund

Source: River Global Investors, Bloomberg LP. Fund performance is calculated using midday published prices. Benchmark performance is calculated using close of business mid-market prices.

# ES River and Mercantile European Fund

## Portfolio Statement as at 31 March 2024

Holding	Investment	Market Value £	% of Net Assets
	<b>UNITED KINGDOM – 1.02% (2023 – 1.27%)</b>		
250,000	Allfunds	1,428,846	1.02
	<b>BELGIUM – 5.29% (2023 – 3.82%)</b>		
36,000	KBC	2,136,639	1.52
80,000	Kinopolis	2,906,852	2.06
259,300	Recticel	2,411,990	1.71
	<b>CANADA – 0.50% (2023 – 0.63%)</b>		
53,277	Barrick Gold	699,972	0.50
	<b>DENMARK – 6.70% (2023 – 6.27%)</b>		
32,300	Carlsberg	3,513,364	2.49
27,000	NKT	1,768,620	1.26
24,000	Novo Nordisk	2,431,195	1.73
22,000	Zealand Pharma	1,719,735	1.22
	<b>FAROE ISLANDS – 3.95% (2023 – 4.57%)</b>		
110,000	Bakkafrost P/F	5,570,433	3.95
	<b>FINLAND – 7.03% (2023 – 6.62%)</b>		
77,000	Cargotec	4,226,393	3.00
359,300	Metso	3,385,189	2.40
65,000	UPM-Kymmene	1,715,513	1.22
27,687	Valmet	578,050	0.41
	<b>FRANCE – 21.51% (2023 – 22.15%)</b>		
27,000	Air Liquide	4,451,024	3.16
16,100	Airbus	2,349,927	1.67
56,000	BNP Paribas	3,152,738	2.24
22,000	EssilorLuxottica	3,943,316	2.80
3,000	LVMH Moet Hennessy Louis Vuitton	2,138,332	1.52
33,000	Remy Cointreau	2,636,276	1.87
108,600	Renault	4,344,836	3.08
32,000	Sanofi	2,488,539	1.77
25,000	Sopra Steria	4,792,032	3.40
	<b>GERMANY – 9.89% (2023 – 5.76%)</b>		
44,900	Elmos Semiconductor	2,825,324	2.00
65,000	FUCHS pref.	2,550,763	1.81
49,400	Heidelberg Materials	4,312,179	3.06
35,934	Salzgitter	744,087	0.53
150,000	Vonovia	3,504,894	2.49
	<b>ITALY – 4.01% (2023 – 2.18%)</b>		
270,200	Danieli	5,648,177	4.01
	<b>JAPAN – 1.41% (2023 – 1.69%)</b>		
29,200	Sony Group	1,983,204	1.41



# ES River and Mercantile European Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>NETHERLANDS – 14.38% (2023 – 16.08%)</b>			
125,000	Aalberts	4,765,314	3.38
2,950	ASML	2,250,237	1.60
20,000	BE Semiconductor	2,423,802	1.72
36,000	IMCD	5,026,119	3.57
1,200,000	Koninklijke KPN	3,555,936	2.52
99,800	Stellantis	2,245,319	1.59
<b>NORWAY – 0.43% (2023 – 1.09%)</b>			
214,825	Andfjord Salmon	603,507	0.43
<b>SWEDEN – 7.49% (2023 – 5.77%)</b>			
161,700	Boliden	3,549,453	2.52
282,400	Swedbank	4,430,189	3.15
107,800	Thule	2,566,619	1.82
<b>SWITZERLAND – 11.09% (2023 – 16.05%)</b>			
40,000	Holcim	2,870,803	2.04
43,000	Nestle	3,618,228	2.57
21,700	Roche	4,379,860	3.11
59,000	Sensirion	3,458,692	2.46
7,000	Swatch AG	1,287,661	0.91
<b>UNITED STATES OF AMERICA – 4.29% (2023 – 4.23%)</b>			
28,670	Walt Disney	2,776,559	1.97
12,000	Waters	3,268,426	2.32
<b>Portfolio of investments</b>		<b>139,435,163</b>	<b>98.99</b>
<b>Net other assets</b>		<b>1,422,606</b>	<b>1.01</b>
<b>Net assets</b>		<b>140,857,769</b>	<b>100.00</b>

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2023.

