



ES River and Mercantile Sub-Funds ICVC Assessment of Value

Conducted by Equity Trustees Fund Services Ltd

For accounting period end – 31st March 2021

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 that 7 of the 9 sub-funds of the ES River and Mercantile Funds ICVC are providing value for investors. Two sub-funds (the ES River & Mercantile Global Recovery Fund and the ES River & Mercantile Global High Alpha Fund) are not currently providing overall value for investors, please refer to the individual sub-fund pages for further information.

The table below outlines the results of our assessment for each of the 7 criteria. 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
UK Equity High Alpha	●●●	●●●	●●●	●●●	●●●	●●●	●●●
UK Equity Smaller Companies	●●●	●●●	●●●	●●●	●●●	●●●	●●●
UK Dynamic Equity	●●●	●●●	●●●	●●●	●●●	●●●	●●●
UK Recovery	●●●	●●●	●●●	●●●	●●	●●●	●●●
UK Equity Income	●●●	●●●	●●●	●●●	●●●	●●●	●●●
Global Recovery	●●●	●	●	●●●	●●	●●●	●●●
Dynamic Asset Allocation	●●●	●●	●●	●●●	●●●	●●●	●●●
Global High Alpha	●●●	●	●	●●●	●●●	●●●	●●●
European	●●●	●●●	●●●	●●●	●●●	●●●	●●●

●●● = The sub-fund is providing value for its investors

●● = The sub-fund is providing value for its investors, but further action or further monitoring is required to ensure that the sub-fund continues to provide value

● = The sub-fund is not currently providing value for its investors.



Dallas McGillivray

Chair and Independent Director, Equity Trustees Fund Services Ltd

A message from the sub-funds' Investment Manager River and Mercantile

Welcome to the 2021 Value Assessment of the ES River and Mercantile Funds ICVC and its sub-funds. This is the second such report which comes as 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 several areas, including costs, performance and client service.

As the Group Chief Executive of the River and Mercantile Group, I am very supportive of the FCA empowering investors to assess whether they are getting value from our products. 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.

I am pleased to report that the Board of the ACD, Equity Trustees Fund Services has determined that the majority of the sub-funds are broadly delivering value, however, this year some of our sub-funds have been assessed as not providing value against certain criteria. The FCA has recently issued further guidance on the assessment of value, and this has resulted in sharpening the focus on what exactly this means. We are committed to learn from these assessments and will adapt and improve our approach as necessary, but I wanted to explain a little further why some of our sub-funds have fallen short of what we would hope and what you could expect, in some areas.

We believe that we have a very strong range of investment strategies at River and Mercantile. There are two sub-funds which have not received the positive assessment we strive for. For both these sub-funds (ES River & Mercantile Global Recovery and ES River & Mercantile Global High Alpha) the investment approach is to look for Value or Recovery stocks. Value investing is a type of investment style where the manager chooses stocks which they believe to be undervalued by the market, but which have a strong fundamental investment case that should result in longer-term share price increases. This style of investment has been an unpopular part of the market for several years, although in recent months it has undergone something of a resurgence.

In addition, ETFS has concluded that the performance progress of ES River & Mercantile Dynamic Asset Allocation ("DAA") requires further monitoring. As a sub-fund with a benchmark which will always produce a positive return objective, there can be periods where a substantial drawdown in investment markets makes the achievement of this objective extremely difficult in the short term. One such period was the volatility in global investment markets around the time the pandemic broke. Though performance has recovered dramatically, we acknowledge there was a great deal of volatility in short term returns and recovery can take some time to realise and we understand the need for further monitoring of future performance. DAA has an excellent long and medium-term performance and has consistently beaten its investment objective, including outperforming its benchmark by 4.8% over the last 3 years.

We will work with ETFS to ensure that our performance and value assessment remains positive for the funds where the review was favourable and will take the required steps to address the issues for the funds where the assessment did not meet expectations.

Please be assured that we appreciate the support and trust of the sub-fund's investors, and we will continue to endeavour to provide you with excellent investment options and outcomes.



James Barham, Group Chief Executive of River and Mercantile Group

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 each 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 against its stated Benchmark.

When measuring the sub-fund's performance, we reviewed the 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 3 or 5-year performance figure (in line with the sub-funds stated investment objective).

Where our initial assessment indicates that a sub-fund may not be representing value, we consider a number of broader performance metrics that we believe an investor would consider relevant when assessing value, before reaching our final conclusion.

