

SVS Dowgate Wealth Funds ICVC

Annual Report

for the year ended 31 December 2023

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## SVS Dowgate Wealth Funds ICVC Report of the Authorised Corporate Director ('ACD')

Evelyn Partners Fund Solutions Limited, as ACD, presents herewith the Annual Report for SVS Dowgate Wealth Funds ICVC for the year ended 31 December 2023.

SVS Dowgate Wealth Funds ICVC ('the Company') is an authorised open-ended investment company with variable capital ('ICVC') further to an authorisation order dated 24 February 2022. The Company is incorporated under registration number IC066558. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL'), as published by the Financial Conduct Authority ('FCA').

The Company has been set up as an umbrella company. Provision exists for an unlimited number of sub-funds to be included within the umbrella and additional sub-funds may be established by the ACD with the agreement of the Depositary and the approval of the FCA. The sub-funds represent segregated portfolios of assets and, accordingly, the assets of a sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (indirectly or directly) the liabilities of claim against, any other person or body, and any other sub-fund and shall not be available for any such purpose.

The Company has two sub-funds; SVS Dowgate Wealth UK Small Cap Growth Fund and SVS Dowgate Wealth European Growth Fund. The ACD is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the accounts of SVS Dowgate Wealth UK Small Cap Growth Fund as the assets of the sub-fund consist predominantly of securities which are readily realisable and, accordingly, the sub-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.

The ACD, after consultation with shareholders, took the decision to merge SVS Dowgate Wealth European Growth Fund with SVS Dowgate Wealth UK New Economies Fund as the assets under management did not grow in line with expectations. They both have similar objectives and the belief is that the merger will create economies of scale and reduced costs associated with the management of a larger pool of assets. SVS Dowgate Wealth European Growth Fund is no longer considered by the ACD to be a going concern and that it is therefore not appropriate to adopt the going concern basis of accounting in preparing the financial statements of this sub-fund.

On 24 February 2022, Russian troops invaded 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. In particular, SVS Dowgate Wealth Funds ICVC does not have direct exposure to the Russian and Belarusian markets.

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

The Company has no Directors other than the ACD.

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

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

### Cross holdings

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

### Investment objective and policy

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

### Sub-funds

There are two sub-funds available in the Company:

SVS Dowgate Wealth UK Small Cap Growth Fund

SVS Dowgate Wealth European Growth Fund

## Report of the Authorised Corporate Director (continued)

### Changes affecting the Company in the year

There were no fundamental or significant changes to the Company in the year.

Further information in relation to the Company is illustrated on page 60.

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes sourcebook, we hereby certify the Annual Report on behalf of the ACD, Evelyn Partners Fund Solutions Limited.

### Changes affecting the Company subsequent to the year end

The ACD has taken the decision to merge SVS Dowgate Wealth European Growth Fund, a sub-fund of the Company, with SVS Dowgate Wealth UK New Economies Fund. Subsequently, a scheme of arrangement was approved and on 25 January 2024 shareholders' existing holdings in the sub-fund were cancelled and the assets were transferred to SVS Dowgate Wealth UK New Economies Fund.

Neil Coxhead

Director

Evelyn Partners Fund Solutions Limited

2 April 2024

## Statement of the Authorised Corporate Director's responsibilities

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

In preparing the financial statements the ACD is responsible for:

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

COLL also requires the ACD to carry out an Assessment of Value on the Company and publish these assessments within the Annual Report.









An Assessment of Value was undertaken for SVS Dowgate Wealth UK Small Cap Growth Fund, however, as the ACD, after consultation with shareholders, took the decision to merge SVS Dowgate Wealth European Growth Fund an Assessment of Value was not required.

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




## Assessment of Value - SVS Dowgate Wealth UK Small Cap Growth Fund

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

A high-level summary of the outcome of EPFL's rigorous review of the sub-fund for the year ended 31 December 2023, using the seven criteria set by the FCA is set out below:

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

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

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

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

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

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

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

The seven criteria are:

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

## Assessment of Value - SVS Dowgate Wealth UK Small Cap Growth Fund (continued)

### 1. Quality of Service

What was assessed in this section?

#### Internal Factors

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

The Board reviewed information provided by EPFL's control functions on the adequacy of its internal services, including governance, operations and monitoring. Elements important to the investor experience such as the timely payment of settlement and distribution monies were also reviewed. Over the past year, EPFL has been audited by internal and external auditors, the sub-fund's Depositary and various EPFL delegated 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, Dowgate Wealth Limited, where consideration was given to, amongst other things, the delegate's controls around the sub-fund's liquidity management.

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

What was the outcome of the assessment?

#### Internal Factors

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

#### External Factors

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

Were there any follow up actions?

There were no follow-up actions required.

### 2. Performance

What was assessed in this section?

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

#### Investment Objective

The sub-fund seeks to provide long term capital growth over periods of 5 years or longer.

#### Benchmark

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

## Assessment of Value - SVS Dowgate Wealth UK Small Cap Growth Fund (continued)

### 2. Performance (continued)

#### Benchmark (continued)

The benchmark for the sub-fund is the IA UK Smaller Companies Sector, which is a comparator. A 'comparator' benchmark is an index or similar factor against which an investment manager invites investors to compare a fund's performance. Details of how the sub-fund had performed against its comparator benchmark over various timescales can be found below.

Cumulative Performance as at 30 November 2023 (%)

	Currency	1 year	14.03.2022 to 30.11.2023
IA UK Smaller Companies Sector	GBP	-6.59	-15.87
SVS Dowgate UK Small Cap Growth F Class Accumulation Shares	GBX	-10.07	-18.84

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

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

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

The Board were mindful that the sub-fund has a long-term objective of capital growth over 5 years or longer, however, they were still required to assess the performance of the sub-fund since launch on 14 March 2022, where they observed that it had underperformed its comparator benchmark. As a result, this section was given an Amber rating. The Board noted that performance was impacted by the short period.

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

#### Were there any follow up actions?

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

### 3. ACD Costs

#### What was assessed in this section?

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

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

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

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

#### Were there any follow up actions?

There were no follow-up actions required.

### 4. Economies of Scale

#### What was assessed in this section?

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

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

The sub-fund has a fixed AMC with the Investment Manager's fee capped within that. The ACD's periodic charge is on a tier meaning that once the sub-fund reaches a certain level there are savings for the benefit of investors.

The ancillary charges of the sub-fund represent 39 basis points<sup>1</sup>. Some of these costs are fixed and as the sub-fund grows in size it may result in a small reduction in the basis point cost of these services.

#### Were there any follow up actions?

There were no follow-up actions required.

<sup>1</sup> One basis point is equal to 1/100th of 1%, or 0.01%. Figure calculated at interim report, 30 June 2023.



## Assessment of Value - SVS Dowgate Wealth UK Small Cap Growth Fund (continued)

### 5. Comparable Market Rates

What was assessed in this section?

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

What was the outcome of the assessment?

The OCF of 1.07%<sup>2</sup> was found to have compared less 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 sub-fund.

Were there any follow up actions?

There was no further action required as the Board acknowledged that the size of the sub-fund would result in a higher than normal OCF.

### 6. Comparable Services

What was assessed in this section?

The Board sought to compare the Investment Manager's fee with those of other funds administered by EPFL having regard to size, investment objectives and policies.

What was the outcome of the assessment?

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

Were there any follow up actions?

There were no follow-up actions required.

### 7. Classes of Shares

What was assessed in this section?

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

What was the outcome of the assessment?

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

Were there any follow up actions?

There were no follow-up actions required.

### Overall Assessment of Value

Notwithstanding the matters discussed in Sections 2 and 5, the Board concluded that SVS Dowgate Wealth UK Small Cap Growth Fund had provided value to shareholders but performance since launch merited further monitoring going forward.

Dean Buckley  
Chairman of the Board of Evelyn Partners Fund Solutions Limited  
22 February 2024

### Consumer Feedback

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

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

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

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

<sup>2</sup> Figure calculated at interim report, 30 June 2023.

## Report of the Depositary to the shareholders of SVS Dowgate Wealth Funds ICVC

### Depositary's responsibilities

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited  
2 April 2024

## Independent Auditor's report to the shareholders of SVS Dowgate Wealth Funds ICVC

### Opinion

We have audited the financial statements of SVS Dowgate Wealth Funds ICVC ('the Company') for the year ended 31 December 2023, which comprise the Statements of Total Return, Statements of Changes in Net Assets Attributable to Shareholders, Balance Sheets, the related Notes to the Financial Statements, including significant accounting policies and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the financial position of the Company as at 31 December 2023 and of the net revenue and the net capital losses on the scheme property of the Company for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the Investment Association Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook ('COLL Rules') of the Financial Conduct Authority and the Instrument of Incorporation.

