



Value Assessment Report

As at 31 August 2021

Issued by Smith & Williamson Fund Administration Limited for

SVS Church House Balanced Equity Income Fund

SVS Church House Esk Global Equity Fund

SVS Church House Investment Grade Fixed Interest Fund

SVS Church House Tenax Absolute Return Strategies Fund

SVS Church House UK Equity Growth Fund

SVS Church House UK Smaller Companies Fund,

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More information on any Smith & Williamson Fund Administration Limited's OEICs and unit trusts, copies of the latest Manager's Reports and Prospectus are available free of charge. Telephone 0141 222 1161 or visit our website: <https://smithandwilliamson.com/en/services/fund-administration/>. Telephone calls may be recorded or monitored for quality assurance purposes.

Executive Summary

In line with the provisions contained within COLL 6.6.20R, the Board of Smith & Williamson Fund Administration Limited ('SWFAL') as the Authorised Corporate Director (ACD) / Authorised Fund Manager (AFM), hereinafter referred to as the 'ACD', has carried out an Assessment of Value for the **SVS Church House Unit Trusts and Open-Ended Investment Company (OEIC) Funds**, (hereinafter individually known as the 'Fund'). Furthermore, the rules require that SWFAL publishes these assessments.

There has been no distinction made between unitholders / shareholders, both being referred to as 'shareholders' in this report.

A high-level summary of the outcome of SWFAL's rigorous review of each of the following funds, using the seven criteria set by the FCA is documented on the following page.

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

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

Fund and Share Class	Quality of Service	Performance	ACD Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Shares	Overall Rating
SVS Church House Balanced Equity Income Fund								
A Shares	●	●	●	●	●	●	●	●
B Shares	●	●	●	●	●	●	●	●
SVS Church House Esk Global Equity Fund								
A Shares	●	●	●	●	●	●	●	●
B Shares	●	●	●	●	●	●	●	●
SVS Church House Investment Grade Fixed Interest Fund								
Income & Accumulation Units	●	●	●	●	●	●	●	●
XL Institutional Units	●	●	●	●	●	●	●	●
SVS Church House Tenax Absolute Return Strategies Fund								
A Shares	●	●	●	●	●	●	●	●
B Shares	●	●	●	●	●	●	●	●
C Shares	●	●	●	●	●	●	●	●

Fund and Share Class	Quality of Service	Performance	ACD Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Shares	Overall Rating
SVS Church House UK Equity Growth Fund								
A Shares	●	●	●	●	●	●	●	●
B Shares	●	●	●	●	●	●	●	●
Z Shares	●	●	●	●	●	●	●	●
SVS Church House UK Smaller Companies Fund								
A Shares	●	●	●	●	●	●	●	●
B Shares	●	●	●	●	●	●	●	●

Overall Conclusion

SWFAL believes that overall the Funds have provided value to shareholders, however, with the exception of the SVS Church House Investment Grade Fixed Interest Fund (Income and Accumulation class), has identified 'Economies of Scale' as an area that requires further action. Discussions are currently underway with Church House in order to provide a suitable outcome for investors.

Dean Buckley

Chairman of the Board of Smith & Williamson Fund Administration Limited

Date: 31 December 2021

Introduction by Smith & Williamson Fund Administration Limited

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

In carrying out the assessment, the SWFAL 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.

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

The seven criteria are:

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

Comments by Church House Investments Limited

Church House is a fund and portfolio manager offering specialist services to individuals, financial professionals and institutions for over 20 years. We manage a range of six funds for use by advisers and wealth managers and as the ‘building blocks’ of our discretionary managed private client portfolios.

With assets under management in excess of £1 billion, we have enjoyed significant growth without losing the key strengths of an independent and private company. Church House propositions are regularly reviewed and refined to ensure continued suitability for our professional and private clients. We have worked hard to maintain the stability that our clients and supporters value. Our primary objective is to provide investors with the returns they expect, without the shocks they fear, through the management of risk to fund and portfolio mandates.

A particular highlight for 2021 is that Church House have been included in the Financial Reporting Council’s list of successful signatories to the UK Stewardship Code. The Code establishes a high standard of stewardship for asset managers, asset owners and service providers when investing money on behalf of UK savers and pensioners. While the focus of the Code, when first published in 2010, was on improving the quality and quantity of engagement between investors and companies, the updated 2020 code has gone further, to also target the integration of Environmental, Social and Governance matters into the investment approach and decision-making process.

