



ES River and Mercantile Funds ICVC Assessment of Value

Conducted by Equity Trustees Fund Services Ltd

For accounting period end – 31st March 2020

What is an Assessment of Value?

As an Authorised Corporate Director (ACD) we are regulated by the Financial Conduct Authority (FCA). In 2019 the FCA introduced new rules to strengthen the duty of ACDs to act in investors' best interests. These new rules require all ACDs to conduct an annual detailed assessment of their funds to determine if they are providing value to their investors. Following each review, we are required to publish a statement summarising the outcomes of our assessment.

When assessing value, we consider much more than just the costs (including fees) that you pay or the performance of the fund. Set out below are the seven 'Value Criteria' that we use within each of our assessments.

Assessment of Value Criteria

1 – Quality of Service

2 – Sub-Fund Performance

3 – Costs

4 – Economies of Scale

5 – Comparable Market Rates

6 – Comparable Services

7 – Classes of Shares

It is the responsibility of our board of directors to consider the outcomes of these assessments and to ensure that our assessment process, our findings and our conclusions are fair, appropriate and clearly communicated to you.

Within this report you will find a detailed breakdown of the areas that we have considered when conducting our assessment along with a conclusion for each of the seven criteria. We have also included an Overall Assessment Conclusion for each Sub-Fund and where applicable, details of any steps taken as a result of our assessment.

This report provides you with our assessment of whether each Sub-Fund, in our opinion, is providing value to you as an investor. When coming to our conclusion we have to consider a wide range of investor types with potentially differing investment needs and can only base our conclusion on information that is available to us. As 'value' is a personal view taking into consideration many individual factors our overall conclusion may not align to your personal view on whether you believe that you are receiving 'good value' from your investment. Should your view differ from our own conclusions we would recommend that you discuss this with your Financial Adviser (if relevant).

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Assessment of Value for the ES River and Mercantile Funds ICVC

Overall Assessment Conclusions

The board of Equity Trustees Fund Services Ltd have concluded the ES River and Mercantile Funds ICVC and its Sub-Funds provide overall value for its investors.

The table below outlines the results of our assessment. Where the need for further action has been identified, this is outlined within the 'Steps taken as a result of our assessment' section of this report for each Sub-Fund.

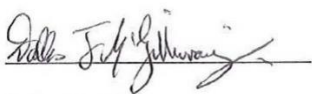
ES River and Mercantile Sub-Funds	Quality of Service	Performance	ACD & Supplier Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Shares	Does the Sub-Fund provide overall good value for its investors?
UK Equity High Alpha	●	●	●	●	●	●	●	Yes
UK Equity Smaller Companies	●	●	●	●	●	●	●	Yes
UK Dynamic Equity	●	●	●	●	●	●	●	Yes
UK Recovery	●	●	●	●	●	●	●	Yes
UK Equity Income	●	●	●	●	●	●	●	Yes
Global Recovery	●	●	●	●	●	●	●	Yes
Dynamic Asset Allocation	●	●	●	●	●	●	●	Yes
Global High Alpha	●	●	●	●	●	●	●	Yes

● = Fund provides value for its investors

● = Fund provides value, but further action or further monitoring is required

● = Fund does not provide value.

We believe that the steps that we have taken as a result of our assessment are positive for investors and will be significant factors in ensuring that the Sub-Funds provide value for all of our investors going forward. The changes will ensure that all investors are able to access the most appropriate share classes across all of the Sub-Funds, based on the required size and shape of their investment. For many investors invested in our 'A' Share classes this will now mean that they are able to access alternative share classes with a lower and more competitive OCF.



Dallas McGillivray

Chair and Independent Director

Equity Trustees Fund Services Ltd

A message from the Sub-Funds' Investment Manager River and Mercantile Asset Management LLP

Welcome to the 2020 Value Assessment of the ES River and Mercantile Funds ICVC and its Sub-Funds. This report is a result of our regulator, the Financial Conduct Authority (FCA), asking firms in the asset management industry to assess whether their funds deliver value to investors. The assessment is about the overall client experience of investing in the ES River and Mercantile Sub-Funds and thus covers a number of areas, including costs, performance and client service.

As the Group Chief Executive of the River and Mercantile Group, I very much welcome this initiative by the FCA to provide a straightforward report that puts you in a position to decide whether you are happy with the job we and the other parties involved in the operation and management of the Sub-Funds are doing for you and what you are paying for them. The aim of this document is to distil the detail of the different components of value into simple, straightforward statements about the Sub-Funds. This means whether you are already an investor, or if you are thinking about investing, you can make an informed decision about whether the Sub-Funds do or potentially would provide value, given your investment needs and goals.