# ES River and Mercantile European Fund

## Comparative table

For the year ending:	31/03/2024	31/03/2023	31/03/2022+
B-Class Accumulation shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	112.34	100.81	100.00
Return before operating charges*	6.61	12.44	1.60
Operating charges	(0.99)	(0.91)	(0.79)
Return after operating charges	5.62	11.53	0.81
Distributions	(2.46)	(2.38)	(1.07)
Retained distributions on accumulation shares	2.46	2.38	1.07
<b>Closing net asset value per share</b>	<b>117.96</b>	<b>112.34</b>	<b>100.81</b>
*After direct transaction costs of	(0.11)	(0.08)	(0.31)
<b>Performance</b>			
Return after charges	5.00%	11.44%	0.81%
<b>Other information</b>			
Closing net asset value (£)	9,847,891	15,388,454	5,535,535
Closing number of shares	8,348,821	13,697,788	5,491,053
Operating charges**	0.92%	0.89%	0.91%
Direct transaction costs	0.10%	0.08%	0.42%
<b>Prices</b>			
Highest share price	118.28	116.83	111.88
Lowest share price	96.90	89.79	86.89

+Launched on 28 May 2021.

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.95%.

# ES River and Mercantile European Fund

## Comparative table continued

For the year ending:	31/03/2024	31/03/2023	31/03/2022
B-Class Distribution shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	132.55	121.71	113.95
Return before operating charges*	7.44	14.80	11.03
Operating charges	(1.15)	(1.10)	(1.18)
Return after operating charges	6.29	13.70	9.85
Distributions	(2.88)	(2.86)	(2.09)
<b>Closing net asset value per share</b>	<b>135.96</b>	<b>132.55</b>	<b>121.71</b>
*After direct transaction costs of	(0.12)	(0.10)	(0.44)
<b>Performance</b>			
Return after charges	4.75%	11.26%	8.64%
<b>Other information</b>			
Closing net asset value (£)	11,993,906	19,961,300	17,444,695
Closing number of shares	8,821,326	15,059,764	14,333,188
Operating charges**	0.92%	0.90%	0.94%
Direct transaction costs	0.10%	0.08%	0.35%
<b>Prices</b>			
Highest share price	137.15	143.15	136.63
Lowest share price	112.35	109.85	105.93

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.95%.

# ES River and Mercantile European Fund

## Comparative table continued

For the year ending:	31/03/2024	31/03/2023	31/03/2022
F-Class Accumulation shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	142.85	127.58	116.87
Return before operating charges*	8.48	15.83	11.29
Operating charges	(0.57)	(0.56)	(0.58)
Return after operating charges	7.91	15.27	10.71
Distributions	(3.13)	(3.01)	(2.14)
Retained distributions on accumulation shares	3.13	3.01	2.14
<b>Closing net asset value per share</b>	<b>150.76</b>	<b>142.85</b>	<b>127.58</b>
*After direct transaction costs of	(0.13)	(0.10)	(0.45)
<b>Performance</b>			
Return after charges	5.54%	11.97%	9.17%
<b>Other information</b>			
Closing net asset value (£)	47,358,782	40,426,858	43,459,440
Closing number of shares	31,414,167	28,300,777	34,063,965
Operating charges**	0.42%	0.43%	0.45%
Direct transaction costs	0.10%	0.08%	0.35%
<b>Prices</b>			
Highest share price	151.17	148.47	141.33
Lowest share price	123.58	113.93	109.93

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.50%.

# ES River and Mercantile European Fund

## Comparative table continued

For the year ending:	31/03/2024	31/03/2023	31/03/2022
F-Class Distribution shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	135.91	124.22	115.70
Return before operating charges*	7.75	15.17	11.21
Operating charges	(0.54)	(0.55)	(0.57)
Return after operating charges	7.21	14.62	10.64
Distributions	(2.96)	(2.93)	(2.12)
<b>Closing net asset value per share</b>	<b>140.16</b>	<b>135.91</b>	<b>124.22</b>
*After direct transaction costs of	(0.13)	(0.10)	(0.45)
<b>Performance</b>			
Return after charges	5.30%	11.77%	9.19%
<b>Other information</b>			
Closing net asset value (£)	39,218,366	42,383,181	55,065,865
Closing number of shares	27,982,044	31,184,003	44,329,070
Operating charges**	0.42%	0.44%	0.45%
Direct transaction costs	0.10%	0.08%	0.35%
<b>Prices</b>			
Highest share price	141.37	143.15	139.16
Lowest share price	115.57	109.85	108.07

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.50%.

# ES River and Mercantile European Fund

## Comparative table continued

For the year ending:	31/03/2024	31/03/2023	31/03/2022+
S-Class Accumulation shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	285.74	255.99	100.00
Return before operating charges*	16.89	31.56	157.60
Operating charges	(1.80)	(1.81)	(1.61)
Return after operating charges	15.09	29.75	155.99
Distributions	(6.25)	(6.03)	(3.23)
Retained distributions on accumulation shares	6.25	6.03	3.23
<b>Closing net asset value per share</b>	<b>300.83</b>	<b>285.74</b>	<b>255.99</b>
*After direct transaction costs of	(0.27)	(0.21)	(0.82)
<b>Performance</b>			
Return after charges	5.28%	11.62%	155.99%
<b>Other information</b>			
Closing net asset value (£)	32,292,132	7,662,106	123,059,696
Closing number of shares	10,734,273	2,681,527	48,072,918
Operating charges**	0.66%	0.69%	0.69%
Direct transaction costs	0.10%	0.08%	0.39%
<b>Prices</b>			
Highest share price	301.66	297.07	283.83
Lowest share price	246.86	228.16	220.60

+Launched on 11 May 2021.