We participate in regular meetings with the Authorised Corporate Director (ACD), Smith & Williamson Fund Administration Limited, to review the regulatory and compliance landscape that may affect our funds. In addition, Church House carry out rigorous monthly reviews to ensure that the funds continue to meet the objectives as stated in the prospectus, and that those objectives remain appropriate, valid, clear and representative. We also review the costs incurred by the fund and where we believe that these can be reduced, we will engage with the ACD to bring these costs down so as to deliver greater value to investors.

We are pleased to see that this Assessment of Value report, prepared by the ACD, concludes that all of our funds have provided value to shareholders. We also take note of the comments regarding Economies of Scale, this is being investigated and we will continue to discuss with the

ACD. Church House strongly believe that we deliver value to our clients and we welcome the opportunity to demonstrate this via the Assessment of Value report.

Roger Davis

Managing Director

Church House Investments Limited

31 December 2021

Quality of Service (Covering all funds)

This section applies to Church House Investments Limited ('Church House'), as Investment Manager, and Smith & Williamson Fund Administration Limited ('SWFAL') as Authorised Corporate Director ('ACD') of the Funds and covers all the funds under review.

What SWFAL assessed in this section?

Internal Factors

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

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

External Factors

The Board assessed the delegate's skills, processes, experience, level of breaches and complaints. Also considered were any results from service review meetings as well as the annual due diligence performed by SWFAL on the delegated investment manager, Church House Investments Limited, where consideration was given to, amongst other things, the delegate's controls around the Funds' liquidity management.

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

What was the outcome of the assessment?

Internal Factors

The Board recognised that all distribution and settlement monies were paid in a timely manner and that there were no significant findings as a result of the various audits performed on SWFAL during the year. In addition, SWFAL performed its own independent analysis, using automated systems, of the Funds' liquidity. The Board concluded that SWFAL 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 had benefitted and should continue to benefit the Funds and their shareholders.

Were there any follow up actions?

There were no follow-up actions required.

The individual Funds are discussed on the following pages.

SVS Church House Balanced Equity Income Fund

Performance

What SWFAL assessed in this section?

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

Investment Objectives

The Fund seeks to provide income and capital growth over the long term (at least five years).

Benchmark

As ACD, SWFAL was 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 Fund are the *FTSE 350 Higher Yield Index* and the *IA Mixed Investment 40-85% Shares* sector, both of which are comparators. A 'comparator' benchmark is an index or similar factor against which an investment manager invites investors to compare a fund's performance. Details of how the Fund has performed against its comparator benchmarks over various timescales can be found below.

Data as at 31 August 2021



SVS Church House Balanced Equity Fund



Cumulative Performance (%)

Cumulative Performance as at 31/08/2021

Instrument	Currency	1y	3yrs	5yrs	31/08/2011 to 31/08/2021
FTSE 350 Higher Yield TR in GB	GBP	31.86	-0.31	17.40	80.14
IA Mixed Investment 40-85% Shares TR in GB	GBP	17.77	22.47	41.99	113.90
SVS Church House - Balanced Equity Income Acc in GB	GBX	20.36	12.43	26.93	100.19
SVS Church House - Balanced Equity Income B Acc in GB	GBX	21.15	14.60	31.10	109.77

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

Performance shown is representative of all share classes.

Performance is calculated net of fees.

Past performance is not a guide to future performance.

What was the outcome of the assessment?

The Board noted the existence of the Fund's two comparator benchmarks and in particular the considerable divergence between them both over the periods under observation.

Consideration was initially given to the Fund's performance against the IA Mixed benchmark where it was clear that returns had underperformed those of the benchmark, particularly over the 3 and 5 year periods. However, further analysis undertaken by SWFAL evidenced that the constituent funds within that sector typically have a relatively high weighting to overseas equity markets, particularly the US, and therefore a lower weighting to the UK equity market. By contrast, the Fund has in excess of 70% in UK equities and cannot invest in overseas equities.

Next, the Board observed that the Fund had performed well against the FTSE 350 Higher Yield Index, however they were mindful that the Fund had significant exposure to asset classes not represented within the index.

Instead, SWFAL sought to establish a composite index that accounted for the Fund's holdings in, amongst other things, infrastructure and fixed interest securities. On completion of this exercise, it was evident to the Board that there was a far greater correlation between the Fund and the in-house composite than there was between the Fund and either of the two comparator benchmarks. This gave the Board the confidence that the Fund was performing well when compared against a more representative index and further allowed them to come to the conclusion that it was meeting its objective of combined income and capital growth.

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

Were there any follow up actions?

There were no follow-up actions required.

ACD Costs

What SWFAL assessed in this section?

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

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

What was the outcome of the assessment?

