

SVS Sanlam European Equity Fund

Annual Report

for the year ended 15 May 2023

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SVS Sanlam European Equity Fund Report of the Manager

St Vincent St Fund Administration (trading name of Evelyn Partners Fund Solutions Limited (previously Smith & Williamson Fund Administration Limited)), as Manager, presents herewith the Annual Report for SVS Sanlam European Equity Fund for the year ended 15 May 2023.

SVS Sanlam European Equity Fund ('the Trust' or 'the Fund') is an authorised unit trust scheme further to an authorisation order dated 24 April 1990 and is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL'), as published by the Financial Conduct Authority ('FCA').

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

On 24 February 2022, Russian troops started invading Ukraine. In response, multiple jurisdictions have imposed economic sanctions on Russia and Belarus. In addition, a growing number of public and private companies have announced voluntary actions to curtail business activities with Russia and Belarus. As Manager we continue to monitor the events as they unfold. In particular, SVS Sanlam European Equity Fund does not have direct exposure to the Russian and Belerussian markets.

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

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

Investment objective and policy - up to 31 August 2022

The objective of the Fund is to achieve long term growth of capital primarily through investment in Europe.

The Manager may invest in transferable securities, including warrants, in European and other exchanges as well as collective investment schemes, money market instruments, deposits and cash and near cash.

The Manager's policy in order to achieve the Fund's objective will be to invest in established companies in those sectors where the Manager believes there to be good prospects for above average growth and also those companies which can best take advantage of economic opportunities.

The Manager's investment policy will be to invest primarily in European equities but also, from time to time, in companies that can take advantage of economic conditions worldwide.

The Manager is able to invest in companies of all sizes.

The Manager's investment policy may mean that at times it may be appropriate for the Fund not to be fully invested but to hold cash or near cash. In the light of extreme market conditions, the Manager may raise or reduce the liquidity of the Fund from normal working levels.

The Manager may hedge transactions against price or currency fluctuations by back-to-back foreign currency borrowings against sterling or by suitable transactions permitted for Hedging.

The extent will depend upon the circumstances. The Manager does not envisage that they will enter into Hedging transactions to a major extent.

Report of the Manager (continued)

Investment objective and policy - from 1 September 2022

The investment objective of the SVS Sanlam European Equity Fund is to achieve long term capital growth over a period of at least 5 years.

The Manager's policy in order to achieve the Fund's objective will be to invest at least 80% of its portfolio in European (excluding the UK) companies (those listed, quoted or traded in European markets or those which have a significant part of their activities in Europe but which are quoted on a regulated market outside Europe).

The Fund is actively managed and may be invested in any combination of European shares at any one time and in any industry sector and in such companies of any size.

To the extent that the Fund is not fully invested as set out above, the Manager has the flexibility to invest in new issues, meaning typically, Initial Public Offerings (or IPOs), which generally mark the first sale of stock (shares) by a privately-owned company in order to gain a stock market listing. However, it may also include "share offers" (meaning sales of stock by companies that are already listed on one of the eligible markets). IPOs will necessarily have a higher risk than investments in established companies. The Manager may also invest in shares listed or quoted anywhere in the world (see 'Eligible Securities Markets' below), and other transferable securities.

The Manager may also, if it is considered appropriate to the investment objective, retain amounts in cash, cash equivalents and money market instruments (including, but not limited to, cash deposits, commercial paper, certificates of deposit and treasury bills), or collective investment schemes (including but not limited to collective investment schemes which themselves invest in cash or money market instruments or debt securities which are rated or unrated). The Fund may from time to time be solely invested in cash or ancillary liquid assets. The situations in which liquid assets (as set out above) may be held by the Fund may include: (i) where the Investment Manager considers that there are no sufficient suitable investment opportunities; (ii) to protect the value of the Fund and maintain liquidity at times in falling or volatile markets; (iii) to facilitate the Fund's ability to meet redemption requests; and (iv) where the Fund has received subscriptions that are awaiting investment. The Manager may also invest in warrants.

The Manager may use derivatives, including hedge transactions, for efficient portfolio management.

Changes affecting the Fund in the year

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

Unitholders in A Class Income moved into the cheaper B Class Income and the A Class Income closed with effect from 15 August 2022.

On 1 September 2022, the Fund underwent an investment objective and policy change.

Further information in relation to the Fund is illustrated on page 37.

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

Brian McLean
Directors
Evelyn Partners Fund Solutions Limited
18 August 2023

Neil Coxhead

Statement of the Manager's responsibilities

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

In preparing the financial statements the Manager is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for the Financial Statements of UK Authorised Funds ('the SORP') issued by The Investment Association in May 2014 and amended in June 2017;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- taking reasonable steps for the prevention and detection of fraud and irregularities; and
- the maintenance and integrity of the Trust's information on the Manager's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.









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

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




Assessment of Value - SVS Sanlam European Equity Fund

In line with the provisions contained within COLL 6.6.20R, the Board of Evelyn Partners Fund Solutions Limited ('EPFL') (previously Smith & Williamson Fund Administration Limited) as Authorised Fund Manager ('AFM'), has carried out an Assessment of Value for SVS Sanlam European Equity Fund ('the Trust'). Furthermore, the rules require that EPFL publishes these assessments.