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.80%.

# ES River and Mercantile European Fund

## Comparative table continued

For the year ending:	31/03/2024	31/03/2023	31/03/2022+
S-Class Distribution shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	275.95	252.79	100.00
Return before operating charges*	15.65	30.81	157.61
Operating charges	(1.73)	(1.70)	(1.60)
Return after operating charges	13.92	29.11	156.01
Distributions	(6.01)	(5.95)	(3.22)
<b>Closing net asset value per share</b>	<b>283.86</b>	<b>275.95</b>	<b>252.79</b>
*After direct transaction costs of	(0.26)	(0.20)	(0.82)
<b>Performance</b>			
Return after charges	5.04%	11.52%	156.01%
<b>Other information</b>			
Closing net asset value (£)	95,009	101,364	19,993
Closing number of shares	33,470	36,733	7,909
Operating charges**	0.66%	0.67%	0.69%
Direct transaction costs	0.10%	0.08%	0.39%
<b>Prices</b>			
Highest share price	286.32	290.72	283.06
Lowest share price	234.30	223.30	219.79

+Launched on 11 May 2021.

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.80%.

# ES River and Mercantile European Fund

## Comparative table continued

For the year ending:	31/03/2024	31/03/2023	31/03/2022+
Z-Class Accumulation shares	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	584.39	520.50	100.00
Return before operating charges*	34.80	64.68	421.46
Operating charges	(0.90)	(0.79)	(0.96)
Return after operating charges	33.90	63.89	420.50
Distributions	(12.84)	(12.30)	(7.03)
Retained distributions on accumulation shares	12.84	12.30	7.03
<b>Closing net asset value per share</b>	<b>618.29</b>	<b>584.39</b>	<b>520.50</b>
*After direct transaction costs of	(0.55)	(0.42)	(1.68)
<b>Performance</b>			
Return after charges	5.80%	12.27%	420.50%
<b>Other information</b>			
Closing net asset value (£)	51,683	29,465	30,897
Closing number of shares	8,359	5,042	5,936
Operating charges**	0.16%	0.15%	0.20%
Direct transaction costs	0.10%	0.08%	0.39%
<b>Prices</b>			
Highest share price	619.96	607.17	576.03
Lowest share price	506.29	465.41	448.43

+Launched on 6 May 2021.

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The calculation of the operating charges figure is based on expenses paid by the sub-fund over the past twelve months. The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Operating Charge of no more than 0.20%.



# ES River and Mercantile European Fund

## Synthetic Risk Reward Indicator (SRRI)



Typically Lower Rewards

Typically Higher Rewards



This sub-fund is ranked at 6 because funds of this type have experienced medium to high rises and falls in value in the past. The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile. The risk and reward score is not guaranteed and may change over time. The lowest category does not mean risk free. While the risk indicator takes into account the broader risk profile, the following risks are considered most relevant to this sub-fund:

- **Equity Securities:** Equities can lose value rapidly, and typically involve higher market risks than bonds, money market instruments or other debt instruments. Fluctuation in value may occur in response to activities of individual companies, the general market, economic conditions, or changes in currency exchange rates.
- **Small and Mid-Cap Stock:** Stocks of small and mid-size companies can be more volatile and less liquid than stocks of larger companies. Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks.
- **Concentration:** In certain conditions the sub-fund may invest in a relatively small number of securities, which may result in portfolio concentration in sectors, countries, or other groupings. These potential concentrations mean that a loss arising in a single investment may cause a proportionately greater loss in the sub-fund than if a larger number of investments were made.
- **Liquidity:** There is a risk that adverse market conditions may affect the sub-fund's ability to sell assets at the price the sub-fund would like, or the sub-fund may have to sell them at a loss.
- **Currency:** To the extent that a sub-fund holds assets that are denominated in currencies other than the base currency, any changes in currency exchange rates could reduce investment gains or income, or increase investment losses.
- **ESG Investing:** The sub-fund may use certain ESG criteria in their investment strategies. This may limit the types and number of investment opportunities available and, as a result, the sub-fund may underperform in relation to other funds that do not have an ESG focus.

## Summary of Largest Portfolio Changes

The table below shows the top ten purchases and sales for the year.