The Board observed that Church House operate a unique model, one that includes a notional in-house portfolio management fee that sits within the Fund's investment management fee. This is relevant for the 'A' share class and has the effect of inflating the OCF. As a result SWFAL excluded this fee so that the Fund could be better compared on a like-for-like basis with other funds displaying similar characteristics. Once this had been completed the Board were able to conclude that each of the Fund's costs were fair, reasonable and provided on a competitive basis.

Church House acknowledge that the difference between the 'A' and 'B' share classes is inconsistent across the fund range and will be reducing the AMC on the 'A' share class by 25bps. This is expected to take place during the first quarter of 2022.

Were there any follow up actions?

There were no follow-up actions required.

Economies of Scale

What SWFAL assessed in this section?

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

What was the outcome of the assessment?

Both the 'A' class and 'B' class have a fixed AMC with an embedded ACD tier within them, meaning that if the Fund was to grow, the result would be that the delegated investment manager would receive a greater proportion of the Fund's OCF. This mechanism therefore prevents investors from participating in any possible savings that could be achieved if the Fund was to grow in the future.

Accordingly, the Board were of the opinion that the current fee structure within the Fund was not in investors' best interests and as such they concluded that both SWFAL and Church House should work together to establish a model that was better suited to achieving a more favourable investor outcome.

This section has therefore been marked as Amber in respect of both the 'A' and 'B' classes.

Were there any follow up actions?

SWFAL are in discussions with Church House with a view to implementing a more satisfactory outcome for investors before the next assessment of value review.

Comparable Market Rates

What SWFAL assessed in this section?

The OCF for the 'A' class is 1.75% and the 'B' class 1.13%¹.

The Board reviewed the ongoing charges of the Fund, and how those charges affected its returns.

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

What was the outcome of the assessment?

Once an allowance had been made for the fact that Church House do not charge a separate in-house portfolio management fee or internal platform fee for clients invested in their own funds, the analysis showed that the cost of the 'A' class was in line with the externally managed peer

¹ At interim report, 31 March 2021

group. The Board also gave consideration to a recent regulatory change in cost disclosures that requires the underlying cost of holding closed ended investment vehicles be added to the Fund's overall cost. This has been accounted for within the 'A' class but it was inconclusive as to whether the funds in the peer group had adopted a similar stance. That being the case, the Board were comfortable that the 'A' shares were priced at a level not out of line with similar externally managed funds.

The 'B' class, on the other hand, are not offered to Church House's in-house clients and as such do not attract the same portfolio management fee that the 'A' class does. No adjustment is therefore made when comparing them against similarly externally managed funds. Again, SWFAL found these to be in line with the Fund's peer group and with the added uncertainty surrounding whether funds in the marketplace had accounted for the cost of holding closed ended vehicles, the Board were comfortable that the 'B' class were aligned with equivalent externally managed funds.

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

Were there any follow up actions?

There were no follow-up actions required.

Comparable Services

What SWFAL assessed in this section?

The Board compared the Fund's OCF with those of other funds administered by SWFAL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

The OCFs were found to have been in line with with other SWFAL administered funds displaying similar characteristics.

Were there any follow up actions?

There were no follow-up actions required.

Classes of Shares

What SWFAL assessed in this section?

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

What was the outcome of the assessment?

There are two share classes in the Fund. SWFAL conducted a review of all shareholders on the registers and, from the data available, were confident that shareholders were in the correct share class.

Were there any follow up actions?

There were no follow-up actions required.

SVS Church House Esk Global Equity Fund

Performance

What SWFAL assessed in this section?

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

Investment Objectives

The Fund seeks to provide capital growth over the long term (at least five years).

Benchmark

As ACD, SWFAL was 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 benchmark for the Fund is the *IA Global* sector which is a comparator. A 'comparator' benchmark is an index or similar factor against which an investment manager invites investors to compare a fund's performance. Details of how the Fund has performed against its comparator benchmark over various timescales can be found below.

Data as at 31 August 2021



SVS Church House Esk Global Equity Fund



Cumulative Performance (%)

Cumulative Performance as at 31/08/2021

Instrument	Currency	1y	3yrs	5yrs	31/08/2011 to 31/08/2021
IA Global TR in GB	GBP	26.45	42.27	84.90	215.50
SVS Church House - Esk Global Equity A Acc in GB	GBX	24.63	46.77	90.47	248.24
SVS Church House - Esk Global Equity B Acc in GB	GBX	25.09	48.37	93.41	260.27

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

Performance shown is representative of all share classes.

Performance is calculated net of fees.

Past performance is not a guide to future performance.

What was the outcome of the assessment?

The Board observed that the Fund had performed well, being ahead of its comparator benchmark over all periods except the 1-year period, where it was marginally behind, and therefore concluded that the objective of achieving capital growth had been met.