### Basis for Opinion

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

### Emphasis of matter – basis of preparation - SVS Dowgate Wealth European Growth Fund

We draw attention to Note (a) of the Accounting policies of the Company, which explains the Authorised Corporate Director's intention to terminate the SVS Dowgate Wealth European Growth Fund and therefore they do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements for this sub-fund. Accordingly, the financial statements for this sub-fund have been prepared on a basis other than going concern as described in Note (a) of the Accounting policies. The financial statements for the Company as a whole remain prepared on a going concern basis. Our opinion is not modified in respect of this matter.

### Conclusions Relating to Going Concern

The financial statements for SVS Dowgate Wealth European Growth Fund have been prepared on a basis other than going concern as disclosed in Note (a) of the Accounting policies of the Company. In auditing the financial statements of the Company and the remaining sub-fund, SVS Dowgate Wealth UK Small Cap Growth Fund, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

### Other Information

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

We have nothing to report in this regard.

## Independent Auditor's report to the shareholders of SVS Dowgate Wealth Funds ICVC (continued)

### Opinions on Other Matters Prescribed by the COLL Rules

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

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

### Responsibilities of the Authorised Corporate Director

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

### *Extent to which the audit was 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 extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and the sector in which it operates, focusing on those provisions 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 COLL Rules; and
- the Company's Prospectus.

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

## Independent Auditor's report to the shareholders of SVS Dowgate Wealth Funds ICVC (continued)

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

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

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

We identified a heightened fraud risk in relation to:

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

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:

- Reviewing the level of and reasoning behind the Company's procurement of legal and professional services;
- 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 Company'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 Company'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 Company's shareholders, as a body, in accordance with Rule 4.5.12 of the COLL Rules issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members 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  
2 April 2024

## Accounting policies of SVS Dowgate Wealth Funds ICVC

for the year ended 31 December 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, and the requirements of the Collective Investment Schemes sourcebook ('the COLL Rules').

The ACD has considered a detailed assessment of each sub-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 sub-fund, SVS Dowgate Wealth UK Small Cap Growth Fund, continues to be open for trading and the ACD is satisfied this sub-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 for this sub-fund.

SVS Dowgate Wealth European Growth Fund is in the process of winding up and the financial statements have been prepared on a basis other than going concern. Under this basis the ACD is required to consider whether any investments should be adjusted to net realisable value, where the change in status of the sub-fund will result in restrictions to the realisable value. The ACD is also required to make provision for any contractual commitments that have become onerous at the balance sheet date. In the application of this policy there has been no impact on the valuation and recognition of the sub-fund's assets and liabilities. Furthermore the financial statements do not include any provision for the future costs of winding up the business of the sub-fund except to the extent that such costs were committed at the balance sheet date.

### b *Valuation of investments*

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

Where an observable market price is unreliable or does not exist, investments are valued at the ACD's best estimate of the amount that would be received from an immediate transfer at arm's length.

### c *Foreign exchange*

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

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

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

## Accounting policies of SVS Dowgate Wealth Funds ICVC (continued)

for the year ended 31 December 2023

### 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 share types

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

### g Taxation

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

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

Deferred taxation is provided in full on timing differences that result in an obligation at 31 December 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.

When a disposal of a holding in a non-reporting offshore fund is made, any gain is an offshore income gain and tax will be charged to capital. There may be instances where tax relief is due to revenue for the utilisation of excess management expenses.

### h Efficient Portfolio Management

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

### i Dilution levy

The need to charge a dilution levy will depend on the volume of sales or redemptions. The ACD may charge a discretionary dilution levy on the sale and redemption of shares if, in its opinion, the existing shareholders (for sales) or remaining shareholders (for redemptions) might otherwise be adversely affected, and if charging a dilution levy is, so far as practicable, fair to all shareholders and potential shareholders. 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 shares are paid to shareholders. Distributions attributable to accumulation shares are re-invested in the sub-fund on behalf of the shareholders.

#### ii Unclaimed distributions

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

#### iii Revenue

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

## Accounting policies of SVS Dowgate Wealth Funds ICVC (continued)

for the year ended 31 December 2023

### *j Distribution policies (continued)*

#### *iv Expenses*

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



## SVS Dowgate Wealth UK Small Cap Growth Fund

### Investment Manager's report

#### Investment objective and policy

The aim of the sub-fund is to provide long term capital growth over periods of 5 years or longer.

In normal market conditions, at least 80% of the sub-fund will be invested, directly or indirectly, in the shares of UK smaller companies. These are shares of companies which are incorporated or domiciled in the UK or shares of companies that are listed in the UK and have the majority of their economic activity in the UK and which form the bottom 10% of the UK equity market by capitalisation.

The aim of the sub-fund is to identify companies that have good long-term growth potential. The predominant focus is on individual company analysis and selection, although economic conditions are also considered. The sub-fund is actively managed, which means the Investment Manager decides which investments to buy or sell and when. The sub-fund invests in a diverse portfolio of companies and is not constrained by any industry or sector.

The sub-fund may also invest in other transferable securities (including shares in mid and large cap companies, following the same investment philosophy as above, anywhere in the world), warrants, government and public securities.

Up to 10% of the sub-fund may also be invested in units or shares of collective investment schemes (which may include collective investment schemes managed by the ACD or its associates), which offer exposure to UK smaller companies.

Up to 10% of the sub-fund may also be invested in investment trusts, which offer exposure to UK, as well as global, smaller companies.

To the extent that the sub-fund is not fully invested in shares of UK smaller companies, the sub-fund may hold global securities, cash-like instruments, such as money market instruments, deposits, cash and near cash. Such investments are not intended to be more than 20% in aggregate of the value of the sub-fund.

#### Investment performance\*

For the period from 1 January 2023 to 31 December 2023, the sub-fund returned -3.02% (net income reinvested, GBP). This was broadly in line with the smaller segment of the market in what was a difficult year for UK smaller companies. This performance resulted in management changes to the sub-fund in Q3, with Laurence Hulse formally being promoted to lead Manager of the sub-fund, and Mark Chadwick stepping down. Laurence joined from Gresham House in 2022 where he had been on a top-performing UK equities team for 8 years. Ben McKeown remains as deputy Manager, working closely with Laurence. Absolute and relative performance improved materially following these changes and associated portfolio rotations. To highlight this, in Q4 9 of the top 10 performers were investments initiated by the modified team approach. Mpac Group, Windward and Trustpilot Group have been particular highlights. The sub-fund's strategy is to focus on undervalued opportunities in the UK market where the manager has identified improving earnings and catalysts for valuation multiple expansion.

Top 10 Performers over the year %		Bottom 10 Performers over the year %	
Creo Medical Group	+96.06%	Zoo Digital Group	-77.98%
NIOX Group	+88.92%	Cirata	-68.68%
Dechra Pharmaceuticals	+86.68%	Kistos Holdings	-62.77%
Smart Metering Systems	+67.19%	Belluscura	-62.42%
YouGov	+60.68%	RBG Holdings	-57.30%
THG	+58.09%	Saietta Group	-56.73%
J D Wetherspoon	+57.62%	NCC Group	-52.53%
Ashtead Technology Holdings	+49.17%	Totally	-44.31%
Comptoir Group	+39.07%	EKF Diagnostics Holdings	-41.55%
Melrose Industries	+35.34%	Trident Royalties	-41.24%

\*Source: Bloomberg and FE fundinfo.

## Investment Manager's report (continued)

### Investment activities

Within the year the team have sought to materially simplify the portfolio, reducing the number of holdings from c.60 to c.40, in a bid to improve process and outcomes. Companies within the sub-fund include Mpac Group; a designer of automated packaging lines, Team17 Group; a leading gaming company going through a recovery under a trusted Chair and EKF Diagnostics Holdings; a market leading producer of diagnostic equipment and enzymes.

During the period, we exited a large number of positions following personnel changes, in order to reduce the holding count and partially replace with higher conviction investment ideas.

We added to several new holdings during the period including Mpac Group (see earlier comments), Windward a leading Artificial Intelligence ('AI') data consolidator for marine traffic and compliance, YouGov; the polling company, and Trustpilot Group the consumer experience platform.