The performance of the ES River and Mercantile Global Recovery Fund has been measured from the date the funds launched up to the last wording day of each of the 12 calendar months leading up to the review date. We then took an average of these 12 performance data points to produce the average rolling figure for our assessment. This is due to the funds not having a full 5-year performance history.

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 the cost of administration services which make up the Ongoing Charges Figure ("OCF"). Our assessment focuses on whether these costs are reasonable for the 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 sub-funds grow in size, the fund typically pays proportionally less for the fixed costs of operating the fund. As sub-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.

Additionally, we considered whether there had been any changes to the environment or conditions under which each key supplier and delegate operates, to assess if any change has resulted in further economies of scale being generated that should have been passed on to investors.

We also checked that services which could benefit from economies of scale had cost structures that allowed for these to be passed on to the sub-fund as 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 2021, 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 Fund

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 their objective to provide capital growth in excess of the benchmark. Please see the table below showing the performance of each share class against the benchmark.

	Average rolling 5 year performance*
A Inc Share Class	20.58%
B Acc Share Class	25.20%
Z Acc Share Class	29.96%
MSCI UK IMI	16.17%

The below table illustrates the return on an investment of £1,000 over the past 12 months, along with the approximate charge.

	Current value of £1,000 investment**	Illustrative impact of Costs and Charges (the 'OCF') ***
A Inc Share Class	£1,565	£25.82

Classes of Shares

	Minimum Initial Investment	Annual Management charge (AMC)	Ongoing Charges Figure (OCF)
A Share Class	£1,000	0.75%	1.65%^
B Share Class	£1,000	0.75%	0.90%
Z Share Class	£5,000,000	0.00%	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. Since our last assessment, we have reduced the minimum initial investment of the B Share Class to £1,000. We also reduced the Annual Management Charge (AMC) of the A Share Class from 1.50% to 0.75% on 31st March 2021.

Our review concluded that all investors are holding an appropriate share class according to the value of their investment.

ACD & Supplier costs

In line with our stated assessment process, and the limited market data available to us, we have 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.

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's assets under management 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 higher than the average OCF of the peer group, although this figure does not include the rebate of the AMC which all investors received during the period, which reduced the overall OCF to 0.90%, in-line with the B share class. The B share class OCF is 0.17% lower than the average OCF of the peer group, and although slightly higher than the average OCF of funds within the same IA Sector, the IA UK All Companies Sector, we feel the costs are comparable and investors are receiving value.

Note: The IA UK All Companies sector contains a broad range of funds that invest through various investment vehicles and that may have differing investment objectives and investment strategies. All of which could have a significant impact on a fund's operating cost (its 'OCF'). Therefore, comparing the OCF of a sub-fund to the average OCF of its IA Sector should be considered as a guide rather than an absolute 'like-for-like' comparison.

	Ongoing Charges Figure (OCF)	Average peer group OCF	Average OCF of IA Sector
A Share Class	1.65%^	1.07%*	0.82%*
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 May 2021. Performance figures calculated to 31st March 2021.

**Based on an investment of £1,000 originally made on the 31st March 2020 into the A Share Class, revalued on the 31st March 2021.

***Calculated by multiplying the value of the original £1,000 investment on the 31st March 2021 by the sub-funds published OCF at the latest accounting period end date. Note: this figure is provided purely for illustrative purposes only and may not be the actual value charged due to the daily fluctuations in the valuation of the sub-fund. Investors should also note that the costs and charges represented by the OCF are deducted from the scheme property rather than individual investor accounts and are reflected in the daily published NAV price for the sub-fund.

^The OCF will reduce at the interim accounting period (30th September 2021) to reflect the reduction in AMC made on the 31st March 2021.

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

As a result of our review, we have identified the need to further articulate within the scheme documentation how and when investors will benefit from economies of scale when the sub-fund significantly increases in size.

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

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 sub-fund achieved their objective to provide capital growth in excess of the benchmark. Please see the table below showing the performance of each share class against the benchmark.

	Average rolling 5 year performance*
B Acc Share Class	59.27%
S Inc Share Class	See Note Below
Numis Smaller Companies + AIM Excluding Investment Companies	31.51%

Note: The S Inc Share Class was launched on the 2nd May 2019 and does therefore not have a 5-year performance history to report.

The below table illustrates the return on an investment of £1,000 over the past 12 months, along with the approximate charge.