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

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

Were there any follow up actions?

There were no follow-up actions required.

ACD Costs

What SWFAL assessed in this section?

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

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

What was the outcome of the assessment?

The Board observed that Church House operate a unique model, one that includes a notional in-house portfolio management fee that sits within the Fund's investment management fee. This is relevant for the 'A' share class and has the effect of inflating the OCF. As a result SWFAL excluded this fee so that the Fund could be better compared on a like-for-like basis with other funds displaying similar characteristics. Once this had been completed the Board were able to conclude that each of the Fund's costs were fair, reasonable and provided on a competitive basis.

Were there any follow up actions?

There were no follow-up actions required.

Economies of Scale

What SWFAL assessed in this section?

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

What was the outcome of the assessment?

Both the 'A' class and 'B' class have a fixed AMC with an embedded ACD tier within them, meaning that if the Fund was to grow, the result would be that the delegated investment manager would receive a greater proportion of the Fund's OCF. This mechanism therefore prevents investors from participating in any possible savings that could be achieved if the Fund was to grow in the future.

Accordingly, the Board were of the opinion that the current fee structure within the Fund was not in investors' best interests and as such they concluded that both SWFAL and Church House should work together to establish a model that was better suited to achieving a more favourable investor outcome.

This section has therefore been marked as Amber in respect of both the 'A' and 'B' class.

Were there any follow up actions?

SWFAL are in discussions with Church House with a view to implementing a more satisfactory outcome for investors before the next assessment of value review.

Comparable Market Rates

What SWFAL assessed in this section?

The Board reviewed the ongoing charges of the Fund, and how those charges affected its returns.

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

What was the outcome of the assessment?

The OCF for the 'A' class is 1.32% and the 'B' class is 0.94%².

The OCFs were found to have compared favourably with those of similar externally managed funds.

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

Were there any follow up actions?

There were no follow-up actions required.

Comparable Services

What SWFAL assessed in this section?

The Board compared the Fund's OCF with those of other funds administered by SWFAL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

There were too few SWFAL administered funds displaying similar characteristics with which to make a reasonable comparison.

Were there any follow up actions?

² As at interim, 31 March 2021

There were no follow-up actions required.

Classes of Shares

What SWFAL assessed in this section?

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

What was the outcome of the assessment?

There are two share classes in the Fund. SWFAL conducted a review of all shareholders on the registers and, from the data available, were confident that shareholders were in the correct share class.

Were there any follow up actions?

There were no follow-up actions required.

SVS Church House Investment Grade Fixed Interest Fund

Performance

What SWFAL assessed in this section?

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

Investment Objectives

The Fund seeks to secure a high level of income through investment principally in investment grade corporate bonds, United Kingdom Government Gilts and supra-national issues. With effect from 5 October 2021, the investment objective was amended to clarify the income provided. The new objective states that the Fund aims to provide quarterly income, whilst maintaining capital over the long-term (at least five years).

Benchmark

As ACD, SWFAL was 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 Fund are the *ICE BofAML 7-10 Years AA Sterling Corporate & Collateralised Index* and the *IA £ Corporate Bond* sector, both of which are comparators. A 'comparator' benchmark is an index or similar factor against which an investment manager invites investors to compare a fund's performance. Details of how the Fund has performed against its comparator benchmarks over various timescales can be found below.

Data as at 31 August 2021



SVS Church House Investment Grade Fixed Interest



Cumulative Performance (%)

Cumulative Performance as at 31/08/2021

Instrument	Currency	1y	3yrs	5yrs	31/08/2011 to 31/08/2021
IA Sterling Corporate Bond TR in GB	GBP	3.81	16.33	17.05	66.41
ICE BofA 7-10 Year AA Sterling Corporate & Collateralized TR in GB	GBP	0.35	12.06	12.47	67.25
SVS Church House - Investment Grade Fixed Interest Acc in GB	GBX	3.02	10.70	11.91	45.38
SVS Church House - Investment Grade Fixed Interest XL Inst'l Acc in GB (launched 23 July 2018)	GBX	3.02	10.70		

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

Performance shown is representative of all share classes.

Performance is calculated net of fees.

Past performance is not a guide to future performance.

What was the outcome of the assessment?

The Board initially noted the Fund's underperformance against both comparator benchmarks as well as the Fund's inability to secure a 'high level' of income for shareholders over recent years. Whilst a 'high level' of income was not secured, SWFAL were able to demonstrate that the Fund had

provided a yield that was above the median of comparable funds within the IA Sterling Corporate Bond Sector and therefore were comfortable that the amended objective of providing quarterly income had been met.