We took some profit in our largest holdings, Ashtead Technology Holdings and Trustpilot Group after material gains in each. During the year there were three takeover offers within the portfolio, Dechra Pharmaceuticals, Smart Metering Systems and DX; two of which were new holdings following the portfolio changes in Q3.

### Investment strategy and outlook\*

2023 was a different year than most investors expected. A year ago, financial markets were priced for a recession, which didn't arrive, at least not in the US. Meanwhile, China's widely expected post-COVID recovery stalled out. Investors began 2023 fearing inflation and the consequences of higher for longer interest rates. While the demise of Silicon Valley Bank and the life support given to other regional banks seemed to justify their fears, the vital signs of US economic health persisted, and policy rates continued to rise until August.

But a few weeks later, following some Federal Reserve smoke signals, investors began believing rates had peaked. Bond yields tumbled, risk assets rose as short positions were closed, and the bond rush subsided. Financial conditions and liquidity eased, the dollar weakened, and investors rolled out the red carpet to greet the improbable soft landing. The "immaculate disinflation" is now investors' base case scenario.

In the coming year, circa 40% of the world's population will vote in national elections, including both its wealthiest and most populous nations. The results are already as good as known for some, such as Russia's presidential election in March. Others are likely to be more geopolitically consequential, for example, Taiwan this month and Korea in April. It is unlikely that many will match Argentina's recent poll for outright radical uncertainty, but few match the severity of its structural economic problems.

By contrast, the UK's election, likely in May or October, will be of little consequence for global investors, most of whom wrote off the UK as a home for proactive investment long ago. Having won last year's Most Improved Player Award for Political Stability, this year, a smooth UK political transition could be all that is required for both direct and portfolio investors to tie a bow on the UK as a place to increase their position sizes.

However, in stock market terms last year, the UK remained a laggard by global standards. The S&P 500 Index was pipped by Tokyo's Nikkei 225 (+28% to +25%) in the major country indices stakes. But, the real story of the year was the continued power of US Big Tech, with the NASDAQ 100 up over 50%. Within it, the newly crowned Magnificent Seven AI wonder stocks (the FAANGS (Facebook, Amazon, Apple, Netflix, Google stocks) minus Netflix, plus Nvidia, Microsoft and Tesla) were ahead by more than 100%, ending the year, accounting for nearly 30% of the market cap of the S&P 500 Index and 19% of the 12,500 stocks from 23 countries comprising the MSCI Developed World All Share Index. As a result, just seven stocks now account for almost \$12tn of market value (more than six times the size of the FTSE100), a degree of market concentration greater than the Dotcom Boom of 25 years ago and the Nifty Fifty of 50 years ago. When these previous periods of excessive market concentration unwound, the result was the multiyear outperformance of smaller companies and the value style. The early signs suggest that 2024 might follow such a pattern.

The UK's AIM 100 index ended the year down a disappointing 8% but also rallied from its post-COVID low in October by 8%.

\*Source: Refinitiv, 2023.

## Investment Manager's report (continued)

### Investment strategy and outlook (continued)

As we enter a year of elections, the issue of fiscal dominance and bond yields remain essential drivers of financial market performance. 2023 ended with US and UK 10-year yields broadly unchanged. However, this masked a roller coaster ride. Capital poured into sovereign debt during the year, offering the prospect of a real return for the first time in many years and crowding out investment for other assets. The lesson from 2023 is that bond markets influence equity valuations, but quality equities can adapt and survive.

Dowgate Wealth Limited

30 January 2024

## Summary of portfolio changes

for the year ended 31 December 2023

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

	Cost
	£
Purchases:	
Discoverie Group	232,172
Liontrust Asset Management	230,518
M&G	227,200
J D Wetherspoon	221,979
Speedy Hire	207,881
Premier Miton Group	198,701
CAB Payments Holdings	198,444
Transense Technologies	186,546
EKF Diagnostics Holdings	179,318
Midwich Group	176,104
Kooth	175,141
Angling Direct	166,354
Mpac Group	165,592
RBG Holdings	164,046
Kitwave Group	159,542
DX	157,912
Hunting	154,493
Dechra Pharmaceuticals	150,167
Carr's Group	150,119
Future	150,010

	Proceeds
	£
Sales:	
Dechra Pharmaceuticals	294,049
NIOX Group	250,652
Discoverie Group	237,930
Ashtead Technology Holdings	232,258
M&G	212,058
DX	196,949
Smart Metering Systems	192,056
J D Wetherspoon	184,519
First Derivatives	181,881
Watches of Switzerland Group	181,386
JTC	173,102
Trident Royalties	172,574
CAB Payments Holdings	168,834
Creo Medical Group	163,678
On the Beach Group	162,124
Oxford Instruments	161,987
Fevertree Drinks	161,559
Halfords Group	159,783
Kistos Holdings	157,392
AB Dynamics	153,759

Portfolio statement  
as at 31 December 2023

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities 98.34% (87.23%)			
Equities - United Kingdom 89.85% (84.31%)			
Equities - incorporated in the United Kingdom 88.80% (72.72%)			
Energy 1.90% (5.40%)			
Hunting	33,500	98,825	1.90
Materials 1.79% (4.74%)			
Brickability Group	150,000	93,000	1.79
Industrials 20.51% (15.00%)			
Alumasc Group	70,000	122,500	2.36
Flowtech Fluidpower	155,000	125,550	2.42
Mpac Group	80,000	204,000	3.93
RBG Holdings	756,980	83,268	1.60
REACT Group	11,430,000	160,020	3.08
Renewi	14,450	91,902	1.77
Robert Walters	20,000	89,000	1.71
Speedy Hire	575,000	189,175	3.64
		1,065,415	20.51
Consumer Discretionary 18.16% (10.23%)			
Angling Direct	451,170	184,980	3.56
Bovis Homes Group	13,300	122,027	2.35
Comptoir Group	1,631,000	114,170	2.20
J D Wetherspoon	12,200	98,698	1.90
Pendragon	300,000	96,900	1.87
TI Fluid Systems	25,000	38,450	0.74
Transense Technologies	181,470	181,470	3.49
Vertu Motors	150,000	106,500	2.05
		943,195	18.16
Consumer Staples 5.71% (2.63%)			
Carr's Group	121,000	117,612	2.26
Kitwave Group	42,500	108,375	2.09
Virgin Wines UK	185,455	70,473	1.36
		296,460	5.71
Health Care 10.25% (7.30%)			
Belluscura	100,000	22,000	0.42
Diaceutics	105,000	90,300	1.74
EKF Diagnostics Holdings	600,899	188,682	3.63
Kooth	50,000	147,000	2.83
Verici Dx	892,000	84,740	1.63
		532,722	10.25

## Portfolio statement (continued)

as at 31 December 2023

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities (continued)			
Equities - United Kingdom (continued)			
Equities - incorporated in the United Kingdom (continued)			
Financials 15.13% (5.93%)			
Alpha Group International	6,365	108,205	2.08
AssetCo	194,435	89,440	1.72
Frenkel Topping Group	200,000	114,000	2.20
Liontrust Asset Management	37,000	233,100	4.49
PCI-PAL	100,000	62,000	1.19
Premier Miton Group	280,000	179,200	3.45
		<u>785,945</u>	<u>15.13</u>
Information Technology 6.01% (15.95%)			
Alfa Financial Software Holdings	70,000	97,300	1.87
FDM Group Holdings	32,500	149,012	2.87
Midwich Group	15,376	65,656	1.27
		<u>311,968</u>	<u>6.01</u>
Communication Services 9.34% (4.85%)			
Future	20,000	159,100	3.06
Team17 Group	80,000	144,000	2.77
Trustpilot Group	59,686	88,574	1.71
YouGov	8,000	93,600	1.80
		<u>485,274</u>	<u>9.34</u>
Utilities 0.00% (0.69%)		-	-
Total equities - incorporated in the United Kingdom		<u>4,612,804</u>	<u>88.80</u>
Equities - incorporated outwith the United Kingdom 1.05% (11.59%)			
Materials 0.00% (1.08%)		-	-
Financials 1.05% (6.60%)			
AdvancedAdvT <sup>^</sup>	66,666	54,666	1.05
MJ Hudson Group <sup>^^</sup>	239,916	-	-
		<u>54,666</u>	<u>1.05</u>
Information Technology 0.00% (3.91%)		-	-
Total equities - incorporated outwith the United Kingdom		<u>54,666</u>	<u>1.05</u>
Total equities - United Kingdom		<u>4,667,470</u>	<u>89.85</u>

<sup>^</sup> AdvancedAdvT has been suspended and as a result, the Fair Value Pricing Committee agreed to price this stock using the last traded price of £0.82 on 08/06/2023.