Purchases	£	Sales	£
Renault	4,400,770	Verallia	7,004,756
Cargotec	3,559,255	BE Semiconductor	5,278,804
Kinepolis	3,539,052	Muenchener Rueckversicherungs-	
Vonovia	3,515,644	Gesellschaft in Muenchen	4,084,968
Carlsberg	3,393,886	Zealand Pharma	3,339,462
Zealand Pharma	2,936,014	Novo Nordisk	3,323,068
Kering	2,826,878	NKT	3,193,231
Holcim	2,814,074	UBS	2,776,831
Remy Cointreau	2,812,448	UPM-Kymmene	2,253,711
Thule	2,756,441	Carlsberg	2,123,860
		Kering	2,078,451

# ES River and Mercantile European Fund

## Statement of Total Return for the year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024		1 April 2022 to 31 March 2023	
		£	£	£	£
Income					
Net capital gains	2		3,935,577		3,900,601
Revenue	3	3,422,470		5,434,174	
Expenses	4	(782,636)		(833,143)	
Interest payable and similar charges	6	(1,268)		(673)	
Net revenue before taxation for the year		2,638,566		4,600,358	
Taxation	5	(574,742)		(691,447)	
Net revenue after taxation for the year			2,063,824		3,908,911
Total return before distributions			5,999,401		7,809,512
Distributions	7		(2,838,863)		(4,740,821)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>3,160,538</b>		<b>3,068,691</b>

## Statement of Change in Net Assets attributable to Shareholders for the year ended 31 March 2024

		1 April 2023 to 31 March 2024		1 April 2022 to 31 March 2023	
		£	£	£	£
Opening net assets attributable to Shareholders			125,952,728		244,616,121
Amounts received on creation of shares	70,162,499			53,735,795	
Amounts paid on cancellation of shares	(60,609,894)			(57,652,628)	
In specie transfer	—			(119,133,507)	
			9,552,605		(123,050,340)
Dilution adjustment			65,813		20,641
Change in net assets attributable to Shareholders from investment activities			3,160,538		3,068,691
Retained distributions on accumulation shares			2,126,085		1,297,615
<b>Closing net assets attributable to Shareholders</b>			<b>140,857,769</b>		<b>125,952,728</b>

# ES River and Mercantile European Fund

## Balance Sheet as at 31 March 2024

	Notes	31 March 2024		31 March 2023	
		£	£	£	£
<b>ASSETS</b>					
Fixed assets					
Investments			139,435,163		123,655,395
Current assets					
Debtors	8	1,580,908		2,854,401	
Cash and bank balances		993,254		3,365,448	
<b>Total other assets</b>			<b>2,574,162</b>		<b>6,219,849</b>
<b>Total assets</b>			<b>142,009,325</b>		<b>129,875,244</b>
<b>LIABILITIES</b>					
Creditors					
Distribution payable		(302,591)		(833,732)	
Other creditors	9	(848,965)		(3,088,784)	
<b>Total other liabilities</b>			<b>(1,151,556)</b>		<b>(3,922,516)</b>
<b>Total liabilities</b>			<b>(1,151,556)</b>		<b>(3,922,516)</b>
<b>Net assets attributable to Shareholders</b>			<b>140,857,769</b>		<b>125,952,728</b>

# ES River and Mercantile European Fund

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## Notes to the Financial Statements

### 1 Accounting policies

The accounting policies for the sub-fund are set out on pages 7 to 9.

### 2 Net capital gains

	31 March 2024 £	31 March 2023 £
The net capital gains during the year comprise:		
Non-derivative securities	3,932,887	3,865,087
Forward currency contracts	—	234
Currency gains	14,577	47,457
Custodial transaction fees	<u>(11,887)</u>	<u>(12,177)</u>
Net capital gains	<u>3,935,577</u>	<u>3,900,601</u>

### 3 Revenue

	31 March 2024 £	31 March 2023 £
Bank interest	39,273	8,783
Non-taxable overseas dividends	3,371,454	5,403,478
UK dividends	<u>11,743</u>	<u>21,913</u>
	<u>3,422,470</u>	<u>5,434,174</u>

# ES River and Mercantile European Fund

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## Notes to the Financial Statements continued

### 4 Expenses

	31 March 2024 £	31 March 2023 £
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	<u>640,061</u>	<u>663,724</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	19,728	21,855
Safe custody fees	<u>23,077</u>	<u>24,189</u>
	<u>42,805</u>	<u>46,044</u>
Other expenses:		
Audit fee*	15,894	12,781
Fund accounting fees	31,379	40,458
Legal and professional fees	4,911	8,381
Registration fees	(520)	888
Transfer agency fees	99,651	66,524
Other fees	<u>(51,545)</u>	<u>(5,657)</u>
	<u>99,770</u>	<u>123,375</u>
Total expenses	<u><u>782,636</u></u>	<u><u>833,143</u></u>

\*Total audit fees of £12,507 (2023 - £11,689) exclusive of VAT.