SWFAL, in seeking to understand more fully the relative performance, undertook further analysis on the IA Sterling Corporate Bond Sector benchmark which evidenced that over recent years the top performing funds typically have had a far greater exposure to bonds with a lower credit rating than the Fund itself had. These high yield/junk bonds have generally outperformed those with a higher credit rating over the last five to ten years. Moreover, the Fund has been more heavily invested in shorter dated instruments than the top ranked funds in the IA Sterling Corporate Bond Index and the performance of these has been inferior to longer dated instruments over a similar period.

The ICE BofA benchmark, on the other hand, is the one that best reflects the asset allocation of the Fund and where the Board noted that the Fund had underperformed over the three, five and ten year periods although the shortfall evident over the three and five year periods was marginal.

Separately, the Board recognised the Fund's low volatility compared to that of both the benchmarks; favourable risk adjusted returns versus that of the sector average; and focus on high quality issuance with no exposure to sub-investment grade holdings, as key characteristics which upholds Church House's ethos of capital preservation and which differentiates it from other funds in the marketplace.

Once all was taken into consideration, the Board were of the opinion that the Fund had been of value to shareholders.

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

Were there any follow up actions?

There were no follow-up actions required.

ACD Costs

What SWFAL assessed in this section?

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

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

What was the outcome of the assessment?

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

Were there any follow up actions?

There were no follow-up actions required.

Economies of Scale

What SWFAL assessed in this section?

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

What was the outcome of the assessment?

The AMC on the 'ordinary' class is tiered meaning that there are opportunities for further savings to be achieved in the future should this class grow in size.

However, the AMC on the 'XL' class is fixed with an embedded ACD tier within it, meaning that if this class was to grow, the result would be that the delegated investment manager would receive a greater proportion of the 'XL' class' OCF. This mechanism therefore prevents investors from participating in any possible savings that could be achieved if the 'XL' class was to grow in the future.

Accordingly, the Board were of the opinion that the current fee structure within the 'XL' class was not in investors' best interests and as such they concluded that both SWFAL and Church House should work together to establish a model that was better suited to achieving a more favourable investor outcome.

This section has therefore been marked as Amber in respect of the 'XL' class.

Were there any follow up actions?

SWFAL are in discussions with Church House with a view to addressing the issue on the 'XL' class before the next assessment of value review.

Comparable Market Rates

What SWFAL assessed in this section?

The Board reviewed the ongoing charges of the Fund, and how those charges affected its returns.

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

What was the outcome of the assessment?

The OCF for the 'A' class is 0.83% and the 'XL' class 0.64%³.

The OCF for the more expensive share class, the 'A' class, was found to have compared favourably with those of similar externally managed funds. However, the 'XL' class, despite there being a very small number of similar externally managed funds, was found to be more expensive.

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

Were there any follow up actions?

There were no follow-up actions required as the Board were comfortable that none of the costs within the OCF of the 'XL' class appeared unreasonable.

Comparable Services

What SWFAL assessed in this section?

The Board compared the Fund's OCF with those of other funds administered by SWFAL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

The OCFs were found to have compared favourably with other SWFAL administered funds displaying similar characteristics.

Were there any follow up actions?

There were no follow-up actions required.

³ As at KIID, 21 January 2021

Classes of Shares

What SWFAL assessed in this section?

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

What was the outcome of the assessment?

There are two share classes in the Fund. SWFAL conducted a review of all shareholders on the registers and, from the data available, were confident that shareholders were in the correct share class.

Were there any follow up actions?

There were no follow-up actions required.

SVS Church House Tenax Absolute Strategies Fund

Performance

What SWFAL assessed in this section?

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

Investment Objectives

The Fund seeks to provide an absolute return, aiming to achieve positive returns over rolling twelve-month periods at low levels of volatility (meaning changes in value of up to 5% per annum in normal market conditions).

Benchmark

As ACD, SWFAL was 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.

As the Fund is a multi-asset fund, the ACD uses different benchmarks for comparison purposes according to the asset classes generally held by the Fund, including Government UK Gilt 2 Year Yield in respect of bonds and FTSE 100 TR in respect of equities. On the 6 December 2021 these were replaced with fund-level comparator benchmarks, Bank Of England SONIA Compounded Index, the primary benchmark, the IA Targeted Absolute Return Sector, representing similar funds in its peer group, and the FTSE 100 index, representing equity markets.

What was the outcome of the assessment?

The objective of the Fund is to achieve an absolute return with lower levels of volatility over twelve month rolling periods. With regard to performance, the Board observed that the Fund had achieved a positive return on all but 9 of the 60 rolling periods sampled. Volatility, historically had been low but spiked markedly with the onset of COVID and the effect that this had on world markets. More recently though, volatility has returned to the levels experienced pre pandemic. All things considered, the Board were of the opinion that the objective was being adhered to.