<sup>^^</sup> MJ Hudson Group has been suspended due to issues of the reporting of historical trading and as a result, the Fair Value Pricing Committee agreed to price this stock as nil.

## Portfolio statement (continued)

as at 31 December 2023

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities (continued)			
Equities - United States 4.45% (0.00%)			
Boku	80,000	105,600	2.03
Somero Enterprises	34,000	125,800	2.42
Total equities - United States		<u>231,400</u>	<u>4.45</u>
Equities - Australia 0.00% (1.65%)		-	-
Equities - Cyprus 0.00% (1.27%)		-	-
Equities - Gibraltar 1.28% (0.00%)			
888 Holdings	70,000	<u>66,360</u>	<u>1.28</u>
Equities - Israel 2.76% (0.00%)			
Windward	175,000	<u>143,500</u>	<u>2.76</u>
Total equities		<u>5,108,730</u>	<u>98.34</u>
Closed-Ended Funds 1.62% (0.00%)			
Honeycomb Investment Trust	13,400	<u>84,152</u>	<u>1.62</u>
Warrants 0.00% (0.00%)		-	-
Portfolio of investments		5,192,882	99.96
Other net assets		1,927	0.04
Total net assets		<u>5,194,809</u>	<u>100.00</u>

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

The comparative figures in brackets are as at 31 December 2022.

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

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

## Risk and reward profile

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

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

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

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

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



## Comparative table

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

F Class Income Shares launched on 8 November 2022 at 86.31p per share. On 3 October 2023 all shares were redeemed.

	***2023	**2022
	p	p
<b>F Class Income Shares</b>		
Change in net assets per share		
Opening net asset value per share	88.93	86.31
Return before operating charges	(4.88)	2.76
Operating charges	(0.75)	(0.14)
Return after operating charges *	(5.63)	2.62
Distributions <sup>^</sup>	-	-
Closing net asset value per share	83.30	88.93
* after direct transaction costs of:	0.41	0.06
<hr/>		
Performance		
Return after charges	(6.33%)	3.04%
Other information		
Closing net asset value (£)	-	56,618
Closing number of shares	-	63,666
Operating charges <sup>^^</sup>	<sup>^^^</sup> 1.13%	<sup>^^^</sup> 1.08%
Direct transaction costs	0.47%	0.63%
<hr/>		
Published prices		
Highest share price	94.85	91.54
Lowest share price	82.64	85.99

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

\*\* For the period 8 November 2022 to 31 December 2022.

\*\*\* For the period 1 January 2023 to 3 October 2023.

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

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

<sup>^^^</sup> Annualised based on the expenses incurred during the period 8 November 2022 to 31 December 2022.

<sup>^^^</sup> Annualised based on the expenses incurred during the period 1 January 2023 to 3 October 2023.

## Comparative table (continued)

F Class Accumulation Shares launched on 14 March 2022 at 100.0p per share.

	2023	**2022
	p	p
<b>F Class Accumulation Shares</b>		
Change in net assets per share		
Opening net asset value per share	88.92	100.00
Return before operating charges	(2.15)	(10.29)
Operating charges	(0.97)	(0.79)
Return after operating charges *	(3.12)	(11.08)
Distributions <sup>^</sup>	(0.52)	(0.19)
Retained distributions on accumulation shares <sup>^</sup>	0.52	0.19
Closing net asset value per share	85.80	88.92
* after direct transaction costs of:	0.60	0.58
<hr/>		
Performance		
Return after charges	(3.51%)	(11.08%)
Other information		
Closing net asset value (£)	5,194,809	6,620,340
Closing number of shares	6,054,276	7,445,047
Operating charges <sup>^^</sup>	1.13%	<sup>^^^</sup> 1.08%
Direct transaction costs	0.69%	0.63%
<hr/>		
Published prices		
Highest share price	94.84	103.2
Lowest share price	78.82	80.45

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

\*\* For the period 14 March 2022 to 31 December 2022.

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

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

<sup>^^^</sup> Annualised based on the expenses incurred during the period 14 March 2022 to 31 December 2022.

## Financial statements - SVS Dowgate Wealth UK Small Cap Growth Fund

Statement of total return  
for the year ended 31 December 2023

	Notes	1 January 2023 to 31 December 2023		14 March 2022 to 31 December 2022	
		£	£	£	£
Income:					
Net capital losses	2		(413,177)		(805,329)
Revenue	3	107,348		73,098	
Expenses	4	<u>(69,669)</u>		<u>(56,902)</u>	
Net revenue before taxation		37,679		16,196	
Taxation	5	<u>-</u>		<u>(3,016)</u>	
Net revenue after taxation			<u>37,679</u>		<u>13,180</u>
Total return before distributions			(375,498)		(792,149)
Distributions	6		(37,684)		(13,203)
Change in net assets attributable to shareholders from investment activities			<u>(413,182)</u>		<u>(805,352)</u>

Statement of change in net assets attributable to shareholders  
for the year ended 31 December 2023

		1 January 2023 to 31 December 2023		14 March 2022 to 31 December 2022	
		£	£	£	£
Opening net assets attributable to shareholders			6,676,958		-
Amounts receivable on issue of shares		882,271		7,524,399	
Amounts payable on cancellation of shares		<u>(2,000,625)</u>		<u>(58,339)</u>	
			(1,118,354)		7,466,060
Dilution levy			18,147		2,328
Change in net assets attributable to shareholders from investment activities			(413,182)		(805,352)
Retained distributions on accumulation shares			31,240		13,922
Closing net assets attributable to shareholders			<u>5,194,809</u>		<u>6,676,958</u>

Balance sheet  
as at 31 December 2023

	Notes	2023 £	2022 £
Assets:			
Fixed assets:			
Investments		5,192,882	5,824,586
Current assets:			
Debtors	7	19,029	1,661
Cash and bank balances	8	66,491	864,042
Total assets		<u>5,278,402</u>	<u>6,690,289</u>
Liabilities:			
Creditors:			
Other creditors	9	(83,593)	(13,331)
Total liabilities		<u>(83,593)</u>	<u>(13,331)</u>
Net assets attributable to shareholders		<u><u>5,194,809</u></u>	<u><u>6,676,958</u></u>

Notes to the financial statements  
for the year ended 31 December 2023

1. Accounting policies

The accounting policies are disclosed on pages 13 to 15.

2. Net capital losses	1 January 2023 to 31 December 2023	14 March 2022 to 31 December 2022
	£	£
Non-derivative securities - realised losses	(597,273)	(668,858)
Non-derivative securities - movement in unrealised gains / (losses)	187,187	(135,201)
Currency losses	-	(206)
Transaction charges	(3,091)	(1,064)
Total net capital losses	<u>(413,177)</u>	<u>(805,329)</u>
3. Revenue	1 January 2023 to 31 December 2023	14 March 2022 to 31 December 2022
	£	£
UK revenue	82,785	64,749
Unfranked revenue	8,576	-
Overseas revenue	6,325	3,649
Bank and deposit interest	9,662	4,700
Total revenue	<u>107,348</u>	<u>73,098</u>
4. Expenses	1 January 2023 to 31 December 2023	14 March 2022 to 31 December 2022
	£	£
Payable to the ACD and associates		
Annual management charge*	<u>51,349</u>	<u>41,944</u>
Payable to the Depositary		
Depositary fees	<u>9,000</u>	<u>7,225</u>
Other expenses:		
Audit fee	6,936	6,600
Non-executive directors' fees	1,702	995
Safe custody fees	140	102
Bank interest	484	-
FCA fee	58	36
	<u>9,320</u>	<u>7,733</u>
Total expenses	<u>69,669</u>	<u>56,902</u>

\* The annual management charge is 0.80% and includes the ACD's periodic charge and the Investment Manager's fees.