The Value Assessment has been produced by the Authorised Corporate Director of the ES River and Mercantile Funds ICVC, Equity Trustees Fund Services Ltd (ETFS). I am pleased that ETFS has concluded that the Sub-Funds overall, provide value for investors. However, whilst the report demonstrates where we are all doing well, it also highlights areas where we need to work harder and ETFS has already made some changes to improve value for investors. These are:

- Soft closing all 'bundled' share classes (those with an inbuilt element of commission);
- Writing to investors where relevant, to inform them they can move their investment to a cheaper share class; and
- Reducing the minimum initial and subsequent subscription amounts to allow investors access to cheaper share classes

I appreciate that it is not always easy to assess investment quality with many factors to take into account, some of which are more technical than others. For example, a number of the Sub-Funds are intentionally managed with a valuation-driven philosophy. This means that they are invested in, what we believe are, companies with excellent business franchises, but whose current quality and future prospects are not reflected in the market valuation. In other words, their share price is lower than what we believe it ought to be given the fundamentals of the underlying stocks. Recently, these types of companies have been out of favour in the overall market, so compared to shares generally, they have performed less well and accordingly, so have those Sub-Funds which concentrate on such companies. We can assure you that all of the Sub-Funds' holdings are assessed on a regular basis and we believe that these stocks still represent good value and will be good long-term investments.

Although I am broadly happy with the conclusions of the first Value Assessment, I am not complacent. We will continue to strive to provide exceptional levels of performance and will continue to work with ETFS to find ways of improving the products available to you and the value you receive.

I can assure that at River and Mercantile, we never forget that it is your money we manage, and we take very seriously the responsibility and trust you place in us and our partners.



Signed by James Barham, Group Chief Executive of River and Mercantile Group

Assessment Criteria

1. Quality of Service

Are the range and quality of services being provided to the Sub-Fund and its investors of a standard that would represent good value?

What does this section cover?

Within the 'Quality of Service' section of the assessment we assess the range and quality of the services being provided to the Sub-Fund and its investors by ourselves, the Investment Manager, the Transfer Agent & Registrar, the Fund Accountant, the Custodian and the ICVC's Auditor.

When we consider the quality of the services being provided, we look at a number of factors relevant to each of the services being provided. We also consider how relevant the service is to you as an investor and how it impacts on your investment experience.

What did we review?

The assessment involves a review of relevant key performance indicators (KPIs) that we use to monitor the services being provided by our key suppliers and delegates. When assessing the quality of service being provided, we also review any findings from our ongoing Operational and Compliance Oversight activities.

We also consider internal KPIs to assess our own performance as the Sub-Funds' ACD.

2. Performance

Is the performance of the Sub-Fund, after the deduction of charges, in line with the Sub-Fund's stated investment objectives?

What does this section cover?

Within the 'Fund Performance' criteria of the assessment we assess how each Sub-Fund has performed against its stated objectives (as set-out in the Prospectus), after all fees have been paid.

The Sub-Fund's performance must be assessed over an appropriate timescale and we must consider the Sub-Fund's Investment Policy and Strategy as part of the review.

What did we review?

We reviewed the Sub-Fund's performance (after costs) against its stated objectives. This included a comparison of the Sub-Fund's 'capital growth' (and income where applicable) performance since launch against our recommended Comparator Benchmark.

When measuring the Sub-Fund's performance, we reviewed the 5-year performance history on the last dealing day of each calendar month for the 12 months leading up to the end of the accounting period. We then took an average of these 12 performance data points to produce the average rolling 5-year performance figure for our review.

For the ES River and Mercantile UK Equity Income Fund and the ES River and Mercantile Dynamic Asset Allocation Fund the results were over an average rolling 3-year period to align with the Investment Policy.

3. ACD and Supplier Costs

Are the costs of providing the services to the Sub-Fund reasonable and fair, and are the services associated with the costs being provided on a competitive basis?

What does this section cover?

Within our assessment we consider the costs charged to the Sub-Fund which includes the Annual Management Charge (AMC) which is paid to the ACD and other elements which make up the Ongoing Charges Figure (OCF). Our assessment focuses on whether these costs are reasonable for the level of service being provided and whether they are clearly and transparently disclosed to the Sub-Fund's investors.

What did we review?

We reviewed each of the service costs charged to the Sub-Fund over the previous 12 months to assess whether they were fair for the services provided. We additionally compared the costs against a limited amount of market data to ensure that the costs were reasonable and in-line with industry standards.

4. Economies of scale

Where available, have the benefits generated through economies of scale been passed on to investors?

What does this section cover?

When funds grow in size, the fund typically pays proportionally less for the fixed costs of operating the fund. As funds increase in size, they will also typically be able to benefit from reductions in fees from service providers as they are able to leverage economies of scale to generate operational efficiencies.

In this section, we assess if all achievable economies of scale have been passed onto the Sub-Fund to benefit you as an investor.