Consideration was given to the Fund's relative performance to the benchmarks noted above and the Board was satisfied that it provided value to the shareholders.

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

Were there any follow up actions?

There were no follow up actions required as changes to the benchmark took place with effect from 6 December 2021.

ACD Costs

What SWFAL assessed in this section?

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

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

What was the outcome of the assessment?

The Board observed that Church House operate a unique model, one that includes a notional in-house portfolio management fee that sits within the Fund's investment management fee. This is relevant for the 'A' share class and has the effect of inflating the OCF. As a result SWFAL excluded this fee so that the Fund could be compared on a like-for-like basis with other funds displaying similar characteristics. Once this had been completed, the Board were able to conclude that each of the Fund's costs were fair, reasonable and provided on a competitive basis.

Were there any follow up actions?

There were no follow-up actions required.

Economies of Scale

What SWFAL assessed in this section?

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

What was the outcome of the assessment?

All of the share classes have a fixed AMC with an embedded ACD tier within them, meaning that if the Fund was to grow, the result would be that the delegated investment manager would receive a greater proportion of the Fund's OCF. This mechanism therefore prevents investors from participating in any possible savings that could be achieved if the Fund was to grow in the future.

Accordingly, the Board were of the opinion that the current fee structure within the Fund was not in investors' best interests and as such they concluded that both SWFAL and Church House should work together to establish a model that was better suited to achieving a more favourable investor outcome.

This section has therefore been marked as Amber in respect of the A, B and C classes.

Were there any follow up actions?

SWFAL are in discussions with Church House with a view to implementing a more satisfactory outcome for investors before the next assessment of value review.

Comparable Market Rates

What SWFAL assessed in this section?

The Board reviewed the ongoing charges of the Fund, and how those charges affected its returns.

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

What was the outcome of the assessment?

The OCF for the 'A' class is 1.46%, 'B' class 1.10% and 'C' class 0.98%⁴.

The OCF for all classes was found to have compared favourably with those of similar externally managed funds.

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

Were there any follow up actions?

There were no follow-up actions required.

Comparable Services

⁴ As at KIID, 21 January 2021

What SWFAL assessed in this section?

The Board compared the Fund's OCF with those of other funds administered by SWFAL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

The OCF was found to have compared favourably with other SWFAL administered funds displaying similar characteristics.

Were there any follow up actions?

There were no follow-up actions required.

Classes of Shares

What SWFAL assessed in this section?

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

What was the outcome of the assessment?

There are three share classes in the Fund. SWFAL conducted a review of all shareholders on the registers and, from the data available, were confident that shareholders were in the correct share class.

Were there any follow up actions?

There were no follow-up actions required.

SVS Church House UK Equity Growth Fund

Performance

What SWFAL assessed in this section?

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

Investment Objectives

The Fund seeks to provide capital growth over the long term (at least five years).

Benchmark

As ACD, SWFAL was 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 Fund are the *FTSE 100 Index* and the *IA UK All Companies Shares* sector, both of which are comparators. A 'comparator' benchmark is an index or similar factor against which an investment manager invites investors to compare a fund's performance. Details of how the Fund has performed against its comparator benchmarks over various timescales can be found below.

Data as at 31 August 2021



SVS Church House UK Equity Growth Fund



Cumulative Performance (%)

Cumulative Performance as at 31/08/2021

Instrument	Currency	1y	3yrs	5yrs	31/08/2011 to 31/08/2021
FTSE 100 TR in GB	GBP	23.63	7.46	27.53	93.31
IA UK All Companies TR in GB	GBP	32.43	16.95	41.75	136.48
SVS Church House - UK Equity Growth A Acc in GB	GBX	30.30	21.72	48.28	148.39
SVS Church House - UK Equity Growth B Acc in GB (launched 18 June 2014)	GBX	31.14	23.97	52.98	
SVS Church House - UK Equity Growth Z Acc in GB (launched 1 September 2020)	GBX	31.70			

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

Performance shown is representative of all share classes.

Performance is calculated net of fees.

Past performance is not a guide to future performance.

What was the outcome of the assessment?

The Board noted the existence of the Fund's two comparator benchmarks. Consideration was initially given to the performance of the Fund's 'A' class and 'B' class against the IA UK All Companies Index where both had performed well over the one year period and beyond.

Next, the Board observed that both classes had also performed well against the FTSE 100 Index, again over one year and beyond, however they were mindful that the Fund had a significant exposure to companies with a smaller market capitalisation which weren't represented within the FTSE 100 Index.