# ES River and Mercantile European Fund

## Notes to the Financial Statements continued

### 5 Taxation

	31 March 2024 £	31 March 2023 £
<b>a) Analysis of taxation charge in year</b>		
Overseas tax	<u>574,742</u>	<u>691,447</u>
Total taxation	<u>574,742</u>	<u>691,447</u>

### b) Factors affecting taxation charge for the year

The tax assessed for the year is higher (2023: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company with variable capital (20%) (2023: 20%). The difference is explained below:

Net revenue before taxation for the year	<u>2,638,566</u>	<u>4,600,358</u>
Return on ordinary activities before taxation at the applicable rate of Corporation tax in the UK of 20% (2023: 20%)	527,713	920,072
Effects of:		
Movement in tax losses	148,926	165,006
Overseas tax	574,742	691,447
Revenue not subject to tax	<u>(676,639)</u>	<u>(1,085,078)</u>
Total taxation	<u>574,742</u>	<u>691,447</u>

Open Ended Investment Companies are not liable to Corporation tax on capital gains arising on the disposal of investments or revaluation of the sub-fund's portfolio. Therefore, any capital return is not included in the above reconciliation.

### c) Provision for deferred tax

There is no deferred tax provision in the current or preceding year.

At the year end there is a potential deferred tax asset of £463,090 (£314,164 as at 31 March 2023) due to tax losses. It is unlikely the sub-fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (same as at 31 March 2023).

### 6 Interest payable and similar charges

	31 March 2024 £	31 March 2023 £
Interest	<u>1,268</u>	<u>673</u>
	<u>1,268</u>	<u>673</u>

# ES River and Mercantile European Fund

## Notes to the Financial Statements continued

### 7 Distributions

The distributions take account of revenue received on the creation of shares and deducted on the cancellation of shares, and comprise:

	<b>31 March 2024</b>	<b>31 March 2023</b>
	£	£
1st Interim	—	496,443
2nd Interim	2,283,621	516,102
3rd Interim	—	—
Final	<u>827,595</u>	<u>1,665,260</u>
	3,111,216	2,677,805
Add: revenue deducted on cancellation of shares	414,399	2,591,511
Deduct: revenue received on creation of shares	<u>(686,752)</u>	<u>(528,495)</u>
	<u>2,838,863</u>	<u>4,740,821</u>
Distributions for the year	<u>2,838,863</u>	<u>4,740,821</u>
Reconciliation between net revenue after taxation for the year and the distributions:		
Net revenue after taxation for the year	2,063,824	3,908,911
Expenses transferred to capital	782,637	833,143
Tax relief on expenses taken to capital	<u>(7,598)</u>	<u>(1,233)</u>
Distributions for the year	<u>2,838,863</u>	<u>4,740,821</u>

### 8 Debtors

	<b>31 March 2024</b>	<b>31 March 2023</b>
	£	£
Accrued revenue	323,186	132,586
Amounts receivable for issue of shares	466,167	355,654
Expense rebate due from the ACD	2,413	—
Foreign currency contracts awaiting settlement	12,885	632,403
Overseas tax recoverable	776,257	651,209
Sales awaiting settlement	—	<u>1,082,549</u>
	<u>1,580,908</u>	<u>2,854,401</u>

# ES River and Mercantile European Fund

## Notes to the Financial Statements continued

### 9 Other creditors

	31 March 2024 £	31 March 2023 £
<b>a) Distribution payable</b>		
Gross distribution payable	302,591	833,732
Total distribution payable	<u>302,591</u>	<u>833,732</u>
<b>b) Other creditors</b>		
Accrued expenses	121,983	119,995
Amounts payable for cancellation of shares	714,130	458,627
Foreign currency contracts awaiting settlement	12,852	631,761
Purchases awaiting settlement	—	1,878,401
	<u>848,965</u>	<u>3,088,784</u>

### 10 Contingent liabilities and outstanding commitments

There were no commitments or contingent liabilities at the balance sheet date (31 March 2023: same).

### 11 Related party transactions

Equity Trustees Fund Services Ltd, as ACD, is a related party, and acts as principal in respect of all the transactions of shares in the company. The aggregate monies received through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets attributable to Shareholders. The amounts outstanding at the year end are disclosed in notes 8 and 9 as amounts receivable on creation of shares and amounts payable on cancellation of shares respectively.

Amounts paid to Equity Trustees Fund Services Ltd in respect of the ACD, associates of the ACD and agents of either of them are disclosed in note 4. The balance outstanding as at the year end was £7,367 (£3,214 as at 31 March 2023).

Equity Trustees Fund Services Limited, as the sub-fund's ACD, wishes to disclose to the sub-fund's Shareholders that 24.32% of the sub-fund's shares in issue are under the control of an international central securities depository and its related parties.