	Current value of £1,000 investment**	Illustrative impact of Costs and Charges (the 'OCF') ***
B Acc Share Class	£1,676	£14.92

Classes of Shares

	Minimum Initial Investment	Annual Management Charge (AMC)	Ongoing Charges Figure (OCF)
B Share Class	£1,000	0.75%	0.89%
S Share Class	£75,000,000	0.50%	0.64%

The sub-fund has two share classes, which are offered to investors based on the amount of their initial investment. Since our last assessment, we have moved all investors from the A share class to the cheaper B share class and closed the A share class. We also reduced the minimum initial investment of the B share class to £1,000.

Our review concluded that all investors are holding an appropriate share class according to the value of their investment.

ACD & Supplier costs

In line with our stated assessment process, and the limited market data available to us, we have 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.

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's assets under management 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 lower than the average of the peer group, and lower than the average OCF of funds within the same IA Sector, the IA UK Smaller Companies Sector. Our review therefore concluded the sub-fund represents value for investors.

Note: The IA UK Smaller Companies sector contains a broad range of funds that invest through various investment vehicles and that may have differing investment objectives and investment strategies. All of which could have a significant impact on a fund's operating cost (its 'OCF'). Therefore, comparing the OCF of a sub-fund to the average OCF of its IA Sector should be considered as a guide rather than an absolute 'like-for-like' comparison.

	Ongoing Charges Figure (OCF)	Average peer group OCF	Average OCF of IA Sector
B Share Class	0.89%	0.95%*	0.96*

Comparable Services

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

*Source – Data extracted from FE Analytics May 2021. Performance figures calculated to 31st March 2021.

**Based on an investment of £1,000 originally made on the 31st March 2020 into the B Share Class, revalued on the 31st March 2021.

***Calculated by multiplying the value of the original £1,000 investment on the 31st March 2021 by the sub-funds published OCF at the latest accounting period end date. Note: this figure is provided purely for illustrative purposes only and may not be the actual value charged due to the daily fluctuations in the valuation of the sub-fund. Investors should also note that the costs and charges represented by the OCF are deducted from the scheme property rather than individual investor accounts and are reflected in the daily published NAV price for the sub-fund.

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

As a result of our review, we have identified the need to further articulate within the scheme documentation how and when investors will benefit from economies of scale when the sub-fund significantly increases in size.

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

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 their objective to provide capital growth in excess of the benchmark.

	Average rolling 5 year performance*
A Inc Share class	20.75%
B Acc Share Class	25.40%
S Acc Share	See Note Below
Z Acc Shares	30.29%
MSCI UK IMI	16.17%

Note: The S Acc Share Class was launched on the 6th January 2020 and does therefore not have a 5-year performance history to report.

The below table illustrates the return on an investment of £1,000 over the past 12 months, along with the approximate charge.

	Current value of £1,000 investment**	Illustrative impact of Costs and Charges (the 'OCF') ***
A Inc Share Class	£1,346	£22.75

Classes of Shares

	Minimum Initial Investment	Annual Management Charge (AMC)	Ongoing Charges Figure (OCF)
A Share Class	£1,000	0.75%	1.69%^
B Share Class	£1,000	0.75%	0.94%
S Share Class	£30,000,000	0.50%	0.67%
Z Share Class	£5,000,000	0.00%	0.19%

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. Since our last assessment, we have reduced the minimum initial investment of the B Share Class to £1,000. We have also reduced the Annual Management Charge (AMC) of the A Share Class from 1.50% to 0.75%.

Our review concluded that all investors are holding an appropriate share class according to the value of their investment.

ACD & Supplier costs

In line with our stated assessment process, and the limited market data available to us, we have 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.

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's assets under management 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 higher than the average OCF of the peer group, although this figure does not include the rebate of the AMC which all investors received during the period, which reduced the overall OCF to 0.90%, in-line with the B share class. The B share class OCF is 0.15% lower than that of the peer group and, although 0.12% higher than the average OCF of funds within the same IA Sector, the IA UK All Companies Sector, we feel the OCF is comparable.

Note: The IA UK All Companies sector contains a broad range of funds that invest through various investment vehicles and that may have differing investment objectives and investment strategies. All of which could have a significant impact on a fund's operating cost (its 'OCF'). Therefore, comparing the OCF of a sub-fund to the average OCF of its IA Sector should be considered as a guide rather than an absolute 'like-for-like' comparison.

	Ongoing Charges Figure (OCF)	Average peer group OCF	Average OCF of IA Sector
A Share Class	1.69%^	1.09%*	0.82%*
B Share Class	0.94%		

Comparable Services

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

*Source – Data extracted from FE Analytics May 2021. Performance figures calculated to 31st March 2021.