Additionally, SWFAL sought to establish a composite index that accounted for the Fund's holdings in smaller companies. On completion of this exercise, it was evident to the Board that the Fund had performed well against this composite comparator which further allowed them to come to the conclusion that it was meeting its objective of capital growth over the longer term.

The 'Z' class was launched in September 2020 and it is therefore too early to draw any conclusions on the performance of this class.

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

Were there any follow up actions?

There were no follow-up actions required.

ACD Costs

What SWFAL assessed in this section?

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

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

What was the outcome of the assessment?

The Board observed that Church House operate a unique model, one that includes a notional in-house portfolio management fee that sits within the Fund's investment management fee. This is relevant for the 'A' share class and has the effect of inflating the OCF. As a result SWFAL excluded this fee so that the Fund could be better compared on a like-for-like basis with other funds displaying similar characteristics. Once this had been completed the Board were able to conclude that each of the Fund's costs were fair, reasonable and provided on a competitive basis.

Church House acknowledge that the difference between the 'A' and 'B' share classes is inconsistent across the fund range and will be reducing the AMC on the 'A' share class by 25bps. This is expected to take place during the first quarter of 2022.

Were there any follow up actions?

There were no follow-up actions required.

Economies of Scale

What SWFAL assessed in this section?

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

What was the outcome of the assessment?

All three classes have a fixed AMC with an embedded ACD tier within them, meaning that if the Fund was to grow, the result would be that the delegated investment manager would receive a greater proportion of the Fund's OCF. This mechanism therefore prevents investors from participating in any possible savings that could be achieved if the Fund was to grow in the future.

Accordingly, the Board were of the opinion that the current fee structure within the Fund was not in investors' best interests and as such they concluded that both SWFAL and Church House should work together to establish a model that was better suited to achieving a more favourable investor outcome.

This section has therefore been marked as Amber in respect of all three classes.

Were there any follow up actions?

SWFAL are in discussions with Church House with a view to implementing a more satisfactory outcome for investors before the next assessment of value review.

Comparable Market Rates

What SWFAL assessed in this section?

The Board reviewed the ongoing charges of the Fund, and how those charges affected its returns.

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

What was the outcome of the assessment?

The OCF of the share classes were; 'A' class 1.55%, 'B' class 0.93%, 'Z' class 0.66%.⁵

⁵ At interim, 31 March 2021

Once an allowance had been made for the fact that Church House do not charge a separate in-house portfolio management fee or internal platform fee for clients invested in their own funds, the analysis showed that the cost of the 'A' class was below that of their external peer group. The Board were therefore comfortable that the 'A' class was priced at a level not out of line with similar externally managed funds.

The 'B' and 'Z' shares, on the other hand, are not offered to Church House's in-house clients and as such do not attract the same portfolio management fee that the 'A' class does. No adjustment is therefore made when comparing them against similar externally managed funds. Again, SWFAL found these to compare favourably with the peer group and as such the Board were comfortable that both classes were aligned with equivalent externally managed funds.

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

Were there any follow up actions?

There were no follow-up actions required.

Comparable Services

What SWFAL assessed in this section?

The Board compared the Fund's OCF with those of other funds administered by SWFAL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

The OCF was found to have compared favourably with other SWFAL administered funds displaying similar characteristics.

Were there any follow up actions?

There were no follow-up actions required.

Classes of Shares

What SWFAL assessed in this section?

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

What was the outcome of the assessment?

There are three share classes in the Fund. SWFAL conducted a review of all shareholders on the registers and, from the data available, were confident that shareholders were in the correct share class.

Were there any follow up actions?

There were no follow-up actions required.

SVS Church House UK Smaller Companies Fund

Performance

What SWFAL assessed in this section?

The Fund was originally known as the SVS Church House Deep Value Fund. With effect from the 24 August 2020, the investment objective, policy and strategy was fundamentally changed. As a result, performance prior to that date has not been considered.

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

Investment Objectives

The Fund seeks to provide capital growth over the long term (at least five years).

Benchmark

As ACD, SWFAL was 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 Fund are the *FTSE All-Share Index* and the *FTSE Small Cap ex Investment Trusts Index*, both of which are comparators. A 'comparator' benchmark is an index or similar factor against which an investment manager invites investors to compare a fund's performance. Details of how the Fund has performed against its comparator benchmarks over various timescales can be found below.

Data as at 31 August 2021



SVS Church House UK Smaller Companies Fund



FE Analytics

Cumulative Performance (%)

Instrument	Currency	1y
FTSE All Share TR in GB	GBP	26.95
FTSE Small Cap ex Inv Co TR in GB	GBP	71.45
SVS Church House - UK Smaller Companies A in GB	GBX	43.46
SVS Church House - UK Smaller Companies B in GB	GBX	43.99

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

Performance shown is representative of all share classes.