A high-level summary of the outcome of EPFL's rigorous review of the Trust for the year ended 15 May 2023 using the seven criteria set by the FCA is set out below:

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

EPFL has adopted a traffic light system to show how it rated the Trust:

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

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

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

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

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

The seven criteria are:

- (1) Quality of service – the quality of every aspect of the service provided, including, for example, accounting, administration, customer services and communications;
- (2) Performance – how the Trust performed, including whether it met targets and objectives, kept to relevant policy, followed relevant principles, kept to reasonable timescales;
- (3) AFM costs – the fairness and value of the Trust's costs, including entry and exit fees, early redemption fees, administration charges;
- (4) Economies of scale – how costs have been or can be reduced as a result of increased assets-under-management ('AUM'), and whether or not those savings have been passed on to investors;
- (5) Comparable market rates – how the costs of the Trust compare with others in the marketplace;
- (6) Comparable services – how the charges applied to the Trust compare with those of other funds administered by EPFL;
- (7) Classes of units – the appropriateness of the classes of units in the Trust for investors.

¹With effect from 15 August 2022, the A class was merged with the B class and the A class was subsequently closed.

Assessment of Value - SVS Sanlam European Equity Fund (continued)

1. Quality of Service

What was assessed in this section?

Internal Factors

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

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

External Factors

The Board assessed the delegate's skills, processes and experience. Also considered were any results from service review meetings as well as the annual due diligence performed by EPFL on the delegated Investment Manager, Sanlam Investments UK Limited ('SIUKL'), where consideration was given to, amongst other things, the delegate's controls around the Trust's liquidity management.

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

What was the outcome of the assessment?

Internal Factors

The Board recognised that all distribution and settlement monies were paid in a timely manner and that there were no significant findings as a result of the various audits performed on EPFL during the year. In addition, EPFL has performed its own independent analysis, using automated systems, of the Trust's liquidity. The Board concluded that EPFL had carried out its duties diligently.

External Factors

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

Were there any follow up actions?

There were no follow-up actions.

2. Performance

What was assessed in this section?

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

Investment Objective

The Trust seeks to achieve long term capital growth over a period of at least 5 years.

Assessment of Value - SVS Sanlam European Equity Fund (continued)

2. Performance (continued)

Benchmark

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

The benchmarks for the Trust are the MSCI Europe ex UK Index and the IA Europe excluding UK Sector, which are comparators. A 'comparator' benchmark is an index or similar factor against which an investment manager invites investors to compare a fund's performance. Details of how the Trust had performed against its comparator benchmarks over various timescales can be found below.

Cumulative Performance as at 30.04.2023 (%)

Instrument	Currency	1 Year	3 Year	5 Year
IA Europe Excluding UK TR in GB	GBP	10.88	46.31	35.27
MSCI Europe ex UK TR in GB	GBP	13.00	49.63	40.91
SVS Sanlam - European Equity B Inc TR in GB	GBX	6.65	36.38	25.60

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

Performance shown is representative of all unit classes.

Performance is calculated net of fees.

Past performance is not a guide to future performance.

What was the outcome of the assessment?

The Board assessed the performance of the Trust over its minimum recommended holding period of five years and observed that it had underperformed both of its comparator benchmarks. The Board noted however that the Trust had returned strong performance in three out of the last four years with underperformance in 2022 having an effect on the long-term results of the Trust. As a result of the underperformance against its comparator benchmarks, the section was given an Amber rating.

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

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

Were there any follow up actions?

EPFL will continue to monitor performance through its normal oversight process, at least bi-annually.

3. AFM Costs

What was assessed in this section?

The Board reviewed each separate charge to ensure that they were reasonable and reflected the services provided. This included annual management charge ('AMC'), Trustee/Custodian fees and audit fees.

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

What was the outcome of the assessment?

The Board received and considered information about each of the Trust's costs, and concluded that they were fair, reasonable and provided on a competitive basis.

Were there any follow up actions?

There were no follow-up actions required.

4. Economies of Scale

What was assessed in this section?

The Board reviewed each separate fee structure and the AUM of the Trust to examine the effect on the Trust to potential and existing investors should it increase or decrease in value.

Assessment of Value - SVS Sanlam European Equity Fund (continued)

4. Economies of Scale (continued)

What was the outcome of the assessment?

Sanlam have a capped investment management fee which, along with the tiered AFM rate, allows for savings should the AUM of the Trust increase.

The ancillary charges of the Trust represent 14 basis points². Some of these costs are fixed and as the Trust grows in size may result in a small reduction in the basis point cost of these services.

Were there any follow up actions?

There were no follow-up actions required.

5. Comparable Market Rates

What was assessed in this section?

The Board reviewed the ongoing charges figure ('OCF') of the Trust, and how those charges affect the returns of the Trust.

The OCF of the Trust was compared against the 'market rate' of similar external funds.

What was the outcome of the assessment?

The OCF of 0.79%³ was found to have compared favourably with those of similar externally managed funds.

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

Were there any follow up actions?

There were no follow-up actions required.

6. Comparable Services

What was assessed in this section?

The Board compared the Trust's investment management fee with those of other funds managed by SIUKL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

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

Were there any follow up actions?

There were no follow-up actions required.

7. Classes of Units

What was assessed in this section?

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

What was the outcome of the assessment?

Following the merger of the A and B unit classes in August 2022, there is now only one unit class in the Trust, therefore this part of the assessment does not apply.

Were there any follow up actions?