What did we review?

We reviewed the tariffs for each of the key suppliers and delegates that provide key services to the Sub-Fund. Where these tariffs allowed for reductions in fees as the size of the Sub-Fund increases, we checked to ensure that these reductions were being passed on to the Sub-Fund.

We also checked that services that could benefit from economies of scale had cost structures that allowed for these to be passed on to the Sub-Fund when certain triggers were met.

5. Comparable Market Rates

Are the Sub-Funds costs reasonable when compared to other comparable funds?

What does this section cover?

In this section we review the OCF of the Sub-Fund against suitable market data to ensure that the OCF is comparable to that of funds of a similar size, complexity and structure and that have a similar Investment Objective, Policy and Strategy. This review enables us to evidence to you that the Sub-Fund remains competitively priced.

What did we review?

We reviewed the OCF of the Sub-Fund's primary Share Class, which was calculated as at 31st March 2020, against the average OCF for the Primary Share Classes of funds within the same Investment Association sector. We also reviewed the same Sub-Fund OCF data against the OCFs of a more focused peer group of funds from within the same sector of a similar size and with similar product and investment characteristics.

The comparable OCF data used for the purposes of this review was extracted from FE Analytics as at 26th May 2020. It is worth noting that although the ES River and Mercantile Funds ICVC OCFs have been calculated as at 31st March 2020, this

effective date is not consistent across the IA sector or the more focused peer group selected in the analysis. The Sub-Funds' peers will not necessarily recalculate their OCFs at the same time intervals as the ES River and Mercantile Funds ICVC.

6. Comparable Services

Are the services provided to the Sub-Fund 'good value' when compared to other comparable services provided by the ACD?

Comparable services could include funds of a similar size with similar investment objectives and policies operated in another jurisdiction or Individual mandates operated for Institutional Investors.

What does this section cover?

Within this Value Criteria we compare the costs of the Sub-Fund to the costs of other similar investment products or services that we offer to ensure that any differences are appropriate.

What did we review?

We do not currently offer any similar investment products or services to investors. No review required.

7. Classes of Shares

Do any investors hold shares in classes subject to higher charges than those applying to other classes with substantially similar rights and features? If they do are these higher charges justified?

What does this section cover?

Funds can offer different share classes to investors. Share classes usually have different features such as different minimum initial investment amounts and costs.

Typically, the larger the minimum initial investment amount, the lower the charge for managing your investment. This is similar to getting a cheaper price for buying a product in bulk rather than one at a time. For this reason, when you invest through a third party like an investment platform or a financial adviser, your money is often pooled with others and this pooling may provide you with access to a cheaper share class than if you were to invest directly with us.

What did we review?

In this section of the assessment we have determined if investors are invested in the appropriate share class and if the cost difference between share classes is appropriate.

Assessment of value for the ES River and Mercantile UK Equity High Alpha

Sub-Fund Specific Conclusions

- Quality of Service

We concluded that, based on the areas assessed, Equity Trustees Sub-Fund Services and our key service suppliers/delegates are providing a comprehensive range of services to the Sub-Fund and its investors, which are being delivered to a high standard resulting in good value for investors.

- Fund Performance

Investment Objective	The investment objective of the Sub-Fund is to grow the value of your investment (known as "capital growth") in excess of the MSCI United Kingdom Investable Market Index (IMI) Net Total Return (the "Benchmark") over a rolling 5 year period, after the deduction of all fees.
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All share classes of the Sub-Fund other than the A share class achieved the investment objective to outperform the benchmark over a rolling 5-year period. The A share class has a higher AMC when compared to other share classes of the Sub-Fund, the higher AMC of this share class has impacted performance. Over a rolling 5-year period the A share class produced capital growth of 29.57%*, compared to the benchmark which produced 30.43%*. Although the A share class underperformed the benchmark, the share class still provided capital growth for its investors over a rolling 5-year period.

- Classes of Shares

	Minimum Investment	Initial	Ongoing Charges Figure (OCF)
A Share Class	£1,000.00		1.65%
B Share Class	£2,500,000.00		0.90%
Z Share Class	£5,000,000.00		0.15%

The Sub-Fund has three share classes, which are offered to investors based on the amount of their initial investment. The A share class was historically offered to investors via their Independent Financial Advisors who would then receive commission from the AMC.

Our review concluded that the majority of investors now holding the A share class are receiving a rebate of the AMC which has the effect of bringing the amount paid by investors down to levels similar with those investors in the cheaper B share class. There are however a small number of investors holding the A share class directly who are not receiving a rebate. None of these investors met the minimum initial investment criteria for the B share class.

- ACD & Supplier costs

We concluded that based on its size and complexity, the Sub-Fund's costs were fair and reasonable and therefore represented good value for investors.