Performance is calculated net of fees.

Past performance is not a guide to future performance.

What was the outcome of the assessment?

The Board noted the existence of the Fund's two comparator benchmarks and in particular the considerable divergence between them both.

Consideration was initially given to the Fund's performance against the FTSE Small Cap ex Investment Companies Index where it was clear that returns had significantly underperformed those of the benchmark.

Next, the Board observed that the Fund had performed well against the FTSE All Share Index, however it was noted that the Fund is not attempting to track, outperform or replicate the asset allocation of the index.

Instead, SWFAL used an index that was more in line with the asset allocation within the Fund. On completion of this review, it was evident to the Board that there was a far greater correlation between the Fund and the alternative index than there was between the Fund and either of the two comparator benchmarks. This gave the Board the confidence that the Fund was performing well when compared against a more representative index, albeit in the short period since it was repurposed, and further allowed them to come to the conclusion that it was on target of meeting its objective of providing capital growth.

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

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

Were there any follow up actions?

There were no follow-up actions required.

ACD Costs

What SWFAL assessed in this section?

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

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

What was the outcome of the assessment?

The Board observed that Church House operate a unique model, one that includes a notional in-house portfolio management fee that sits within the Fund's investment management fee. This is relevant for the 'A' share class and has the effect of inflating the OCF. As a result SWFAL excluded this fee so that the Fund could be better compared on a like-for-like basis with other funds displaying similar characteristics. Once this had been completed the Board were able to conclude that each of the Fund's costs were fair, reasonable and provided on a competitive basis.

Were there any follow up actions?

There were no follow-up actions required.

Economies of Scale

What SWFAL assessed in this section?

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

What was the outcome of the assessment?

Both the 'A' class and 'B' class have a fixed AMC with an embedded ACD tier within them, meaning that if the Fund was to grow, the result would be that the delegated investment manager would receive a greater proportion of the Fund's OCF. This mechanism therefore prevents investors from participating in any possible savings that could be achieved if the Fund was to grow in the future.

Accordingly, the Board were of the opinion that the current fee structure within the Fund was not in investors' best interests and as such they concluded that both SWFAL and Church House should work together to establish a model that was better suited to achieving a more favourable investor outcome.

This section has therefore been marked as Amber in respect of both the 'A' and 'B' classes.

Were there any follow up actions?

SWFAL are in discussions with Church House with a view to implementing a more satisfactory outcome for investors before the next assessment of value review.

Comparable Market Rates

What SWFAL assessed in this section?

The Board reviewed the ongoing charges of the Fund, and how those charges affected its returns.

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

What was the outcome of the assessment?

The OCF for the 'A' class is 1.66% and the 'B' class 1.28%⁶.

Once an allowance had been made for the fact that Church House do not charge a separate in-house portfolio management fee or internal platform fee for clients invested in their own funds, the analysis showed that the cost of the 'A' class was in line with the externally managed peer group. The Board also gave consideration to a recent regulatory change in cost disclosures that requires the underlying cost of holding closed ended investment vehicles be added to the Fund's overall cost. This has been accounted for within the 'A' class but it was inconclusive as to

⁶ At interim report, 31 March 2021

whether the funds in the Fund's peer group had adopted a similar stance. That being the case, the Board were comfortable that the 'A' shares were priced at a level not out of line with similar externally managed funds.

The 'B' class, on the other hand, are not offered to Church House's in-house clients and as such do not attract the same portfolio management fee that the 'A' class does. No adjustment is therefore made when comparing them against similarly externally managed funds. Again, SWFAL found these to be in line with the Fund's peer group and with the added uncertainty surrounding whether funds in the marketplace had accounted for the cost of holding closed ended vehicles, the Board were comfortable that the 'B' class were aligned with equivalent externally managed funds.

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

Were there any follow up actions?

There were no follow-up actions required.

Comparable Services

What SWFAL assessed in this section?

The Board compared the Fund's OCF with those of other funds administered by SWFAL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

The OCF was found to have compared favourably with other SWFAL administered funds displaying similar characteristics.

Were there any follow up actions?

There were no follow-up actions required.

Classes of Shares

What SWFAL assessed in this section?

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

What was the outcome of the assessment?

There are two share classes in the Fund. SWFAL conducted a review of all shareholders on the registers and, from the data available, were confident that shareholders were in the correct share class.

Were there any follow up actions?

There were no follow-up actions required.

Consumer Feedback

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

<https://smithandwilliamson.com/en/services/fund-administration/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.