There were no follow-up actions required.

² One basis point is equal to 1/100th of 1% or 0.01%. Figure calculated at interim report, 15 December 2022.

³ At the interim reporting period 15 December 2022.

Assessment of Value - SVS Sanlam European Equity Fund (continued)

Overall Assessment of Value

Notwithstanding the matter discussed in section 2, the Board concluded that SVS Sanlam European Equity Fund had provided value to unitholders.

Dean Buckley
Chairman of the Board of Evelyn Partners Fund Solutions Limited
7 July 2023

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

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

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

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

Report of the Trustee to the unitholders of SVS Sanlam European Equity Fund

Trustee's responsibilities

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

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

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

The Trustee must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited
18 August 2023

Independent Auditor's report to the unitholders of SVS Sanlam European Equity Fund

Opinion

We have audited the financial statements of SVS Sanlam European Equity Fund (the 'Trust') for the year ended 15 May 2023 which comprise the Statement of Total Return, Statement of Change in Net Asset Attributable to Unitholders, Balance Sheet, the related Notes to the Financial Statements, including significant accounting policies and the Distribution Table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the financial position of the Trust at 15 May 2023 and of the net revenue and the net capital gains on the property of the Trust for the year then ended; and
- have been properly prepared in accordance with the IA Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes sourcebook of the Financial Conduct Authority and the Trust Deed.

Basis for Opinion

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

Conclusions Relating to Going Concern

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

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

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

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Manager is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the COLL regulations

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

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

Independent Auditor's report to the unitholders of SVS Sanlam European Equity Fund ('continued')

Responsibilities of the Manager

As explained more fully in the Statement of the Manager's responsibilities set out on page 4, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

- management override of controls;
- the completeness and classification of special dividends between revenue and capital;

Independent Auditor's report to the unitholders of SVS Sanlam European Equity Fund ('continued')

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

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

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity and reviewing judgements made by the Authorised Corporate Director in its calculation of accounting estimates for potential management bias
- Using a third-party independent data source to assess the completeness of the special dividend population and determining whether special dividends recognised were revenue or capital in nature with reference to the underlying circumstances of the investee companies' dividend payments;
- Assessing the Trust's compliance with the key requirements of the Collective Investment Schemes Sourcebook and its Prospectus;
- Completion of appropriate checklists and use of our experience to assess the Trust's compliance with the IA Statement of Recommended Practice for Authorised Funds; and
- Agreement of the financial statement disclosures to supporting documentation.

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

Use of Our Report

This report is made solely to the Trust's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') published by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Trust's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

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

Accounting policies of SVS Sanlam European Equity Fund

for the year ended 15 May 2023

a *Basis of accounting*

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

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

b *Valuation of investments*

The purchase and sale of investments are included up to close of business on the last business day of the accounting year.

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

The quoted investments of the Fund have been valued at the global closing bid-market prices ruling on the principal markets on which the stocks are quoted on the last business day of the accounting year.

c *Foreign exchange*

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

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

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

d *Revenue*

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

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

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

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

e *Expenses*

All expenses, other than those relating to the purchase and sale of investments, are charged to revenue on an accrual basis.

Bank interest paid is charged to revenue.

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

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

g *Taxation*

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

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

Accounting policies of SVS Sanlam European Equity Fund

for the year ended 15 May 2023

g Taxation (continued)

Deferred taxation is provided in full on timing differences that result in an obligation at 15 May 2023 to pay more or less tax, at a future date, at rates expected to apply when they crystallise based on current rates and tax laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

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

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

h Efficient Portfolio Management

Where appropriate, certain permitted instruments such as derivatives or forward currency contracts may be used for Efficient Portfolio Management purposes. Where such instruments are used to protect or enhance revenue, the revenue or expenses derived therefrom are included in the Statement of total return as revenue related items and form part of the distribution. Where such instruments are used to protect or enhance capital, the gains and losses derived therefrom are included in the Statement of total return as capital related items.

i Dilution levy

The need to charge a dilution levy will depend on the volume of sales or redemptions. The Manager may charge a discretionary dilution levy on the sale and redemption of units if, in its opinion, the existing unitholders (for sales) or remaining unitholders (for redemptions) might otherwise be adversely affected, and if charging a dilution levy is, so far as practicable, fair to all unitholders and potential unitholders. Please refer to the Prospectus for further information.

j Distribution policies

i Basis of distribution

The distribution policy is to distribute all available revenue after deduction of expenses payable from revenue. Distributions attributable to income units are paid to unitholders.

ii Unclaimed distributions

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

iii Revenue

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

iv Expenses

Expenses incurred against the revenue of the Fund are included in the final distribution, subject to any expense which may be transferred to capital for the purpose of calculating the distribution, with reference to policy e.

v Equalisation

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

Investment Manager's report

Investment performance*

Over the 12 month period, the Fund produced a performance of 11.21% (B share class)*. For comparison purposes, the MSCI Europe ex UK index produced a gross total return of 16.01% in GBP. The Investment Association Europe ex UK sector median produced a performance of 13.61%.

Investment activities

As we have noted in our prior reports, we kept our focus on three broad categories at company level: great companies (in many cases world leaders) that just happen to be domiciled in Europe; regional European champions in sectors like IT; and attractively-valued global thematic beneficiaries (e.g. companies helping to facilitate the move towards cleaner energy or those helping to improve efficiency through the development of new technologies).