Costs charged to the Sub-Fund are clear and are being applied in-line with agreed rates and as disclosed within the Prospectus.

The services associated to each cost are being provided on a competitive basis.

- Economies of scale

We have concluded that the Sub-Fund does benefit from all available economies of scale. Although, in a number of cases the impact of these economies of scale will not be felt by investors until the Sub-Fund increases in size.

The ACD does, where possible use the buying power of its wider group to ensure that supplier costs remain competitive even when a Sub-Fund is small.

- Comparable Market Rates

The OCF of the A share class is 0.16% higher than the average OCF of the peer group, although the majority of holders in this share class are receiving an AMC rebate. The A share class represents around 10% of the overall Sub-Fund value. The B share class OCF is 0.59% lower than the average OCF of the peer group, and 0.27% lower than the average OCF of funds within the same IA Sector, the IA UK All Companies Sector.

	Ongoing Charges Figure (OCF)	Average peer group OCF	Average OCF of IA Sector
A Share Class	1.65%	1.49%*	1.17%*
B Share Class	0.90%		

- Comparable Services

We concluded that there are no comparable services that we offer to investors.

*Source – Data extracted from FE Analytics as at 26th May 2020

Steps taken as part of, or as a result of our assessment

As a result of our review, we have reduced the minimum initial investment and minimum subsequent investment limits on the B share class to match those of the A share class, this change has enabled all investors to gain access this share class. We have also written to all investors in the A share class to inform them of the changes and to explain how they can now convert their investment into the B share class free of charge.

Assessment of value for the ES River and Mercantile UK Equity Smaller Companies

Sub-Fund Specific Conclusions

- Quality of Service

We concluded that, based on the areas assessed, Equity Trustees Fund Services and our key service suppliers/delegates are providing a comprehensive range of services to the Sub-Fund and its investors, which are being delivered to a high standard resulting in good value for investors.

- Fund Performance

Investment Objective	The investment objective of the Sub-Fund is to grow the value of your investment (known as "capital growth") in excess of the Numis Smaller Companies + AIM Excluding Investment Companies Index Net Total Return (the "Benchmark") over a rolling 5 year period, after the deduction of all fees.
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All share classes of the Fund achieved the investment objective to outperform the benchmark over a rolling 5-year period. Over a rolling 5-year period, the A share class produced capital growth of 49.66%*, compared to the benchmark which produced 32.36%. *

- Classes of Shares

	Minimum Investment	Initial Figure	Ongoing Charges (OCF)
A Share Class	£1,000.00		1.60%
B Share Class	£2,500,000.00		0.85%
S Share Class	£75,000,000.00		0.57%

The Sub-Fund has three share classes, which are offered to investors based on the amount of their initial investment. The A share class was historically offered to investors via their Independent Financial Advisors who would then receive commission from the AMC.

Our review concluded that the majority of investors now holding the A share class are receiving a rebate of the AMC which has the effect of bringing the amount paid by investors down to levels similar with those investors in the cheaper B share class. There are however a small number of investors holding the A share class directly who are not receiving a rebate. None of these investors met the minimum initial investment criteria for the B share class.

- ACD & Supplier costs

We concluded that based on its size and complexity, the Sub-Fund's costs were fair and reasonable and therefore represented good value for investors.

Costs charged to the Sub-Fund are clear and are being applied in-line with agreed rates and as disclosed within the Prospectus.

The services associated to each cost are being provided on a competitive basis.

- Economies of scale

We have concluded that the Sub-Fund does benefit from all available economies of scale. Although, in a number of cases the impact of these economies of scale will not be felt by investors until the Sub-fund increases in size.

The ACD does, where possible use the buying power of its wider group to ensure that supplier costs remain competitive even when a Sub-Fund is small.

- Comparable Market Rates

The OCF of the A share class is 0.04% lower than the average of the peer group, and the B share class OCF is 0.79% lower. The A share class represents around 7% of the overall fund value. In comparison to the average OCF of funds within the same IA Sector, the IA UK Smaller Companies Sector, the A class is 0.20% higher, but the B Share Class is 0.55% lower.

	Ongoing Charges Figure (OCF)	Average peer group OCF	Average OCF of IA Sector
A Share Class	1.60%	1.64%*	1.40%*
B Share Class	0.85%		

- Comparable Services

We concluded that there are no comparable services that we offer to investors.

*Source – Data extracted from FE Analytics as at 26th May 2020

Steps taken as part of, or as a result of our assessment

As a result of our review, we have reduced the minimum initial investment and minimum subsequent investment limits on the B share class to match those of the A share class, this change has enabled all investors to gain access this share class. We have also written to all investors in the A share class to inform them of the changes and to explain how they can now convert their investment into the B share class free of charge.