### 12 Financial instruments

The main risks and the ACD's policy for managing these risks, are stated within the notes to the financial statements of all the sub-funds of the ES River and Mercantile Funds ICVC.

#### a) Credit risk

Certain transactions in securities that the sub-fund enters into expose it to risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibility.

This risk is managed by appraising the credit profile of financial instruments and trade counterparties.



# ES River and Mercantile European Fund

## Notes to the Financial Statements continued

### 12 Financial instruments continued

#### b) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

<b>31 March 2024</b>		<b>Assets</b>	<b>Liabilities</b>
		<b>£</b>	<b>£</b>
Level 1	Unadjusted quoted price in an active market for an identical instrument	139,435,163	—
		<b>139,435,163</b>	<b>—</b>

<b>31 March 2023</b>		<b>Assets</b>	<b>Liabilities</b>
		<b>£</b>	<b>£</b>
Level 1	Unadjusted quoted price in an active market for an identical instrument	123,655,395	—
		<b>123,655,395</b>	<b>—</b>

#### c) Foreign currency risk

Foreign currency risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. The risk may be managed by the utilisation of forward currency contracts as necessary.

The currency profile for the sub-fund's net assets at the balance sheet date was:

<b>31 March 2024</b>	<b>Monetary exposures</b>	<b>Net foreign currency assets</b>	
		<b>Non-monetary exposures</b>	<b>Total</b>
<b>Currency</b>	<b>£</b>	<b>£</b>	<b>£</b>
Canadian Dollar	—	699,972	699,972
Danish Krone	12,963	9,482,426	9,495,389
Euro	724	89,668,633	89,669,357
Japanese Yen	529	1,989,390	1,989,919
Norwegian Krone	143	6,173,941	6,174,084
Swedish Krona	473	10,847,164	10,847,637
Swiss Franc	60	15,615,245	15,615,305
US Dollar	266	6,044,986	6,045,252
	<b>15,158</b>	<b>140,521,757</b>	<b>140,536,915</b>

# ES River and Mercantile European Fund

## Notes to the Financial Statements continued

### 12 Financial instruments continued

#### c) Foreign currency risk continued

31 March 2023 Currency	Monetary exposures £	Net foreign currency assets	
		Non-monetary exposures £	Total £
Canadian Dollar	—	796,376	796,376
Danish Krone	114	7,949,701	7,949,815
Euro	567	72,709,170	72,709,737
Japanese Yen	253	2,127,729	2,127,982
Norwegian Krone	215	7,131,893	7,132,108
Swedish Krona	498	7,382,331	7,382,829
Swiss Franc	58	20,217,653	20,217,711
US Dollar	277	5,323,852	5,324,129
	<b>1,982</b>	<b>123,638,705</b>	<b>123,640,687</b>

#### d) Derivative risk

At the balance sheet date, no derivatives were held that could impact the sub-fund in a significant way (2023: same).

#### e) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk exposure of the sub-fund is not considered to be significant.

#### f) Sensitivity analysis

##### Currency risk

If sterling (the sub-fund base currency) increased by 10% against non-sterling currencies as at the balance sheet date the net asset value of the sub-fund would have decreased by £14,053,692 (2023: £12,364,069). A weakening in sterling against non-sterling currencies of 10% will have resulted in an equal but opposite effect.

##### Price risk

If market prices had increased by 10% as at the balance sheet date the net asset value of the sub-fund would have increased by £13,943,516 (2023: £12,365,540). A weakening in market prices of 10% will have resulted in an equal but opposite effect.

#### g) Leverage

The sub-fund did not employ significant leverage during the year.

# ES River and Mercantile European Fund

## Notes to the Financial Statements continued

### 13 Portfolio transaction costs

For the year 1 April 2023 to 31 March 2024

<b>Purchases</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	78,383,570	40,072	0.05	55,924	0.07
Total purchases	78,383,570	40,072		55,924	
Total purchases including transaction costs	78,479,566				
<b>Sales</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	66,752,787	33,540	0.05	13	0.00
Total sales	66,752,787	33,540		13	
Total sales net of transaction costs	66,719,234				
Total transaction costs		73,612		55,937	
as a % of average net assets		0.06%		0.04%	

For the year 1 April 2022 to 31 March 2023

<b>Purchases</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	75,027,043	43,315	0.06	26,250	0.03
Total purchases	75,027,043	43,315		26,250	
Total purchases including transaction costs	75,096,608				
<b>Sales</b>	<b>Transaction Value £</b>	<b>Commissions £</b>	<b>%</b>	<b>Taxes £</b>	<b>%</b>
Equity instruments (direct)	81,525,593	43,521	0.05	10	0.00
Debt instruments (direct)	117,758,369	—	—	—	—
Total sales	199,283,962	43,521		10	
Total sales net of transaction costs	199,240,431				
Total transaction costs		86,836		26,260	
as a % of average net assets		0.06%		0.02%	

The above analysis covers any direct transaction costs suffered by the sub-fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

# ES River and Mercantile European Fund

## Notes to the Financial Statements continued

### 13 Portfolio transaction costs continued

For the sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

Dealing spread costs suffered by the sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.13% (2023 - 0.10%).