Long-term investors in the Fund will be aware that we run a relatively focused, high-conviction and low turnover portfolio of typically around 30 holdings; we did not deviate from that approach during the year. However, we did make some security-level changes over the year, exiting our position in AP Moller-Maersk. We also exited our holding of EuroAPI, the producer and developer of active pharmaceutical ingredients ('API's').

At the stock level, positive performers over the year included Hensoldt AG, which has been one of the main beneficiaries of Germany's decision to increase defence spending following Russia's invasion of Ukraine. Core positions such as luxury goods maker LVMH Moët Hennessy Louis Vuitton also performed well as the company benefited from improving global demand following the re-opening of China's economy. Detractors at the stock level included Teleperformance, as the company's shares sold off in Q4 2022 after the media reported allegations of labour violations at a Colombian subsidiary. At the sector level, an underweight in financials was a drag on relative returns for much of the year (rising risk-free rates are generally supportive of bank profitability), however this positioning worked well in March 2023 as the regional bank crisis in the US began to weigh on bank shares in Europe and indeed across much of the globe.

Investment strategy and outlook

There has been no change to the Fund's investment strategy and approach over the past year. As noted above, we have kept our focus on companies in Europe that are genuine world leaders, alongside regional champions, plus European companies that we regard to be attractively-valued beneficiaries of longer-term global investment themes.

In broader terms this means the Fund will not own poor or low-quality companies or companies with an uncertain longer-term future (e.g. those with significant exposure to legacy industries and technologies, such as the production of diesel internal combustion engines).

After the turbulence and gyrations seen in mid-March following the collapse of Silicon Valley Bank ('SVB') in the US and the hastily organised rescue of Credit Suisse by Union Bank of Switzerland ('UBS'), a degree of calm has returned to European bourses and equity market volatility has declined to more normal levels. At the moment, investors appear to be in 'wait and see' mode. Looking at the fundamentals, there are good grounds to believe that what happened at Credit Suisse was a one-off within Europe and probably inevitable at some point given its string of mishaps and setbacks in recent years, but that won't stop investors thinking about other, less benign outcomes for the European banking sector. What happens to banks matters to Europe as the banking sector remains a significant weight in the regional equity indices.

Over the coming weeks and months, we will be monitoring for any signs that credit availability has become more restricted, as that has typically been the outcome following previous banking crises. We also think that there is probably a risk of some further upset and disappointments in the coming months at the corporate results level as higher risk-free rates begin to bite. In aggregate, the combination of higher rates and reduced credit availability is likely to pose some downside risk to earnings. This perhaps sounds a little bleak, but we are growth investors and the combination of slowing economic growth and a likely peak in US interest rates in the not-too-distant future means that long duration growth is coming back into favour. Moreover, we think that areas of structural growth (e.g. technology, luxury) should remain safer havens as markets try to identify the other problems that might come out of the woodwork following a long and aggressive period of interest rate tightening by central banks.

*Source of all data – Morningstar. For the Fund, performance is shown on a Net Asset Value (NAV) to NAV basis. Mid prices at 12pm.

Investment Manager's report (continued)

Investment strategy and outlook (continued)

Within the Fund, we will retain our approach of investing in great global companies that just happen to be domiciled in Europe, regional champions, and attractively valued global thematic beneficiaries.

Sanlam Investments UK Limited

9 June 2023

Portfolio changes

for the year ended 15 May 2023

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

	Cost
	£
Purchases:	
ASML Holding	392,999
Teleperformance	190,873
Siemens Healthineers	108,432
Adyen	96,668
Pagaya Technologies	93,553
Hensoldt AG	85,894
Evotec	59,039
ASM International	55,089
SAP	36,674

	Proceeds
	£
Sales:	
Teleperformance	728,239
FinecoBank Banca Fineco	628,737
SAP	507,818
Sika	393,193
Heineken	320,557
EuroAPI	308,442
Vinci	308,211
AP Moller-Maersk	294,723
Siemens Healthineers	274,193
Schneider Electric	247,337
LVMH Moët Hennessy Louis Vuitton	206,461
Amadeus IT Group	202,424
Ferrari	190,390
Hensoldt AG	164,968
CTS Eventim KGaA	163,072
ABB	109,684
Capgemini	96,137
Adyen	81,579
Sanofi	79,510
ID Logistics Group	68,787