**Based on an investment of £1,000 originally made on the 31st March 2020 into the A Share Class, revalued on the 31st March 2021.

***Calculated by multiplying the value of the original £1,000 investment on the 31st March 2021 by the sub-funds published OCF at the latest accounting period end date. Note: this figure is provided purely for illustrative purposes only and may not be the actual value charged due to the daily fluctuations in the valuation of the sub-fund. Investors should also note that the costs and charges represented by the OCF are deducted from the scheme property rather than individual investor accounts and are reflected in the daily published NAV price for the sub-fund.

^OCF will reduce at the interim accounting period to reflect the reduction in AMC made on the 31st March 2021.

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

As a result of our review, we have identified the need to further articulate within the scheme documentation how and when investors will benefit from economies of scale when the sub-fund significantly increases in size.

Assessment of value for the ES River and Mercantile UK Recovery Fund

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 their objective to provide capital growth in excess of the benchmark.

	Average rolling 5 year performance*
B Inc Share Class	32.88%
S Inc Share Class	See Note Below
Z Acc Share Class	39.71%
MSCI UK IMI	16.17%

Note: The S Inc Share Class was launched on the 18th July 2018 and does therefore not have a 5-year performance history to report.

The below table illustrates the return on an investment of £1,000 over the past 12 months, along with the approximate charge.

	Current value of £1,000 investment**	Illustrative impact of Costs and Charges (the 'OCF') ***
B Inc Share Class	£1,619	£18.95

Classes of Shares

	Minimum Initial Investment	Annual Management Charge (AMC)	Ongoing Charges Figure (OCF)
B Share Class	£1,000	1.00%	1.17%
S Share Class	£30,000,000	0.75%	0.93%
Z Share Class	£5,000,000	0.00%	0.18%

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

Since our last assessment, we have moved all investors from the A share class to the cheaper B share class and closed the A share class. We also reduced the minimum initial investment of the B share class to £1,000.

Our review concluded that all investors are holding an appropriate share class according to the value of their investment.

ACD & Supplier costs

In line with our stated assessment process, and the limited market data available to us, we have 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.

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's assets under management 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 B share class OCF is 0.19% higher than the average OCF of the peer group, and 0.35% higher than the average OCF of funds within the same IA Sector, the IA UK All Companies Sector.

Note: The IA UK All Companies sector contains a broad range of funds that invest through various investment vehicles and that may have differing investment objectives and investment strategies. All of which could have a significant impact on a fund's operating cost (its 'OCF'). Therefore, comparing the OCF of a sub-fund to the average OCF of its IA Sector should be considered as a guide rather than an absolute 'like-for-like' comparison.

	Ongoing Charges Figure (OCF)	Average peer group OCF	Average OCF of IA Sector
B Share Class	1.17%	0.98%*	0.82%*

Comparable Services

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

*Source – Data extracted from FE Analytics May 2021. Performance figures calculated to 31st March 2021.

**Based on an investment of £1,000 originally made on the 31st March 2020 into the B Share Class, revalued on the 31st March 2021.

***Calculated by multiplying the value of the original £1,000 investment on the 31st March 2021 by the sub-funds published OCF at the latest accounting period end date. Note: this figure is provided purely for illustrative purposes only and may not be the actual value charged due to the daily fluctuations in the valuation of the sub-fund. Investors should also note that the costs and charges represented by the OCF are deducted from the scheme property rather than individual investor accounts and are reflected in the daily published NAV price for the sub-fund.

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

As a result of our review, we have identified the need to further articulate within the scheme documentation how and when investors will benefit from economies of scale when the sub-fund significantly increases in size.

In addition, we will continue to monitor the OCF of the sub-fund over the next reporting period against its IA Sector and Peer Group to ensure the OCF continues to represent good value for the sub-funds investors.

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

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 (a) generate an average annual income above the dividend yield of the Benchmark over a rolling 3-year period; and (b) achieve a total return (income and growth in the value of your investments (known as "capital growth")) above the total return of the Benchmark over a rolling 5-year period, after the deduction of all fees. The "Benchmark" for the Sub-fund is the MSCI United Kingdom Investable Market Index (IMI) Net Total Return.
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All share classes of the sub-fund achieved their objective to generate annual income above the dividend yield of the benchmark and provided capital growth in excess of the benchmark.