### 14 Share movement

	<b>B-Class Accumulation shares</b>	<b>B-Class Distribution shares</b>	<b>F-Class Accumulation shares</b>	<b>F-Class Distribution shares</b>
Opening shares	13,697,788	15,059,764	28,300,777	31,184,003
Shares issued	6,972,713	3,461,200	14,590,241	9,501,846
Shares redeemed	(12,348,622)	(9,699,638)	(11,455,748)	(12,703,805)
Shares converted	26,942	—	(21,103)	—
<b>Closing shares</b>	<b>8,348,821</b>	<b>8,821,326</b>	<b>31,414,167</b>	<b>27,982,044</b>
	<b>S-Class Accumulation shares</b>	<b>S-Class Distribution shares</b>	<b>Z-Class Accumulation shares</b>	
Opening shares	2,681,527	36,733	5,042	
Shares issued	9,670,050	6,066	4,164	
Shares redeemed	(1,617,304)	(9,329)	(847)	
Shares converted	—	—	—	
<b>Closing shares</b>	<b>10,734,273</b>	<b>33,470</b>	<b>8,359</b>	

### 15 Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

# ES River and Mercantile European Fund

## Distribution tables for the year ended 31 March 2024

Group 1: shares purchased prior to a distribution period

Group 2: shares purchased during a distribution period

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. As capital it is not liable to Income tax but must be deducted from the cost of shares for Capital Gains tax purposes.

Interim dividend distribution in pence per share		Period 01/04/2023 — 30/09/2023		
	Net Revenue	Equalisation	Distribution paid 30/11/23	Distribution paid 31/10/22
<b>B-Class Accumulation shares</b>				
Group 1	1.7646	—	1.7646	0.4695
Group 2	0.5282	1.2364	1.7646	0.4695
<b>B-Class Distribution shares</b>				
Group 1	2.0821	—	2.0821	0.5662
Group 2	0.3895	1.6926	2.0821	0.5662
<b>F-Class Accumulation shares</b>				
Group 1	2.2439	—	2.2439	0.5943
Group 2	0.3884	1.8555	2.2439	0.5943
<b>F-Class Distribution shares</b>				
Group 1	2.1348	—	2.1348	0.5784
Group 2	0.4983	1.6365	2.1348	0.5784
<b>S-Class Accumulation shares</b>				
Group 1	4.4880	—	4.4880	1.1914
Group 2	1.0461	3.4419	4.4880	1.1914
<b>S-Class Distribution shares</b>				
Group 1	4.3331	—	4.3331	1.1767
Group 2	4.0391	0.2940	4.3331	1.1767
<b>Z-Class Accumulation shares</b>				
Group 1	9.2008	—	9.2008	2.4250
Group 2	8.8266	0.3742	9.2008	2.4250

Final dividend distribution in pence per share		Period 01/10/2023 — 31/03/2024		
	Net Revenue	Equalisation	Distribution payable 30/04/24	Distribution paid 30/04/23
<b>B-Class Accumulation shares</b>				
Group 1	0.6920	—	0.6920	1.4742
Group 2	0.4843	0.2077	0.6920	1.4742
<b>B-Class Distribution shares</b>				
Group 1	0.8024	—	0.8024	1.7725
Group 2	0.5651	0.2373	0.8024	1.7725
<b>F-Class Accumulation shares</b>				
Group 1	0.8836	—	0.8836	1.8686
Group 2	0.6450	0.2386	0.8836	1.8686

# ES River and Mercantile European Fund

## Distribution tables continued

Final dividend distribution in pence per share	Period 01/10/2023 — 31/03/2024			
	Net Revenue	Equalisation	Distribution payable 30/04/24	Distribution paid 30/04/23
<b>F-Class Distribution shares</b>				
Group 1	0.8264	—	0.8264	1.8133
Group 2	0.5396	0.2868	0.8264	1.8133
<b>S-Class Accumulation shares</b>				
Group 1	1.7640	—	1.7640	3.7435
Group 2	1.4073	0.3567	1.7640	3.7435
<b>S-Class Distribution shares</b>				
Group 1	1.6745	—	1.6745	3.6858
Group 2	1.1200	0.5545	1.6745	3.6858
<b>Z-Class Accumulation shares</b>				
Group 1	3.6352	—	3.6352	7.6374
Group 2	3.6352	0.0000	3.6352	7.6374

# Authorised Corporate Director's (ACD) Responsibilities

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The Authorised Corporate Director ("ACD") of The ES River and Mercantile Funds ICVC ("the Company") is responsible for preparing the Annual Report and the Financial Statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the Financial Conduct Authority's Collective Investment Schemes' Sourcebook ("COLL") and the Company's Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare Financial Statements for each annual accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association ("IA SORP") in May 2014, updated in June 2017; and
- give a true and fair view of the financial position of the Company's sub-funds as at the end of that period and the net revenue or expense and the net capital gains or losses on the scheme property of the Company's sub-funds for that period.