Assessment of value for the ES River and Mercantile UK Dynamic Equity

Sub-Fund Specific Conclusions

- **Quality of Service**

We concluded that, based on the areas assessed, Equity Trustees Fund Services and our key service suppliers/delegates are providing a comprehensive range of services to the Sub-Fund and its investors, which are being delivered to a high standard resulting in good value for investors.

- **Fund Performance**

Investment Objective	The investment objective of the Sub-Fund is to grow the value of your investment (known as "capital growth") in excess of the MSCI United Kingdom Investable Market Index (IMI) Net Total Return (the "Benchmark") over a rolling 5 year period, after the deduction of all fees.
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All share classes of the Sub-Fund other than the A share class achieved the investment objective to outperform the benchmark over a rolling 5-year period. The A share class has a higher AMC when compared to other share classes of the Sub-Fund, the higher AMC of this share class has impacted performance. Over a rolling 5-year period, the A share class produced capital growth of 30.20%*, compared to the benchmark which produced 30.43%*. Although the A share class underperformed the benchmark, the share class still provided capital growth for its investors over a rolling 5-year period.

- **Classes of Shares**

	Minimum Investment	Initial	Ongoing Charges Figure (OCF)
A Share Class	£1,000.00		1.68%
B Share Class	£2,500,000.00		0.93%
S Share Class	£75,000,000.00		0.66%
Z Share Class	£5,000,000.00		0.18%

The Sub-Fund has four share classes, which are offered to investors based on the amount of their initial investment. The A share class was historically offered to investors via their Independent Financial Advisors who would then receive commission from the AMC.

Our review concluded that the majority of investors now holding the A share class are receiving a rebate of the AMC which has the effect of bringing the amount paid by investors down to levels similar with those investors in the cheaper B share class. There are however a small number of investors holding the A share class directly who are not receiving a rebate. None of these investors met the minimum initial investment criteria for the B share class.

- **ACD & Supplier costs**

We concluded that based on its size and complexity, the Sub-Fund's costs were fair and reasonable and therefore represented good value for investors.

Costs charged to the Sub-Fund are clear and are being applied in-line with agreed rates and as disclosed within the Prospectus.

The services associated to each cost are being provided on a competitive basis.

- **Economies of scale**

We have concluded that the Sub-Fund does benefit from all available economies of scale. Although, in a number of cases the impact of these economies of scale will not be felt by investors until the Sub-Fund increases in size.

The ACD does, where possible use the buying power of its wider group to ensure that supplier costs remain competitive even when a Sub-Fund is small.

- **Comparable Market Rates**

The OCF of the A share class is 0.19% higher than the average OCF of the peer group, although the majority of holders in this share class are receiving a rebate of the AMC. The A share class represents around 6% of the overall Sub-Fund value. The B share class OCF is 0.56% lower than that of the peer group and 0.24% lower than the average OCF of funds within the same IA Sector, the IA UK All Companies Sector.

	Ongoing Charges Figure (OCF)	Average peer group OCF	Average OCF of IA Sector
A Share Class	1.68%	1.49%*	1.17%*
B Share Class	0.93%		

- **Comparable Services**

We concluded that there are no comparable services that we offer to investors.

*Source – Data extracted from FE Analytics as at 26th May 2020

Steps taken as part of, or as a result of our assessment

As a result of our review, we have reduced the minimum initial investment and minimum subsequent investment limits on the B share class to match those of the A share class, this change has enabled all investors to gain access this share class. We have also written to all investors in the A share class to inform them of the changes and to explain how they can now convert their investment into the B share class free of charge.

Assessment of value for the ES River and Mercantile UK Recovery

Sub-Fund Specific Conclusions

- **Quality of Service**

We concluded that, based on the areas assessed, Equity Trustees Fund Services and our key service suppliers/delegates are providing a comprehensive range of services to the Sub-Fund and its investors, which are being delivered to a high standard resulting in good value for investors.

- **Fund Performance**

Investment Objective	The investment objective of the Sub-Fund is to grow the value of your investment (known as "capital growth") in excess of the MSCI United Kingdom Investable Market Index (IMI) Net Total Return (the "Benchmark") over a rolling 5 year period, after the deduction of all fees.
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All share classes of the Sub-Fund achieved the investment objective to outperform the benchmark over a rolling 5-year period. Over a rolling 5-year period, the A share class produced capital growth of 30.59%*, compared to the benchmark which produced 30.43%. *

- **Classes of Shares**

	Minimum Investment	Initial	Ongoing Charges Figure (OCF)
A Share Class	£1,000.00		1.84%
B Share Class	£2,500,000.00		1.09%
S Share Class	£50,000,000.00		0.84%
Z Share Class	£5,000,000.00		0.09%

The Sub-Fund has four share classes, which are offered to investors based on the amount of their initial investment. The A share class was historically offered to investors via their Independent Financial Advisors who would then receive commission from the AMC.