Portfolio statement
as at 15 May 2023

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities - Europe 94.97% (95.76%)			
Equities - Denmark 5.02% (4.35%)			
Novo Nordisk	6,755	<u>914,872</u>	<u>5.02</u>
Equities - France 33.84% (37.15%)			
Air Liquide	5,803	809,250	4.44
Capgemini	4,008	565,684	3.10
ID Logistics Group	2,261	527,275	2.89
LVMH Moët Hennessy Louis Vuitton	1,067	816,549	4.48
Sanofi	12,299	1,064,806	5.83
Schneider Electric	7,686	1,057,822	5.80
Teleperformance	2,397	333,209	1.83
Vinci	10,534	<u>998,733</u>	<u>5.47</u>
Total equities - France		<u>6,173,328</u>	<u>33.84</u>
Equities - Germany 20.73% (19.10%)			
CTS Eventim KGaA	10,322	533,425	2.92
Evotec	22,223	382,173	2.09
Hensoldt AG	36,205	1,020,727	5.58
Infineon Technologies	25,174	736,843	4.04
SAP	3,946	412,028	2.26
Siemens Healthineers	14,819	<u>701,468</u>	<u>3.84</u>
Total equities - Germany		<u>3,786,664</u>	<u>20.73</u>
Equities - Italy 3.67% (6.06%)			
Enel	48,420	252,961	1.39
FinecoBank Banca Fineco	38,403	<u>415,934</u>	<u>2.28</u>
Total equities - Italy		<u>668,895</u>	<u>3.67</u>
Equities - Luxembourg 3.50% (3.59%)			
Tenaris	60,704	<u>638,490</u>	<u>3.50</u>
Equities - Netherlands 13.63% (10.60%)			
Adyen	209	260,381	1.43
ASM International	2,011	590,541	3.24
ASML Holding	748	386,945	2.12
Ferrari	2,057	482,382	2.64
Heineken	8,385	<u>763,961</u>	<u>4.20</u>
Total equities - Netherlands		<u>2,484,210</u>	<u>13.63</u>
Equities - Spain 2.46% (2.82%)			
Amadeus IT Group	7,779	<u>448,356</u>	<u>2.46</u>

Portfolio statement (continued)
as at 15 May 2023

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities (continued)			
Equities - Europe (continued)			
Equities - Sweden 3.42% (3.12%)			
Hexagon	69,121	<u>623,569</u>	<u>3.42</u>
Equities - Switzerland 8.70% (8.97%)			
ABB	22,970	678,428	3.72
Sika	1,915	428,518	2.34
VAT Group	1,682	<u>481,772</u>	<u>2.64</u>
Total equities - Switzerland		<u>1,588,718</u>	<u>8.70</u>
Total equities		<u>17,327,102</u>	<u>94.97</u>
Portfolio of investments		17,327,102	94.97
Other net assets		918,297	5.03
Total net assets		<u>18,245,399</u>	<u>100.00</u>

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

The comparative figures in brackets are as at 15 May 2022.

Risk and reward profile

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

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

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

For full details on risk factors for the Fund, please refer to the Prospectus.

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

Comparative table

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

	A Class Income			B Class Income		
	2023**	2022	2021	2023	2022	2021
	p	p	p	p	p	p
Change in net assets per unit						
Opening net asset value per unit	743.43	800.82	602.15	186.98	201.52	151.24
Return before operating charges	8.33	(44.40)	208.78	20.00	(11.22)	52.59
Operating charges	(2.16)	(9.42)	(10.11)	(1.48)	(1.63)	(1.39)
Return after operating charges *	6.17	(53.82)	198.67	18.52	(12.85)	51.20
Distributions [^]	-	(3.57)	-	(2.04)	(1.69)	(0.92)
Closing net asset value per unit	749.60	743.43	800.82	203.46	186.98	201.52
* after direct transaction costs of:	0.02	0.77	0.69	0.03	0.18	0.17
Performance						
Return after charges	0.83%	(6.72%)	32.99%	9.90%	(6.38%)	33.85%
Other information						
Closing net asset value (£)	-	48,754	56,658	18,245,399	21,132,179	24,834,880
Closing number of units	-	6,558	7,075	8,967,697	11,302,037	12,323,499
Operating charges ^{^^}	1.14%***	1.11%	1.38%	0.79%	0.76%	0.75%
Direct transaction costs	0.00%	0.09%	0.09%	0.01%	0.09%	0.09%
Published prices						
Highest offer unit price	768.7	938.3	824.4	212.0	236.7	208.4
Lowest bid unit price	679.9	701.0	615.9	168.1	176.9	154.7

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

On 1 September 2022 the objective and policy was changed. Further details of the investment objective and policy change are found within the Report of the Manager on page 2.

** For the period 16 May 2022 to 15 August 2022.

*** Annualised based on expenses from 16 May 2022 to 15 August 2022.

[^] Rounded to 2 decimal places.

^{^^} The operating charges are represented by the Ongoing Charges Figure ('OCF'). The OCF consists principally of the Manager's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which may occur in a year as it is calculated on historical data.

Financial statements - SVS Sanlam European Equity Fund

Statement of total return for the year ended 15 May 2023

	Notes	2023		2022	
		£	£	£	£
Income:					
Net capital gains / (losses)	2		1,533,333		(1,656,952)
Revenue	3	372,572		425,984	
Expenses	4	<u>(148,987)</u>		<u>(192,335)</u>	
Net revenue before taxation		223,585		233,649	
Taxation	5	<u>(20,951)</u>		<u>(39,350)</u>	
Net revenue after taxation			<u>202,634</u>		<u>194,299</u>
Total return before distributions			1,735,967		(1,462,653)
Distributions	6		(202,676)		(194,323)
Change in net assets attributable to unitholders from investment activities			<u>1,533,291</u>		<u>(1,656,976)</u>

Statement of change in net assets attributable to unitholders for the year ended 15 May 2023

		2023		2022	
		£	£	£	£
Opening net assets attributable to unitholders			21,180,933		24,891,538
Amounts receivable on issue of units		228,014		1,353,692	
Amounts payable on cancellation of units		<u>(4,696,839)</u>		<u>(3,407,321)</u>	
			(4,468,825)		(2,053,629)
Change in net assets attributable to unitholders from investment activities			1,533,291		(1,656,976)
Closing net assets attributable to unitholders			<u>18,245,399</u>		<u>21,180,933</u>