5. Taxation	1 January 2023 to 31 December 2023	14 March 2022 to 31 December 2022
	£	£
a. Analysis of the tax charge for the year		
Overseas tax withheld	<u>-</u>	<u>3,016</u>
Total taxation (note 5b)	<u>-</u>	<u>3,016</u>

## Notes to the financial statements (continued)

for the year ended 31 December 2023

## 5. Taxation (continued)

## 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:

	1 January 2023 to 31 December 2023	14 March 2022 to 31 December 2022
	£	£
Net revenue before taxation	<u>37,679</u>	<u>16,196</u>
Corporation tax @ 20%	7,536	3,239
Effects of:		
UK revenue	(16,557)	(12,950)
Overseas revenue	(1,266)	(729)
Overseas tax withheld	-	3,016
Excess management expenses	<u>10,287</u>	<u>10,440</u>
Total taxation (note 5a)	<u>-</u>	<u>3,016</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 £20,727 (2022: £10,440).

## 6. Distributions

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

	1 January 2023 to 31 December 2023	14 March 2022 to 31 December 2022
	£	£
Final accumulation distribution	<u>31,240</u>	<u>13,922</u>
Equalisation:		
Amounts deducted on cancellation of shares	6,694	144
Amounts added on issue of shares	(249)	(863)
Net equalisation on conversions	<u>(1)</u>	<u>-</u>
Total net distributions	<u>37,684</u>	<u>13,203</u>
Reconciliation between net revenue and distributions:		
Net revenue after taxation per Statement of total return	37,679	13,180
Undistributed revenue brought forward	24	-
Revenue shortfall transferred from capital	-	47
Undistributed revenue carried forward	<u>(19)</u>	<u>(24)</u>
Distributions	<u>37,684</u>	<u>13,203</u>

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

## 7. Debtors

	2023	2022
	£	£
Amounts receivable on issue of shares	11,120	1,000
Accrued revenue	7,894	648
Prepaid expenses	15	13
Total debtors	<u>19,029</u>	<u>1,661</u>

## Notes to the financial statements (continued)

for the year ended 31 December 2023

8. Cash and bank balances	2023	2022
	£	£
Total cash and bank balances	<u>66,491</u>	<u>864,042</u>
9. Other creditors	2023	2022
	£	£
Amounts payable on cancellation of shares	133	-
Purchases awaiting settlement	69,926	-
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	<u>3,435</u>	<u>4,564</u>
Other expenses:		
Depository fees	764	764
Safe custody fees	63	63
Audit fee	6,936	6,600
Non-executive directors' fees	1,498	841
Transaction charges	<u>838</u>	<u>499</u>
	<u>10,099</u>	<u>8,767</u>
Total accrued expenses	<u>13,534</u>	<u>13,331</u>
Total other creditors	<u>83,593</u>	<u>13,331</u>

## 10. Commitments and contingent liabilities

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

## 11. Share classes

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

	F Class Income Shares
Opening shares in issue	63,666
Total shares issued in the year	120,649
Total shares cancelled in the year	(176,617)
Total shares converted in the year	<u>(7,698)</u>
Closing shares in issue	<u>-</u>
	F Class Accumulation Shares
Opening shares in issue	7,445,047
Total shares issued in the year	836,047
Total shares cancelled in the year	(2,234,514)
Total shares converted in the year	<u>7,696</u>
Closing shares in issue	<u>6,054,276</u>

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

## Notes to the financial statements (continued)

for the year ended 31 December 2023

## 12. Related party transactions

Evelyn Partners Fund Solutions Limited, as ACD is a related party due to its ability to act in respect of the operations of the sub-fund.

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

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

## 13. Events after the balance sheet date

Subsequent to the year end, the net asset value per F class accumulation shares has increased from 85.80p to 86.50p as at 27 March 2024. 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
1 January 2023 to 31 December 2023	£	£	%	£	%	£	%	£	
Equities	10,782,144	10,345	0.10%	21,359	0.20%	1,001	0.01%	10,814,849	
Closed-Ended Funds	75,015	75	0.10%	377	0.50%	-	-	75,467	
<b>Total</b>	<b>10,857,159</b>	<b>10,420</b>	<b>0.20%</b>	<b>21,736</b>	<b>0.70%</b>	<b>1,001</b>	<b>0.01%</b>	<b>10,890,316</b>	

	Purchases before transaction costs		Commission		Taxes		Financial transaction tax		Purchases after transaction costs
14 March 2022 to 31 December 2022	£	£	%	£	%	£	%	£	
Equities	12,500,493	11,710	0.09%	23,888	0.19%	-	-	12,536,091	

Capital events amount of £1,520 (2022: £nil) is excluded from the total purchases as there were no direct transaction costs charged in these transactions.



## Notes to the financial statements (continued)

for the year ended 31 December 2023

## 14. Transaction costs (continued)

## a Direct transaction costs (continued)

	Sales before transaction costs	Commission		Taxes		Financial transaction tax		Sales after transaction costs
1 January 2023 to 31 December 2023	£	£	%	£	%	£	%	£
Equities	10,971,730	(10,980)	0.10%	(230)	0.00%	(1)	0.00%	10,960,519
14 March 2022 to 31 December 2022	£	£	%	£	%	£	%	£
Equities	5,913,468	(5,915)	0.10%	(107)	0.00%	-	-	5,907,446

Capital events amount of £152,935 (2022: £nil) is excluded from the total sales as there were no direct transaction costs charged in these transactions.

## Summary of direct transaction costs

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

2023	£	% of average net asset value
Commission	21,400	0.33%
Taxes	21,966	0.34%
Financial transaction tax	1,002	0.02%
2022	£	% of average net asset value
Commission	17,625	0.27%
Taxes	23,995	0.36%

## 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 2.90% (2022: 2.13%).

## 15. Risk management policies

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

## Notes to the financial statements (continued)

for the year ended 31 December 2023

### 15. Risk management policies (continued)

#### a Market risk

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

#### (i) Other price risk

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

The main elements of the portfolio of investments exposed to this risk are equities and closed-ended funds.

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

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

At 31 December 2023, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £259,644 (2022: £291,229).

#### (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.

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

The sub-fund had no significant exposure to foreign currency in the year.

#### (iii) Interest rate risk

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

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

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

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

#### b Credit risk

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

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

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

## Notes to the financial statements (continued)

for the year ended 31 December 2023

### 15. Risk management policies (continued)

#### c Liquidity risk

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

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

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

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

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

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

All of the financial liabilities are payable on demand.

#### d Fair value of financial assets and financial liabilities

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

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

## Notes to the financial statements (continued)

for the year ended 31 December 2023

## 15. Risk management policies (continued)

## d Fair value of financial assets and financial liabilities (continued)

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£	£
Quoted prices	5,138,216	-
Observable market data	-	-
Unobservable data*	54,666	-
	<u>5,192,882</u>	<u>-</u>
	Investment assets	Investment liabilities
Basis of valuation	2022	2022
	£	£
Quoted prices	5,793,097	-
Observable market data	-	-
Unobservable data*	31,489	-
	<u>5,824,586</u>	<u>-</u>

\*The following securities are valued in the portfolio of investments using a valuation technique:

*MJ Hudson Group*: Has been suspended due to issues of the reporting of historical trading and as a result, the Fair Value Pricing Committee agreed to price this stock as nil.

*AdvancedAdvT*: Has been suspended and as a result, the Fair Value Pricing Committee agreed to price this stock using the last traded price of £0.82 on 08/06/2023.

## Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the ACD has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The ACD of the sub-fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other the assumptions used are under continuous review by the ACD with particular attention paid to the carrying value of the investments.

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

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

	2023	2022
	% of the total net asset value	% of the total net asset value
AdvancedAdvT	1.05%	-
Gfinity Warrants	-	0.00%
MJ Hudson Group	0.00%	0.47%
Total	<u>1.05%</u>	<u>0.47%</u>

## Notes to the financial statements (continued)

for the year ended 31 December 2023

### 15. Risk management policies (continued)

#### f Derivatives

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

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

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

During the year there were no derivative transactions.

#### (i) Counterparties

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

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

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

#### (ii) Leverage

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

There have been no leveraging arrangements in the year.

#### (iii) Global exposure

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

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

There have been no collateral arrangements in the year.

## Distribution table

for the year ended 31 December 2023

Final distribution in pence per share

Group 1 - Shares purchased before 1 January 2023

Group 2 - Shares purchased 1 January 2023 to 31 December 2023

	Net revenue	Equalisation	Total distributions 29 February 2024	Total distributions 28 February 2023
F Class Accumulation Shares				
Group 1	0.516	-	0.516	0.187
Group 2	0.476	0.040	0.516	0.187

### Equalisation

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

### Accumulation distributions

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

## SVS Dowgate Wealth European Growth Fund

### Investment Manager's report

#### Investment objective and policy

The aim of the sub-fund is to provide long term capital growth over periods of 5 years or longer.