Our review concluded that the majority of investors now holding the A share class are receiving a rebate of the AMC which has the effect of bringing the amount paid by investors down to levels similar with those investors in the cheaper B share class. There are however a small number of investors holding the A share class directly who are not receiving a rebate. None of these investors met the minimum initial investment criteria for the B share class.

- **ACD & Supplier costs**

We concluded that based on its size and complexity, the Sub-Fund's costs were fair and reasonable and therefore represented good value for investors.

Costs charged to the Sub-Fund are clear and are being applied in-line with agreed rates and as disclosed within the Prospectus.

The services associated to each cost are being provided on a competitive basis.

- **Economies of scale**

We have concluded that the Sub-Fund does benefit from all available economies of scale. Although, in a number of cases the impact of these economies of scale will not be felt by investors until the Sub-Fund increases in size.

The ACD does, where possible use the buying power of its wider group to ensure that supplier costs remain competitive even when a Sub-Fund is small.

- **Comparable Market Rates**

The OCF of the A share class is 0.25% higher than the average OCF of the peer group, although the majority of holders in this share class are receiving a rebate of the AMC. The A share class represents less than 1% of the overall fund value. The B share class OCF is 0.50% lower than that of the peer group, and 0.08% lower than the average OCF of funds within the same IA Sector, the IA UK All Companies Sector.

	Ongoing Charges Figure (OCF)	Average peer group OCF	Average OCF of IA Sector
A Share Class	1.84%	1.59%*	1.17%*
B Share Class	1.09%		

- **Comparable Services**

We concluded that there are no comparable services that we offer to investors.

*Source – Data extracted from FE Analytics as at 26th May 2020

Steps taken as part of, or as a result of our assessment

As a result of our review, we have reduced the minimum initial investment and minimum subsequent investment limits on the B share class to match those of the A share class, this change has enabled all investors to gain access this share class. We have also written to all investors in the A share class to inform them of the changes and to explain how they can now convert their investment into the B share class free of charge.

Assessment of value for the ES River and Mercantile UK Equity Income

Sub-Fund Specific Conclusions

- Quality of Service

We concluded that, based on the areas assessed, Equity Trustees Fund Services and our key service suppliers/delegates are providing a comprehensive range of services to the Sub-Fund and its investors, which are being delivered to a high standard resulting in good value for investors.

Our review concluded that the majority of investors now holding the A share class are receiving a rebate of the AMC which has the effect of bringing the amount paid by investors down to levels similar with those investors in the cheaper B share class. There are however a small number of investors holding the A share class directly who are not receiving a rebate. None of these investors met the minimum initial investment criteria for the B share class.

- Fund Performance

Investment Objective	<p>The investment objective of the Sub-Fund is to (a) generate an average annual income above the dividend yield of the Benchmark over a rolling 3 year period; and (b) achieve a total return (income and growth in the value of your investments (known as "capital growth")) above the total return of the Benchmark over a rolling 5 year period, after the deduction of all fees.</p> <p>The "Benchmark" for the Sub-fund is the MSCI United Kingdom Investable Market Index (IMI) Net Total Return.</p>
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The Sub-Fund achieved its objective to generate an average annual income above the dividend yield of the benchmark over a rolling 3-year period.

The Sub-Fund did not achieve its total return objective to outperform the benchmark over the period. Over a rolling 5-year period, the A share class produced capital growth of 21.07%* compared to the benchmark which produced 30.43%*. Although the share classes underperformed the benchmark, they did provide capital growth for their investors over a rolling 5-year period.

- Classes of Shares

	Minimum Investment	Initial Figure	Ongoing Charges (OCF)
A Share Class	£1,000.00		1.63%
B Share Class	£2,500,000.00		0.90%
S Share Class	£75,000,000.00		0.57%

The Sub-Fund has three share classes, which are offered to investors based on the amount of their initial investment. The A share class was historically offered to investors via their Independent Financial Advisors who would then receive commission from the AMC.

- ACD & Supplier costs

We concluded that based on its size and complexity, the Sub-Fund's costs were fair and reasonable and therefore represented good value for investors.

Costs charged to the Sub-Fund are clear and are being applied in-line with agreed rates and as disclosed within the Prospectus.

The services associated to each cost are being provided on a competitive basis.

- Economies of scale

We have concluded that the Sub-Fund does benefit from all available economies of scale. Although, in a number of cases the impact of these economies of scale will not be felt by investors until the Sub-Fund increases in size.

The ACD does, where possible use the buying power of its wider group to ensure that supplier costs remain competitive even when a Sub-Fund is small.