Balance sheet
as at 15 May 2023

	Notes	2023 £	2022 £
Assets:			
Fixed assets:			
Investments		17,327,102	20,283,306
Current assets:			
Debtors	7	100,100	93,644
Cash and bank balances	8	1,053,597	1,190,962
Total assets		<u>18,480,799</u>	<u>21,567,912</u>
Liabilities:			
Creditors:			
Distribution payable		(183,210)	(191,351)
Other creditors	9	(52,190)	(195,628)
Total liabilities		<u>(235,400)</u>	<u>(386,979)</u>
Net assets attributable to unitholders		<u>18,245,399</u>	<u>21,180,933</u>

Notes to the financial statements
for the year ended 15 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 14 and 15.

2. Net capital gains / (losses)	2023	2022
	£	£
Non-derivative securities - realised gains	492,656	2,126,518
Non-derivative securities - movement in unrealised gains / (losses)	1,037,103	(3,753,765)
Currency gains / (losses)	2,688	(39,229)
Forward currency contracts gains / (losses)	1,789	(3,439)
Compensation	36	15,066
Transaction charges	(939)	(2,103)
Total net capital gains / (losses)	<u>1,533,333</u>	<u>(1,656,952)</u>
3. Revenue	2023	2022
	£	£
Overseas revenue	356,749	425,901
Bank and deposit interest	15,823	83
Total revenue	<u>372,572</u>	<u>425,984</u>
4. Expenses	2023	2022
	£	£
Payable to the Manager and associates		
Annual management charge*	124,307	166,993
Registration fees	283	306
	<u>124,590</u>	<u>167,299</u>
Payable to the Trustee		
Trustee fees	<u>9,000</u>	<u>9,005</u>
Other expenses:		
Audit fee	7,560	9,900
Non-executive directors' fees	(974)	935
Safe custody fees	970	1,811
Bank interest	30	12
FCA fee	258	389
KIID production fee	1,000	1,375
Listing fee	2,113	1,609
Legal fee	4,440	-
	<u>15,397</u>	<u>16,031</u>
Total expenses	<u>148,987</u>	<u>192,335</u>

*For the year ended 15 May 2023, the annual management charge for each unit class is as follows:

A Class Income	1.00%
B Class Income	0.65%

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

Notes to the financial statements (continued)

for the year ended 15 May 2023

5. Taxation	2023	2022
	£	£
<i>a. Analysis of the tax charge for the year</i>		
Overseas tax withheld	20,951	39,350
Total taxation (note 5b)	<u>20,951</u>	<u>39,350</u>

b. Factors affecting the tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%). The differences are explained below:

	2023	2022
	£	£
Net revenue before taxation	<u>223,585</u>	<u>233,649</u>
Corporation tax @ 20%	44,717	46,730
Effects of:		
Overseas revenue	(71,350)	(85,181)
Overseas tax withheld	20,951	39,350
Excess management expenses	26,633	38,451
Total taxation (note 5a)	<u>20,951</u>	<u>39,350</u>

c. Provision for deferred taxation

At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of asset not recognised is £690,293 (2022: £663,660).

6. Distributions

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

	2023	2022
	£	£
Final income distribution	<u>183,210</u>	<u>191,351</u>
Equalisation:		
Amounts deducted on cancellation of units	20,473	3,911
Amounts added on issue of units	(990)	(939)
Net equalisation on conversions	(17)	-
Total net distributions	<u>202,676</u>	<u>194,323</u>

Reconciliation between net revenue and distributions:

Net revenue after taxation per Statement of total return	202,634	194,299
Undistributed revenue brought forward	86	110
Undistributed revenue carried forward	(44)	(86)
Distributions	<u>202,676</u>	<u>194,323</u>

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

Notes to the financial statements (continued)

for the year ended 15 May 2023

7. Debtors	2023	2022
	£	£
Amounts receivable on issue of units	-	100
Accrued revenue	30,278	6,622
Recoverable overseas withholding tax	69,822	86,922
Total debtors	<u>100,100</u>	<u>93,644</u>
8. Cash and bank balances	2023	2022
	£	£
Total cash and bank balances	<u>1,053,597</u>	<u>1,190,962</u>
9. Other creditors	2023	2022
	£	£
Amounts payable on cancellation of units	36,415	134,893
Purchases awaiting settlement	-	40,844
Accrued expenses:		
Payable to the Manager and associates		
Annual management charge	5,576	6,173
Registration fees	11	14
	<u>5,587</u>	<u>6,187</u>
Other expenses:		
Trustee fees	419	395
Safe custody fees	215	241
Audit fee	7,560	9,900
Non-executive directors' fees	-	974
FCA fee	34	47
KIID production fee	375	375
Listing fee	1,565	1,479
Transaction charges	20	293
	<u>10,188</u>	<u>13,704</u>
Total accrued expenses	<u>15,775</u>	<u>19,891</u>
Total other creditors	<u>52,190</u>	<u>195,628</u>

10. Commitments and contingent liabilities

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

11. Unit classes

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

	A Class Income
Opening units in issue	6,558
Total units issued in the year	304
Total units cancelled in the year	(1,124)
Total units converted in the year	(5,738)
Closing units in issue	<u>-</u>