	Average annual income over 3 years*
B Inc Share Class	4.34%
S Inc Share Class	See Note Below
MSCI UK IMI	4.17%

	Average rolling 5 year performance*
B Inc Share Class	21.34%
S Inc Share Class	See Note Below
MSCI UK IMI	16.17%

Note: The S Inc Share Class was launched on the 2nd May 2019 and does therefore not have a 3 or 5 year performance history to report. The below table illustrates the return on an investment of £1,000 over the past 12 months, along with the approximate charge.

	Current value of £1,000 investment**	Illustrative impact of Costs and Charges (the 'OCF') ***
B Inc Share Class	£1,235	£11.62

Classes of Shares

	Minimum Initial Investment	Annual Management Charge (AMC)	Ongoing Charges Figure (OCF)
B Share Class	£1,000	0.75%	0.94%
S Share Class	£30,000,000	0.50%	0.69%

The sub-fund has two share classes, which are offered to investors based on the amount of their initial investment. Since our last assessment, we have moved all investors from the A share class to the cheaper B share class and closed the A share class. We have also reduced the minimum initial investment of the B share class to £1,000. Our review concluded that all investors are holding an appropriate share class according to the value of their investment.

ACD & Supplier costs

In line with our stated assessment process, and the limited market data available to us, we have 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.

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's assets under management 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 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 UK Equity Income Sector.

Note: The IA UK Equity Income sector contains a broad range of funds that invest through various investment vehicles and that may have differing investment objectives and investment strategies. All of which could have a significant impact on a fund's operating cost (its 'OCF'). Therefore, comparing the OCF of a sub-fund to the average OCF of its IA Sector should be considered as a guide rather than an absolute 'like-for-like' comparison.

	Ongoing Charges Figure (OCF)	Average peer group OCF	Average OCF of IA Sector
B Inc Share Class	0.94%	0.94%*	0.86%*

Comparable Services

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

Source – Data extracted from FE Analytics May 2021. Performance figures calculated to 31st March 2021. Yield figures extracted from Bloomberg.

**Based on an investment of £1,000.00 originally made on the 31st March 2020 into the B Share Class, revalued on the 31st March 2021.

***Calculated by multiplying the value of the original £1,000.00 investment on the 31st March 2021 by the sub-funds published OCF at the latest accounting period end date. Note: this figure is provided purely for illustrative purposes only and may not be the actual value charged due to the daily fluctuations in the valuation of the sub-fund. Investors should also note that the costs and charges represented by the OCF are deducted from the scheme property rather than individual investor accounts and are reflected in the daily published NAV price for the sub-fund.

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

As a result of our review, we have identified the need to further articulate within the scheme documentation how and when investors will benefit from economies of scale when the sub-fund significantly increases in size.

Assessment of value for the ES River and Mercantile Global Recovery Fund

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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Over the rolling 5-year period calculated as per our methodology, as set out within the assessment criteria section of this document, all share classes have not achieved the sub-funds stated objective to provide capital growth in excess of the benchmark. We have therefore concluded that the sub-fund's performance has not provided value to investors over this reporting period.

This underperformance was due to the sub-fund having an investment strategy with a distinct and strong value focus (This means seeking out companies that the Investment Manager believes are good quality, but which have been overlooked by the market and are trading at a significant discount to their true value), which for much of the 5 years covered by this review period, has been out of favour compared to growth strategies which have dominated the benchmark performance.

It should however be noted that over the longer period of around 8 years since the sub-fund's inception, it has outperformed its benchmark by approximately 15% after the deduction of all fees. It should also be noted that over the last 12 months of the reporting period, there was a general resurgence in value stocks which has resulted in the sub-fund outperforming its benchmark by more than 23% after the deduction of all fees during this period.

We remain confident in the sub-fund's investment strategy, and in the Investment Managers ability to deliver the sub-fund's investment objective in the future. The sub-fund continues to provide a credible option for those investors who have a preference for a value investment style.

	Average rolling 5 year performance*
B Inc Share Class	50.49%
S Inc Share Class	See Note Below
Z Acc Share Class	58.24%
MSCI ACWI	81.03%

Note: The S Inc Share Class was launched on the 19th July 2018 and does therefore not have a 5 year performance history to report.

The below table illustrates the return on an investment of £1,000 over the past 12 months, along with the approximate charge.