- Comparable Market Rates

The OCF of the A share class is 0.33% higher than the average OCF of the peer group, although the majority of holders in this share class are receiving a rebate of the AMC. The A share class represents less than 3% of the overall Sub-Fund value. The B share class OCF is 0.40% lower than that of the peer group, and 0.37% lower than the average OCF of funds within the same IA Sector, the IA Equity Income Sector.

	Ongoing Charges Figure (OCF)	Average peer group OCF	Average OCF of IA Sector
A Share Class	1.63%	1.30%*	1.27%*
B Share Class	0.90%		

- Comparable Services

We concluded that there are no comparable services that we offer to investors.

*Source – Data extracted from FE Analytics as at 26th May 2020

Steps taken as part of, or as a result of our assessment

As a result of our review, we have reduced the minimum initial investment and minimum subsequent investment limits on the B share class to match those of the A share class, this change has enabled all investors to gain access this share class. We have also written to all investors in the A share class to inform them of the changes and to explain how they can now convert their investment into the B share class free of charge.

Assessment of value for the ES River and Mercantile Global Recovery

Sub-Fund Specific Conclusions

- Quality of Service

We concluded that, based on the areas assessed, Equity Trustees Fund Services and our key service suppliers/delegates are providing a comprehensive range of services to the Sub-Fund and its investors, which are being delivered to a high standard resulting in good value for investors.

- Fund Performance

Investment Objective	The investment objective of the Sub-Fund is to grow the value of your investment (known as "capital growth") in excess of the MSCI All Country World Index (ACWI) Net Total Return (the "Benchmark") over a rolling 5 year period, after the deduction of all fees.
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The Sub-Fund did not achieve its objective to outperform the benchmark over the period. Over a rolling 5-year period the B share class produced capital growth of 47.61%* compared to the benchmark which produced 72.66%*. Although all share classes underperformed the benchmark, the Sub-Fund still provided capital growth for its investors over a rolling 5-year period.

- Classes of Shares

	Minimum Initial Investment	Ongoing Charges Figure (OCF)
B Share Class	£2,500,000.00	1.16%
S Share Class	£50,000,000.00	0.91%
Z Share Class	£5,000,000.00	0.16%

The Sub-Fund has three share classes, which are offered to investors based on the amount of their initial investment.

Our review concluded that the B share class would benefit from a reduction in minimum initial subscription and minimum subsequent subscription amounts to enable all investors to access the fund, not just those within a minimum of £2,500,000.00 to invest.

- ACD & Supplier costs

We concluded that based on its size and complexity, the Sub-Fund's costs were fair and reasonable and therefore represented good value for investors.

Costs charged to the Sub-Fund are clear and are being applied in-line with agreed rates and as disclosed within the Prospectus.

The services associated to each cost are being provided on a competitive basis.

- Economies of scale

We have concluded that the Sub-Fund does benefit from all available economies of scale. Although, in a number of cases the impact of these economies of scale will not be felt by investors until the Sub-Fund increases in size.

The ACD does, where possible use the buying power of its wider group to ensure that supplier costs remain competitive even when a Sub-Fund is small.

- Comparable Market Rates

The OCF of the B share class is 0.30% lower than the average OCF of the peer group, and 0.33% lower than the average OCF of funds within the same IA Sector, the IA Global Sector.

	Ongoing Charges Figure (OCF)	Average peer group OCF	Average OCF of IA Sector
B Share Class	1.16%	1.46%*	1.49%*

- Comparable Services

We concluded that there are no comparable services that we offer to investors.

*Source – Data extracted from FE Analytics as at 26th May 2020

Steps taken as part of, or as a result of our assessment

As a result of our review we have reduced the minimum initial investment and minimum subsequent investment limits on the B share class to bring them in-line with the reduced B share class limits available on the other Sub-Funds.

Assessment of value for the ES River and Mercantile Dynamic Asset Allocation

Sub-Fund Specific Conclusions

- **Quality of Service**

We concluded that, based on the areas assessed, Equity Trustees Fund Services and our key service suppliers/delegates are providing a comprehensive range of services to the Sub-Fund and its investors, which are being delivered to a high standard resulting in good value for investors.

- **Fund Performance**

Investment Objective	<p>The investment objective of the Sub-Fund is to achieve an average return (income and growth in the value of the your investment (known as "capital growth")) of 4% per year above cash (based on the 3 month sterling LIBOR interest rate) (the "Benchmark") over a rolling 3 year period, after the deduction of all fees.</p> <p>There can be no guarantee that the investment objective of the Sub-Fund will be achieved over a 3-year period or any other period and your investment is at risk.</p>
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The B share class of the Sub-Fund did not achieve its objective to outperform the benchmark over the period. Over a rolling 3-year period the B share class produced capital growth of 13.73%* compared to the benchmark which produced 14.53%*. Although the B share class underperformed the benchmark, the Sub-Fund still provided capital growth for its investors over a rolling 3-year period.