Notes to the financial statements (continued)

for the year ended 15 May 2023

11. Unit classes (continued)

	B Class Income
Opening units in issue	11,302,037
Total units issued in the year	117,352
Total units cancelled in the year	(2,474,498)
Total units converted in the year	22,806
Closing units in issue	<u>8,967,697</u>

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

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

12. Related party transactions

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

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

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

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per B Income unit has increased from 203.46p to 204.10p as at 11 August 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

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

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

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

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

	Purchases before transaction costs		Commission		Taxes		Financial transaction tax		Purchases after transaction costs
2023	£	£	%	£	%	£	%	£	
Equities	1,118,314	336	0.03%	571	0.05%	-	-	1,119,221	
Total	1,118,314	336	0.03%	571	0.05%	-	-	1,119,221	

Notes to the financial statements (continued)

for the year ended 15 May 2023

14. Transaction costs (continued)

a Direct transaction costs (continued)

Direct transaction costs	Purchases before transaction costs		Commission		Taxes		Financial transaction tax		Purchases after transaction costs
	£	£	%	£	%	£	%	£	
2022									
Equities	11,760,799	3,528	0.03%	8,971	0.08%	4,696	0.04%	11,777,994	
Total	11,760,799	3,528	0.03%	8,971	0.08%	4,696	0.04%	11,777,994	

2023	Sales before transaction costs		Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£	
Equities	5,606,815	(1,682)	0.03%	-	-	-	-	5,605,133	
Total	5,606,815	(1,682)	0.03%	-	-	-	-	5,605,133	

2022	Sales before transaction costs		Commission		Taxes		Financial transaction tax		Sales after transaction costs
	£	£	%	£	%	£	%	£	
Equities	13,922,385	(4,134)	0.03%	-	-	(45)	0.00%	13,918,206	
Total	13,922,385	(4,134)	0.03%	-	-	(45)	0.00%	13,918,206	

Summary of direct transaction costs

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

2023	£	% of average net asset value
Commission	2,018	0.01%
Taxes	571	0.00%

2022	£	% of average net asset value
Commission	7,662	0.03%
Taxes	8,971	0.04%
Financial transaction tax	4,741	0.02%

b Average portfolio dealing spread

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

The average portfolio dealing spread of the investments at the balance sheet date was 0.29% (2022: 0.16%).

Notes to the financial statements (continued)

for the year ended 15 May 2023

15. Risk management policies

In pursuing the Fund's investment objective, as set out in the Prospectus, the following are accepted by the Manager as being the main risks from the Fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the Manager's policy for managing these risks. To ensure these risks are consistently and effectively managed these are continually reviewed by the risk committee, a body appointed by the Manager, which sets the risk appetite and ensures continued compliance with the management of all known risks.

a Market risk

Market risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices and comprise three elements: other price risk, currency risk, and interest rate risk.

(i) Other price risk

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

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

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

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

At 15 May 2023, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders of the Fund would increase or decrease by approximately £866,355 (2022: £1,014,165).

(ii) Currency risk

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

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

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

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2023	£	£	£
Danish krone	914,872	20,791	935,663
Euro	14,200,475	72,223	14,272,698
Swedish krona	623,569	-	623,569
Swiss franc	1,588,719	-	1,588,719
Total foreign currency exposure	17,327,635	93,014	17,420,649

Notes to the financial statements (continued)

for the year ended 15 May 2023

15. Risk management policies (continued)

a Market risk (continued)

(ii) Currency risk (continued)

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2022	£	£	£
Danish krone	921,114	20,379	941,493
Euro	16,800,410	26,563	16,826,973
Swedish krona	661,861	-	661,861
Swiss franc	1,900,406	-	1,900,406
Total foreign currency exposure	<u>20,283,791</u>	<u>46,942</u>	<u>20,330,733</u>

At 15 May 2023, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to unitholders of the Fund would increase or decrease by approximately £871,032 (2022: £1,106,537).

(iii) Interest rate risk

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

During the year the Fund's direct exposure to interest rates consisted of cash and bank balances. The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. In the event of a change in interest rates, there would be no material impact upon the net assets of the Fund. The Fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

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

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

b Credit risk

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

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

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

c Liquidity risk

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

Notes to the financial statements (continued)

for the year ended 15 May 2023

15. Risk management policies (continued)

c Liquidity risk

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

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

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

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

All of the financial liabilities are payable on demand.

d Fair value of financial assets and financial liabilities

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

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

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£	£
Quoted prices	17,327,102	-
Observable market data	-	-
Unobservable data	-	-
	<u>17,327,102</u>	<u>-</u>
	Investment assets	Investment liabilities
Basis of valuation	2022	2022
	£	£
Quoted prices	20,283,306	-
Observable market data	-	-
Unobservable data	-	-
	<u>20,283,306</u>	<u>-</u>

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

e Assets subject to special arrangements arising from their illiquid nature

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

Notes to the financial statements (continued)

for the year ended 15 May 2023

15. Risk management policies (continued)

f Derivatives

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

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

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

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

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

(i) Counterparties

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

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

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

(ii) Leverage

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

There have been no leveraging arrangements in the year.

(iii) Global exposure

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

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

There have been no collateral arrangements in the year.