In preparing the Financial Statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the IA SORP have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the applicable IA SORP and United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the ES River and Mercantile Funds ICVC ("the Company") for the Year Ended 31 March 2024

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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), 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<sup>1</sup> and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase 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 income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Regulations and 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 AFM:

- (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 income 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.

27 June 2024

The Bank of New York Mellon (International) Limited

<sup>1</sup> This requirement on the Depositary applied from 18 March 2016.



# Independent auditors' report to the Shareholders of ES River and Mercantile Funds ICVC

## Report on the audit of the financial statements

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### Opinion

In our opinion, the financial statements of ES River and Mercantile Funds ICVC (the "Company"):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 March 2024 and of the net revenue and the net capital gains on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

ES River and Mercantile Funds ICVC is an Open Ended Investment Company ('OEIC') with 8 sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Final Report for the Year Ended 31 March 2024 (the "Annual Report"), which comprise: the Balance Sheets as at 31 March 2024; the Statements of Total Return and the Statements of Change in Net Assets Attributable to Shareholders for the year then ended; the Distribution tables; Notes to the Financial Statements of all sub-funds of the ES River and Mercantile Funds ICVC; and the Notes to the Financial Statements.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Emphasis of matter – financial statements of a sub-fund prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to Accounting policy (a) Basis of accounting which describes the Authorised Corporate Director's reasons why the financial statements for the ES River and Mercantile UK Dynamic Equity Fund (the "terminating sub-fund"), a sub-fund of ES River and Mercantile Funds ICVC, have been prepared on a basis other than going concern. The financial statements of the remaining sub-funds of the Company (the "continuing sub-funds") have been prepared on a going concern basis.

### Conclusions relating to going concern

In respect of the Company as a whole and the continuing sub-funds, 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 or the continuing sub-funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

With the exception of the terminating sub-fund, 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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's or any of its continuing sub-funds' ability to continue as a going concern.

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

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

# Independent auditors' report to the Shareholders of ES River and Mercantile Funds ICVC

## Report on the audit of the financial statements

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

### **Authorised Corporate Director's Report**

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Responsibilities for the financial statements and the audit**

#### **Responsibilities of the Authorised Corporate Director for the financial statements**

As explained more fully in the Authorised Corporate Director's (ACD) Responsibilities Statement, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for 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.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the sub-funds 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 wind up or terminate the Company or individual sub-fund, or has no realistic alternative but to do so.

#### **Auditors' 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 auditors' 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.

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 extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Company or the sub-funds. Audit procedures performed included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than

# Independent auditors' report to the Shareholders of ES River and Mercantile Funds ICVC

## Report on the audit of the financial statements

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the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

### **Use of this report**

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Other required reporting**

#### **Opinion on matter required by the Collective Investment Schemes sourcebook**

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

#### **Collective Investment Schemes sourcebook exception reporting**

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow  
27 June 2024

# Other Information

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# Directory

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<b>The Open-Ended Investment Company</b>	ES River and Mercantile Funds ICVC 4th Floor, Pountney Hill House, 6 Laurence Pountney Hill, London, EC4R 0BL  (authorised and regulated by the Financial Conduct Authority)
<b>Registered in England</b>	The Company is incorporated in England and Wales with registered number IC000489.
<b>The Authorised Corporate Director (ACD)</b>	Equity Trustees Fund Services Ltd 4th Floor, Pountney Hill House, 6 Laurence Pountney Hill, London, EC4R 0BL  (authorised and regulated by the Financial Conduct Authority)
<b>Investment Manager</b>	River Global Investors LLP 30 Coleman Street London EC2R 5AL  (authorised and regulated by the Financial Conduct Authority)
<b>Depository</b>	The Bank of New York Mellon (International) Limited 160 Queen Victoria Street London EC4V 4LA  (authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)
<b>Administrator and Registrar</b>	The Bank of New York Mellon (International) Limited 160 Queen Victoria Street London EC4V 4LA  (authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)
<b>The Independent Auditors</b>	PricewaterhouseCoopers LLP 141 Bothwell Street Glasgow, G2 7EQ  (authorised and regulated by the Financial Conduct Authority)