- **Classes of Shares**

	Minimum Initial Investment	Ongoing Charges Figure (OCF)
B Share Class	£500,000.00	0.82%
Z Share Class	£2,500,000.00	0.26%

The Sub-Fund has two share classes, which are offered to investors based on the amount of their initial investment.

Our review concluded that the B share class would benefit from a reduction in minimum initial subscription and minimum subsequent subscription amounts to enable all investors to access the fund, not just those within a minimum of £500,000.00 to invest.

- **ACD & Supplier costs**

We concluded that based on its size and complexity, the Sub-Fund's costs were fair and reasonable and therefore represented good value for investors.

Costs charged to the Sub-Fund are clear and are being applied in-line with agreed rates and as disclosed within the Prospectus.

The services associated to each cost are being provided on a competitive basis.

- **Economies of scale**

We have concluded that the Sub-Fund does benefit from all available economies of scale. Although, in a number of cases the impact of these economies of scale will not be felt by investors until the Sub-Fund increases in size.

The ACD does, where possible use the buying power of its wider group to ensure that supplier costs remain competitive even when a Sub-Fund is small.

- **Comparable Market Rates**

The OCF of the B share class 0.32% lower than the average OCF of the peer group, and 0.61% lower than the average OCF of funds within the same IA Sector, the IA Mixed Investment 20% - 60% Sector. Please note that the ES Dynamic Asset Allocation Fund has a synthetic exposure of 0.18% which has been applied to the Operating Charges figure.

	Ongoing Charges Figure (OCF)	Average peer group OCF	Average OCF of IA Sector
B Share Class	0.82%	1.14%*	1.43%*

- **Comparable Services**

We concluded that there are no comparable services that we offer to investors.

*Source – Data extracted from FE Analytics as at 26th May 2020

Steps taken as part of, or as a result of our assessment

As a result of our review we have reduced the minimum initial investment and minimum subsequent investment limits on the B share class to bring them in-line with the reduced B share class limits available on the other Sub-Funds.

Assessment of value for the ES River and Mercantile Global High Alpha

Sub-Fund Specific Conclusions

- **Quality of Service**

We concluded that, based on the areas assessed, Equity Trustees Fund Services and our key service suppliers/delegates are providing a comprehensive range of services to the Sub-Fund and its investors, which are being delivered to a high standard resulting in good value for investors.

- **Fund Performance**

Investment Objective	The investment objective of the Sub-Fund is to grow the value of your investment (known as "capital growth") in excess of the MSCI All Country World Index (ACWI) Net Total Return (the "Benchmark") over a rolling 5 year period, after the deduction of all fees.
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The Sub-Fund did not achieve its objective to outperform the benchmark over the period. Over a rolling 5-year period, the B share class produced capital growth of 28.32%*, compared to the benchmark which produced 33.95%*. Although they underperformed the benchmark, the share classes still provided capital growth for its investors over a rolling 5-year period.

- **Classes of Shares**

	Minimum Investment	Initial	Ongoing Charges Figure (OCF)
B Share Class	£2,500,000.00		0.92%
Z Share Class	£5,000,000.00		0.17%

The Sub-Fund has two share classes, which are offered to investors based on the amount of their initial investment.

Our review concluded that the B share class would benefit from a reduction in minimum initial subscription and minimum subsequent subscription amounts to enable all investors to access the fund, not just those within a minimum of £2,500,000.00 to invest.

- **ACD & Supplier costs**

We concluded that based on the size and complexity of the Sub-Fund, the Sub-Fund's costs were fair and reasonable and therefore represented good value for investors.

Costs charged to the Sub-Fund are clear and are being applied in-line with agreed rates and as disclosed within the Prospectus.

The services associated to each cost are being provided on a competitive basis.

- **Economies of scale**

We have concluded that the Sub-Fund does benefit from all available economies of scale. Although, in a number of cases the impact of these economies of scale will not be felt by investors until the Sub-fund increases in size.

The ACD does, where possible use the buying power of its wider group to ensure that supplier costs remain competitive even when a Sub-Fund is small.

- **Comparable Market Rates**

The OCF of the B share class is 0.39% lower than the average OCF of the peer group, and 0.57% lower than the average OCF of funds within the same IA Sector, the IA Global Sector.

	Ongoing Charges Figure (OCF)	Average peer group OCF	Average OCF of IA Sector
B Share Class	0.92%	1.31%*	1.49%*

- **Comparable Services**

We concluded that there are no comparable services that we offer to investors.

*Source – Data extracted from FE Analytics as at 26th May 2020

Steps taken as part of, or as a result of our assessment

As a result of our review we have reduced the minimum initial investment and minimum subsequent investment limits on the B share class to bring them in-line with the reduced B share class limits available on the other Sub-Funds.