Distribution table

for the year ended 15 May 2023

Distribution on A Class Income units in pence per unit

Payment date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
10.07.23	group 1	final	-	-	-	3.567
10.07.23	group 2	final	-	-	-	3.567

Distribution on B Class income units in pence per unit

Payment date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
10.07.23	group 1	final	2.043	-	2.043	1.691
10.07.23	group 2	final	1.198	0.845	2.043	1.691

Equalisation

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

Final distributions:

Group 1 Units purchased before 16 May 2022
Group 2 Units purchased 16 May 2022 to 15 May 2023

Remuneration

Remuneration code disclosure

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

Remuneration committee

The remuneration committee report contained in the Evelyn Partners Group Limited Report and Financial Statements for the year ended 31 December 2022 includes details on the remuneration policy. The remuneration committee comprises four non-executive directors¹ and is governed by formal terms of reference, which are reviewed and agreed by the board. The committee met ten times during 2022.

Remuneration policy

The main principles of the remuneration policy are:

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

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

Remuneration systems

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

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

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

¹ Please note that the data provided for the independent non-executive directors is as at 31 December 2022. The data provided is for independent non-executive directors only.

Remuneration (continued)

Aggregate quantitative information

The total amount of remuneration paid by Evelyn Partners Fund Solutions Limited ('EPFL') is nil as EPFL has no employees. However, a number of employees have remuneration costs recharged to EPFL and the annualised remuneration for these 61 employees is £2.9million of which £2.7 million is fixed remuneration. This is based on the annualised salary and benefits for those identified as working in EPFL as at 31 December 2022. Any variable remuneration is awarded for the year ended 31 December 2022. This information excludes any senior management or other Material Risk Takers ('MRTs') whose remuneration information is detailed below.

Evelyn Partners Group Limited reviews its MRTs at least annually. These individuals are employed by and provide services to other companies in the Evelyn Partners Group. It is difficult to apportion remuneration for these individuals in respect of their duties to EPFL. For this reason, the aggregate total remuneration awarded for the year 31 December 2022 for senior management and other MRTs detailed below has not been apportioned.

Table to show the aggregate remuneration split by Senior Management and other MRTs for EPFL		For the period 1 January 2022 to 31 December 2022				No. MRTs
		Fixed £'000	Cash £'000	Equity £'000	Total £'000	
Senior Management	3,505	1,202	-	4,707	18	
Other MRTs	592	465	144	1,201	5	
Total	4,097	1,667	144	5,908	23	

Investment Manager

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

Further information

Distributions and reporting dates

Where net revenue is available it will be distributed annually on 10 July (final). In the event of a distribution, unitholders will receive a tax voucher.

XD dates:	16 May	annual
Reporting dates:	15 May	annual
	15 November	interim

Buying and selling units

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

The minimum initial investment in B class income units is £250,000. The minimum subsequent investment is £500. The Manager reserves the right to terminate holdings where the value is less than £250,000.

The minimum initial investment in Z class income units is £500,000. There is no minimum subsequent investment. The Manager reserves the right to terminate holdings where the value is less than £500,000. This share class has not yet launched.

The minimum initial and subsequent investment may be waived at the absolute discretion of the Manager.

The Manager may impose a charge on the sale of units to investors which is based on the amount invested by the prospective investor. There is no preliminary charge in respect of B class income units and Z class income units.

Prices of units and the estimated yield of the fund are published on the following website: <http://www.trustnet.com> or may be obtained by calling 0141 222 1151.

Benchmark

Unitholders may compare the performance of the Trust against the MSCI Europe ex UK Index and the IA Europe excluding UK Sector.

Comparison of the Trust's performance against the IA Europe excluding UK Sector will give unitholders an indication of how the Trust is performing against other similar funds in this peer group sector. The Manager has selected the MSCI Europe ex UK Index as a comparator benchmark as the Manager believes it best reflects the asset allocation of the Trust.

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

Appointments

Manager and Registered office

St Vincent St Fund Administration (a trading name of Evelyn Partners Fund Solutions Limited)
(previously Smith & Williamson Fund Administration Limited)

45 Gresham Street

London EC2V 7BG

Telephone 0207 131 4000

Authorised and regulated by the Financial Conduct Authority

Administrator and Registrar

St Vincent St Fund Administration (a trading name of Evelyn Partners Fund Solutions Limited)
(previously Smith & Williamson Fund Administration Limited)

177 Bothwell Street

Glasgow G2 7ER

Telephone 0141 222 1151 (Registration)

0141 222 1150 (Dealing)

Authorised and regulated by the Financial Conduct Authority

Directors of the Manager

Brian McLean

James Gordon - resigned 29 July 2022

Andrew Baddeley

Mayank Prakash

Neil Coxhead - appointed 12 July 2022

Independent Non-Executive Directors of the Manager

Dean Buckley

Linda Robinson

Victoria Muir

Sally Macdonald - appointed 1 June 2022

Non-Executive Directors of the Manager

Paul Wyse - resigned 11 July 2023

Investment Manager

Sanlam Investments UK Limited

Monument Place

24 Monument Street

London EC3R 8AJ

Authorised and regulated by the Financial Conduct Authority

Trustee

NatWest Trustee and Depositary Services Limited

House A, Floor 0

Gogarburn

175 Glasgow Road

Edinburgh EH12 1HQ

Authorised and regulated by the Financial Conduct Authority

Auditor

Johnston Carmichael LLP

Bishop's Court

29 Albyn Place

Aberdeen AB10 1YL