In normal market conditions, at least 80% of the sub-fund will be invested, directly or indirectly, in the shares of companies listed in Europe (excluding the UK).

The sub-fund is actively managed which means that the Investment Manager will manage and adapt the portfolio depending on their assessment of the broad economic environment and market conditions.

The Investment Manager may invest in large, medium and smaller sized companies across all industry sectors although it is expected that there will be a bias towards smaller sized companies. Smaller companies are companies which form the bottom 20% of the European market by market capitalisation. The exposure to different sized companies may change over time according to economic and stock market conditions.

Up to 10% of the sub-fund may be invested in collective investment schemes (which may include those managed or operated by the ACD and its associates) which offer exposure to European companies.

Up to 10% of the sub-fund may be invested in investment trusts, which offer exposure to European, as well as global, companies.

To the extent that the sub-fund is not fully invested in shares of companies listed in Europe, investments may be made in globally listed securities, unlisted companies that the Manager expects to become listed within a one to two year timeframe, cash-like instruments, such as money market instruments, deposits, cash and near cash. Such investments are not intended to be more than 20% in aggregate of the value of the sub-fund.

#### Investment performance\*

The sub-fund closed the year up 2%. This was disappointing compared to the market and the IA Europe ex UK sector 13.38%, but can be explained by the sub-fund's significantly higher exposure to smaller companies. Notable was the outperformance of the sub-fund in quarter 4, having rationalised some of the positions and enjoying a better environment for smaller companies.

The best performers for the year to December were Italian employment agency Openjobmetis Spa agenzia per il lavoro, Danish Jewellery maker, Pandora and Spanish pharmaceutical company, Laboratorios Farmaceuticos Rovi. On the other hand, the worst performers for the year were Swedish telecom fibre solutions provider, Hexatronic Group, French customer services outsourcer, Teleperformance and Swedish accounting software provider, Talenom.

#### Investment activities

2023 was a different year than most investors expected. Financial markets were braced for recession, which didn't arrive. Investors began 2023 fearing inflation and the consequences of rising rates. While the demise of Silicon Valley Bank seemed to justify these fears, the vital signs of economic health persisted, and policy rates continued to increase until August. A few weeks later, following some Federal Reserve smoke signals, investors began believing rates had peaked. Bond yields tumbled, risk assets rose as short positions were closed, and the bond rush subsided. Financial conditions and liquidity eased, and the dollar weakened. The "soft landing" is now investors' base case scenario, and as we enter 2024, markets expect multiple rate cuts. However, critical questions remain unanswered: has the recession already happened or just been delayed? And can we return to economic growth without reigniting inflation?

During the period, particularly towards the end of quarter 4, where Ben Mckeown assumed full day-to-day management of the portfolio, we recalibrated the portfolio around the higher conviction names, thus reducing the number of holdings and increasing the weightings in each of the larger holdings. We exited positions in Talenom and Italian Design Brands, to name but a few. We decided that these positions did not fit our quality or valuation criteria.

\*Source: Bloomberg and FE fundinfo.

## Investment Manager's report (continued)

### Investment strategy and outlook

On 25 January the sub-fund was wound up and merged with SVS Dowgate Wealth UK New Economies Fund via a Scheme of arrangement.

In the coming year, 40% of the world's population (representing 80% of its Gross Domestic Product) will vote in national elections, including its wealthiest and most populous nations (the US and India). The results are already as good as known for some, such as Russia's presidential election in March. Others are likely to be more geopolitically consequential, for example, Taiwan this month and Korea in April. Leading inflation indicators such as the Producer Price Index plus base effects indicate the potential for inflation to undershoot expectations, forcing Central Banks to cut rates and helping equity valuations at a time of below-trend growth. We continue to believe western markets will see a return of a period of low inflation and below trend growth, which would be supportive for equity valuations and forward-looking returns, especially in Europe which in large has managed to so far stave off the much-feared recession.

Dowgate Wealth Limited  
8 February 2024



## Summary of portfolio changes

for the year ended 31 December 2023

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

	Cost
	£
Purchases:	
Teleperformance	125,837
BFF Bank	102,914
Bankinter	61,905
LNA Sante	51,782
Bjorn Borg	50,233
Gentili Mosconi	40,019
Autoliv	37,209
Stemmer Imaging	35,184
Coltene Holding	34,989
Ion Beam Applications	32,254
Stef	29,021
Self Storage Group	28,894
Graines Voltz	28,118
Laboratorios Farmaceuticos Rovi	27,425
Hexatronic Group	25,719
Gaztransport Et Technigaz	24,371
Italian Design Brands	23,693
Elmos Semiconductor	23,676
B&C Speakers	23,574
Bilendi	22,546
	Proceeds
	£
Sales:	
Telefonaktiebolaget LM Ericsson	82,375
Self Storage Group	76,539
Roche Holding	76,302
Delta Plus Group	74,614
Lectra	71,312
Italian Wine Brands	68,703
SimCorp	66,271
Bulten	60,652
BTS Group	59,355
Unieuro	57,407
RTX	51,276
Corticeira Amorim SGPS	49,322
Enea	47,365
Talenom	45,434
Einhell Germany	45,069
Concentric	45,036
H+H International	43,815
Origin Enterprises	41,840
Hexatronic Group	40,122
LNA Sante	36,548

Portfolio statement  
as at 31 December 2023

Investment	Nominal value or holding	Market value £	% of total net assets
Equities 99.86% (88.33%)			
Equities - Europe 96.51% (87.11%)			
Equities - Denmark 12.64% (12.37%)			
Demant	1,800	61,891	1.61
Netcompany Group	2,250	58,978	1.54
Novo Nordisk	2,000	161,971	4.22
Pandora	1,250	135,189	3.52
Solar	1,250	67,347	1.75
Total equities - Denmark		<u>485,376</u>	<u>12.64</u>
Equities - Finland 0.00% (1.86%)		-	-
Equities - France 25.76% (20.15%)			
Axway Software	5,100	116,667	3.04
Bilendi	6,418	86,756	2.26
Gaztransport Et Technigaz	1,235	128,203	3.34
Mersen	4,800	146,407	3.81
SCOR	5,500	126,056	3.28
Stef	927	91,571	2.38
Synergie	1,391	42,066	1.10
Teleperformance	650	74,375	1.94
Thermador Groupe	979	70,580	1.84
Visiativ	4,550	106,451	2.77
Total equities - France		<u>989,132</u>	<u>25.76</u>
Equities - Germany 13.29% (7.52%)			
Elmos Semiconductor	1,800	115,108	3.00
SAP	1,000	120,931	3.15
Stabilus	2,340	125,308	3.26
United Internet	7,500	149,084	3.88
Total equities - Germany		<u>510,431</u>	<u>13.29</u>
Equities - Greece 3.23% (1.64%)			
Epsilon Net	15,000	124,128	3.23
Equities - Ireland 0.00% (1.10%)		-	-
Equities - Italy 9.71% (7.74%)			
B&C Speakers	3,700	57,710	1.50
BFF Bank	13,500	119,904	3.12
Esprinet	10,800	50,535	1.32
Openjobmetis Spa agenzia per il lavoro	10,500	144,664	3.77
Total equities - Italy		<u>372,813</u>	<u>9.71</u>

Portfolio statement (continued)  
as at 31 December 2023

Investment	Nominal value or holding	Market value £	% of total net assets
Equities (continued)			
Equities - Europe (continued)			
Equities - Netherlands 5.78% (4.09%)			
ASML Holding	150	88,579	2.31
Euronext	1,300	88,540	2.31
Nedap	800	44,366	1.16
Total equities - Netherlands		<u>221,485</u>	<u>5.78</u>
Equities - Norway 0.00% (1.10%)		-	-
Equities - Portugal 0.00% (0.92%)		-	-
Equities - Spain 10.54% (4.92%)			
Amadeus IT Group	2,000	112,404	2.93
Bankinter	18,000	90,402	2.35
Fluidra	2,312	37,744	0.98
Laboratorios Farmaceuticos Rovi	3,150	164,317	4.28
Total equities - Spain		<u>404,867</u>	<u>10.54</u>
Equities - Sweden 13.13% (20.19%)			
Bjorn Borg	16,000	55,296	1.44
Bufab	4,500	134,503	3.50
Loomis	5,480	114,316	2.98
SinterCast	7,054	56,279	1.47
Stillfront Group	72,000	68,092	1.77
VBG Group	4,000	75,658	1.97
Total equities - Sweden		<u>504,144</u>	<u>13.13</u>
Equities - Switzerland 2.43% (3.51%)			
u-blox Holding	1,000	93,108	2.43
Total equities - Europe		<u>3,705,484</u>	<u>96.51</u>
Equities - United States 3.35% (1.22%)			
Autoliv	1,500	128,607	3.35
Total equities		<u>3,834,091</u>	<u>99.86</u>

## Portfolio statement (continued)

as at 31 December 2023

Investment	Nominal value or holding	Market value £	% of total net assets
Preference Shares 0.00% (0.96%)		-	-
Portfolio of investments		3,834,091	99.86
Other net assets		5,396	0.14
<b>Total net assets</b>		<b>3,839,487</b>	<b>100.00</b>

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

The comparative figures in brackets are as at 31 December 2022.

## Risk and reward profile

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

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

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

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

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

## Comparative table

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

F Class Accumulation Shares launched on 21 March 2022 at 100.0p per share.

	2023	**2022
F Class Accumulation Shares	p	p
Change in net assets per share		
Opening net asset value per share	89.53	100.00
Return before operating charges	3.14	(9.63)
Operating charges	(1.20)	(0.84)
Return after operating charges *	1.94	(10.47)
Distributions <sup>^</sup>	(0.76)	(0.30)
Retained distributions on		
Retained distributions on accumulation shares <sup>^</sup>	0.76	0.30
Closing net asset value per share	91.47	89.53
* after direct transaction costs of:	0.06	0.16
Performance		
Return after charges	2.17%	(10.47%)
Other information		
Closing net asset value (£)	3,839,487	5,195,662
Closing number of shares	4,197,739	5,802,965
Operating charges <sup>^^</sup>	1.34%	1.17% <sup>^^^</sup>
Direct transaction costs	0.07%	0.17%
Published prices		
Highest share price	98.04	100.3
Lowest share price	79.77	79.84

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

\*\* For the period 21 March 2022 to 31 December 2022.

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

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

<sup>^^^</sup> Annualised based on the expenses incurred during the period 21 March 2022 to 31 December 2022.

## Financial statements - SVS Dowgate Wealth European Growth Fund

## Statement of total return

for the year ended 31 December 2023

	Notes	1 January 2023 to 31 December 2023		21 March 2022 to 31 December 2022	
		£	£	£	£
Income:					
Net capital losses	2		(61,225)		(567,541)
Revenue	3	136,776		76,511	
Expenses	4	<u>(63,799)</u>		<u>(46,343)</u>	
Net revenue before taxation		72,977		30,168	
Taxation	5	<u>(23,086)</u>		<u>(14,320)</u>	
Net revenue after taxation			<u>49,891</u>		<u>15,848</u>
Total return before distributions			(11,334)		(551,693)
Distributions	6		(49,916)		(15,805)
Change in net assets attributable to shareholders from investment activities			<u>(61,250)</u>		<u>(567,498)</u>

## Statement of change in net assets attributable to shareholders

for the year ended 31 December 2023

		1 January 2023 to 31 December 2023		21 March 2022 to 31 December 2022	
		£	£	£	£
Opening net assets attributable to shareholders			5,195,662		-
Amounts receivable on issue of shares		416,032		5,796,457	
Amounts payable on cancellation of shares		<u>(1,745,736)</u>		<u>(51,689)</u>	
			(1,329,704)		5,744,768
Dilution levy			2,960		809
Change in net assets attributable to shareholders from investment activities			(61,250)		(567,498)
Retained distributions on accumulation shares			31,819		17,583
Closing net assets attributable to shareholders			<u>3,839,487</u>		<u>5,195,662</u>

Balance sheet  
as at 31 December 2023

	Notes	2023 £	2022 £
Assets:			
Fixed assets:			
Investments		3,834,091	4,639,192
Current assets:			
Debtors	7	1,870	223
Cash and bank balances	8	21,321	568,475
Total assets		<u>3,857,282</u>	<u>5,207,890</u>
Liabilities:			
Creditors:			
Other creditors	9	(17,795)	(12,228)
Total liabilities		<u>(17,795)</u>	<u>(12,228)</u>
Net assets attributable to shareholders		<u><u>3,839,487</u></u>	<u><u>5,195,662</u></u>



## Notes to the financial statements

for the year ended 31 December 2023

## 1. Accounting policies

The accounting policies are disclosed on pages 13 to 15.

2. Net capital losses	1 January 2023 to 31 December 2023	21 March 2022 to 31 December 2022
	£	£
Non-derivative securities - realised losses	(765,489)	(205,208)
Non-derivative securities - movement in unrealised gains / (losses)	714,605	(335,338)
Currency losses	(7,982)	(25,881)
Forward currency contracts (losses) / gains	(220)	16
Transaction charges	(2,139)	(1,130)
Total net capital losses	<u>(61,225)</u>	<u>(567,541)</u>
3. Revenue	1 January 2023 to 31 December 2023	21 March 2022 to 31 December 2022
	£	£
Overseas revenue	128,291	72,669
Bank and deposit interest	8,485	3,842
Total revenue	<u>136,776</u>	<u>76,511</u>
4. Expenses	1 January 2023 to 31 December 2023	21 March 2022 to 31 December 2022
	£	£
Payable to the ACD and associates		
Annual management charge*	<u>39,553</u>	<u>31,472</u>
Payable to the Depositary		
Depositary fees	<u>9,000</u>	<u>7,052</u>
Other expenses:		
Audit fee	12,636	6,600
Non-executive directors' fees	1,702	972
Safe custody fees	340	193
Bank interest	517	18
FCA fee	51	36
	<u>15,246</u>	<u>7,819</u>
Total expenses	<u>63,799</u>	<u>46,343</u>

\* The annual management charge is 0.80% and includes the ACD's periodic charge and the Investment Manager's fees.

5. Taxation	1 January 2023 to 31 December 2023	21 March 2022 to 31 December 2022
	£	£
a. Analysis of the tax charge for the year		
Overseas tax withheld	<u>23,086</u>	<u>14,320</u>
Total taxation (note 5b)	<u>23,086</u>	<u>14,320</u>

## Notes to the financial statements (continued)

for the year ended 31 December 2023

## 5. Taxation (continued)

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

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

	1 January 2023 to 31 December 2023	21 March 2022 to 31 December 2022
	£	£
Net revenue before taxation	<u>72,977</u>	<u>30,168</u>
Corporation tax @ 20%	14,595	6,034
Effects of:		
Overseas revenue	(25,486)	(14,335)
Overseas tax withheld	23,086	14,320
Excess management expenses	10,891	8,301
Total taxation (note 5a)	<u>23,086</u>	<u>14,320</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 £19,192 (2022: £8,301).

## 6. Distributions

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

	1 January 2023 to 31 December 2023	21 March 2022 to 31 December 2022
	£	£
Final accumulation distribution	<u>31,819</u>	<u>17,583</u>
Equalisation:		
Amounts deducted on cancellation of shares	18,099	250
Amounts added on issue of shares	(2)	(2,028)
Total net distributions	<u>49,916</u>	<u>15,805</u>
Reconciliation between net revenue and distributions:		
Net revenue after taxation per Statement of total return	49,891	15,848
Undistributed revenue brought forward	43	-
Undistributed revenue carried forward	(18)	(43)
Distributions	<u>49,916</u>	<u>15,805</u>

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

## Notes to the financial statements (continued)

for the year ended 31 December 2023

7. Debtors	2023	2022
	£	£
Amounts receivable on issue of shares	-	200
Recoverable overseas withholding tax	1,856	11
Prepaid expenses	14	12
Total debtors	<u>1,870</u>	<u>223</u>
8. Cash and bank balances	2023	2022
	£	£
Total cash and bank balances	<u>21,321</u>	<u>568,475</u>
9. Other creditors	2023	2022
	£	£
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	<u>2,530</u>	<u>3,518</u>
Other expenses:		
Depositary fees	764	764
Safe custody fees	152	125
Audit fee	12,636	6,600
Non-executive directors' fees	1,498	841
Transaction charges	215	380
	<u>15,265</u>	<u>8,710</u>
Total other creditors	<u>17,795</u>	<u>12,228</u>

## 10. Commitments and contingent liabilities

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

## 11. Share classes

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

	F Class Accumulation Shares
Opening shares in issue	5,802,965
Total shares issued in the year	430,383
Total shares cancelled in the year	<u>(2,035,609)</u>
Closing shares in issue	<u>4,197,739</u>

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

## Notes to the financial statements (continued)

for the year ended 31 December 2023

## 12. Related party transactions

Evelyn Partners Fund Solutions Limited, as ACD is a related party due to its ability to act in respect of the operations of the sub-fund.

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

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

## 13. Events after the balance sheet date

Subsequent to the year end, the net asset value per F class accumulation share has decreased from 91.47p to 90.40p as at 25 January 2024 which was the last valuation of the sub-fund. 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	
	£	£	%	£	%	£	%	£	
1 January 2023 to 31 December 2023 Equities	938,316	1,592	0.17%	-	-	-	24	0.00%	939,932
21 March 2022 to 31 December 2022 Equities	5,811,201	6,068	0.10%	15	0.00%	2,034	0.04%	5,819,318	

## Notes to the financial statements (continued)

for the year ended 31 December 2023

## 14. Transaction costs (continued)

## a Direct transaction costs (continued)

	Sales before transaction costs			Commission		Taxes		Financial transaction tax		Sales after transaction costs
1 January 2023 to 31 December 2023	£	£	%	£	%	£	%	£	%	£
Equities	1,565,475	(1,574)	0.10%	-	-	-	-	-	-	1,563,901
Redemption	117	-	-	(117)	0.00%	-	-	-	-	-
Total	1,565,592	(1,574)	0.10%	(117)	0.00%	-	-	-	-	1,563,901

	Sales before transaction costs			Commission		Taxes		Financial transaction tax		Sales after transaction costs
21 March 2022 to 31 December 2022	£	£	%	£	%	£	%	£	%	£
Equities	639,551	(647)	0.10%	-	-	-	-	-	-	638,904

Capital events amount of £1,794 (2022: £675) is excluded from the total sales as there were no direct transaction costs charged in these transactions.

## Summary of direct transaction costs

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

2023	£	% of average net asset value
Commission	3,166	0.07%
Taxes	117	0.00%
Financial transaction tax	24	0.00%
2022	£	% of average net asset value
Commission	6,715	0.13%
Taxes	15	0.00%
Financial transaction tax	2,034	0.04%

## 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 0.46% (2022: 0.52%).

## Notes to the financial statements (continued)

for the year ended 31 December 2023

## 15. Risk management policies

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

## a Market risk

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

## (i) Other price risk

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

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

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

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

At 31 December 2023, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the sub-fund would increase or decrease by approximately £191,705 (2022: £231,960).

## (ii) Currency risk

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

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

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

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2023	£	£	£
Danish krone	485,378	-	485,378
Euro	2,622,856	1,857	2,624,713
Swedish krona	632,751	-	632,751
Swiss franc	93,108	-	93,108
Total foreign currency exposure	3,834,093	1,857	3,835,950

## Notes to the financial statements (continued)

for the year ended 31 December 2023

## 15. Risk management policies (continued)

## (ii) Currency risk (continued)

	Financial instruments and cash holdings	Net debtors and creditors	Total net foreign currency exposure
2022	£	£	£
Danish krone	642,545	-	642,545
Euro	2,842,727	11	2,842,738
Norwegian krone	57,204	-	57,204
Swedish krona	1,112,860	-	1,112,860
Swiss franc	182,356	-	182,356
Total foreign currency exposure	<u>4,837,692</u>	<u>11</u>	<u>4,837,703</u>

At 31 December 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 shareholders of the sub-fund would increase or decrease by approximately £191,798 (2022: £241,885).

## (iii) Interest rate risk

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

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

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

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

## b Credit risk

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

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

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

## Notes to the financial statements (continued)

for the year ended 31 December 2023

## 15. Risk management policies (continued)

## c Liquidity risk

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

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

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

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

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

All of the financial liabilities are payable on demand.

## d Fair value of financial assets and financial liabilities

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

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

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£	£
Quoted prices	3,834,091	-
Observable market data	-	-
Unobservable data	-	-
	<u>3,834,091</u>	<u>-</u>
	Investment assets	Investment liabilities
Basis of valuation	2022	2022
	£	£
Quoted prices	4,639,192	-
Observable market data	-	-
Unobservable data	-	-
	<u>4,639,192</u>	<u>-</u>

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



## Notes to the financial statements (continued)

for the year ended 31 December 2023

### 15. Risk management policies (continued)

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

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

#### f Derivatives

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

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

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

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

#### (i) Counterparties

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

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

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

#### (ii) Leverage

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

There have been no leveraging arrangements in the year.

#### (iii) Global

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

Final distribution in pence per share

Group 1 - Shares purchased before 1 January 2023

Group 2 - Shares purchased 1 January 2023 to 31 December 2023

	Net revenue	Equalisation	Total distributions 29 February 2024	Total distributions 28 February 2023
F Class Accumulation Shares				
Group 1	0.758	-	0.758	0.303
Group 2	0.747	0.011	0.758	0.303

### Equalisation

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

### Accumulation distributions

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

## 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 directors<sup>1</sup> 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.

<sup>1</sup> 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				
	Fixed	Variable		Total	No. MRTs
	£'000	Cash £'000	Equity £'000	£'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 ACD has appointed Dowgate Wealth Limited to provide Investment Management and related advisory services to the ACD. Dowgate Wealth Limited is paid a monthly fee out of the scheme property of SVS Dowgate Wealth Funds ICVC which is calculated on the total value of the portfolio of investments at each valuation point. Dowgate Wealth Limited are compliant with the Capital Requirements Directive regarding remuneration and therefore Dowgate Wealth 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 the last day in February (final). In the event of a distribution, shareholders will receive a tax voucher.

XD dates:	1 January	final
	1 July	interim
Reporting dates:	31 December	annual
	30 June	interim

### Buying and selling shares

The property of the sub-funds is valued at 12pm on each business day, with the exception of any bank holiday in England and Wales or the last business day prior to those days annually, where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary. Share dealing is on a forward basis i.e. investors can buy and sell shares at the next valuation point following receipt of the order.

Prices of shares and the estimated yield of the sub-funds are published on the following website: [www.trustnet.com](http://www.trustnet.com) or may be obtained by calling 0141 222 1151.

### Benchmarks

Shareholders may compare the performance of the sub-funds against the following benchmarks:

#### *SVS Dowgate Wealth UK Small Capital Growth Fund*

Shareholders may compare the performance of the sub-fund against the IA UK Smaller Companies sector.

The ACD has selected this comparator benchmark as it believes this benchmark best reflects the sub-fund's asset allocation.

Comparison of the sub-fund's performance against this benchmark will give shareholders an indication of how the sub-fund is performing against other similar funds in this peer group sector.

The benchmark is not a target for the sub-fund, nor is the sub-fund constrained by the benchmark.

#### *SVS Dowgate Wealth European Growth Fund*

Shareholders may compare the performance of the sub-fund against the IA Europe ex UK sector.

The ACD has selected this comparator benchmark as it believes this benchmark best reflects the sub-fund's asset allocation.

Comparison of the sub-fund's performance against this benchmark will give shareholders an indication of how the sub-fund is performing against other similar funds in this peer group sector.

The benchmark is not a target for the sub-fund, nor is the sub-fund constrained by these benchmarks.

## Appointments

### ACD and Registered office

Evelyn Partners Fund Solutions Limited

45 Gresham Street

London EC2V 7BG

Telephone 0207 131 4000

Authorised and regulated by the Financial Conduct Authority

### Administrator and Registrar

Evelyn Partners Fund Solutions 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 ACD

Andrew Baddeley

Brian McLean

Mayank Prakash

Neil Coxhead

### Independent Non-Executive Directors of the ACD

Dean Buckley

Linda Robinson

Victoria Muir

Sally Macdonald

### Non-Executive Directors of the ACD

Paul Wyse - resigned 11 July 2023

Guy Swarbreck - appointed 21 August 2023

### Investment Manager

Dowgate Wealth Limited

15 Fetter Lane

London EC4A 1BW

Authorised and regulated by the Financial Conduct Authority

### Depositary

NatWest Trustee and Depositary Services Limited

House A, Floor 0

Gogarburn

175 Glasgow Road

Edinburgh EH12 1HQ

Authorised and regulated by the Financial Conduct Authority

### Auditor

Johnston Carmichael LLP

Bishop's Court

29 Albyn Place

Aberdeen AB10 1YL