	Current value of £1,000 investment**	Illustrative impact of Costs and Charges (the 'OCF') ***
B Inc Share Class	£1,615	£19.22

ACD & Supplier costs

We concluded that based on its size and complexity, the majority of the sub-fund's individual costs were assessed as fair and reasonable. However, although the Investment Manager has managed the sub-fund during the period in line with its investment policy, it has not achieved the sub-fund's stated objective over the specific period under review. The ACD has therefore concluded that the fee paid by investors for the Investment Management services to the sub-fund, which represents a significant portion of the overall OCF, has not provided value over the period under review.

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

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's assets under management 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 0.22% higher than the average OCF of the peer group, and 0.34% higher than the average OCF of funds within the same IA Sector, the IA Global Sector.

Note: The IA Global Sector contains a broad range of funds that invest through various investment vehicles and that may have differing investment objectives and investment strategies. All of which could have a significant impact on a fund's operating cost (its 'OCF'). Therefore, comparing the OCF of a sub-fund to the average OCF of its IA Sector should be considered as a guide rather than an absolute 'like-for-like' comparison.

	Ongoing Charges Figure (OCF)	Average peer group OCF	Average OCF of IA Sector
B Inc Share Class	1.19%	0.97%*	0.85%*

Comparable Services

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

* Source – Data extracted from FE Analytics May 2021. Performance figures calculated to 31st March 2021. Yield figures extracted from Bloomberg.

**Based on an investment of £1,000 originally made on the 31st March 2020 into the B Share Class, revalued on the 31st March 2021.

***Calculated by multiplying the value of the original £1,000 investment on the 31st March 2021 by the sub-funds published OCF at the latest accounting period end date. Note: this figure is provided purely for illustrative purposes only and may not be the actual value charged due to the daily fluctuations in the valuation of the sub-fund. Investors should also note that the costs and charges represented by the OCF are deducted from the scheme property rather than individual investor accounts and are reflected in the daily published NAV price for the sub-fund.



	Minimum Initial Investment	Annual Management Charge (AMC)	Ongoing Charges Figure (OCF)
B Share Class	£1,000	1.00%	1.16%
S Share Class	£50,000,000	0.75%	0.91%
Z Share Class	£5,000,000	0.00%	0.11%

The sub-fund has three share classes, which are offered to investors based on the amount of their initial investment. Since our last assessment, we have reduced the minimum initial investment of the B share class from £2,500,000 to £1,000 to allow all investor types to access the fund. Our review concluded that all investors are holding an appropriate share class according to the value of their investment.

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

The ACD remains positive about the long term prospects for the sub-fund and will continue to work closely with the Investment Manager to monitor its investment process to ensure that the process provides the sub-fund with opportunities to achieve its investment objective over future reporting periods and developing economic cycles.

As a result of our review, we have identified the need to further articulate within the scheme documentation how and when investors will benefit from economies of scale when the sub-fund significantly increases in size.

In addition, we will continue to monitor the OCF of the sub-fund over the next reporting period against its IA Sector and Peer Group to ensure the OCF continues to represent good value for the sub-funds investors.

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

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 achieve an average return (income and growth in the value of your investment (known as "capital growth")) of 4.125% per year above cash (based on the SONIA interest rate) (the "Benchmark") over a rolling 3-year period, after the deduction of all fees. 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.
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Over the rolling 3-year period calculated as per our methodology, set out within the assessment criteria section of this document, the share classes have unfortunately not achieved the sub-fund's stated objective to provide capital growth in excess of its cash benchmark. This underperformance was as a direct result of the significant equity market crash experienced in late February and early March of 2020 triggered by the Coronavirus pandemic. During the crash global equity markets sharply declined making it difficult for a sub-fund with a published target asset allocation model and a significant exposure to equities and equity related securities, to outperform a cash linked benchmark such as SONIA. Natural or environmental disasters such as a pandemic, can be highly disruptive to both economies and markets, and can therefore negatively impact a sub-fund's ability to achieve its stated investment objective without significantly deviating from its stated investment policy and strategy, and therefore deviating from investors' expectations on how the fund will be managed.

It should however be noted that an assessment of all 3-year rolling performance periods since the sub-fund's inception shows an average return net of fees +15.77% against a benchmark of +14.66%, and that the sub-fund has performed strongly since the equity market crash with the sub-fund producing a return net of fees of +24.66 for the 12 months up to the 31st March 2021.

Due to the specific circumstances leading to the underperformance of the sub-fund when measured against its' stated objective over a 3-year rolling period, we have additionally reviewed the sub-fund's performance against our investor recommended holding period (5 years). Over this period both share classes achieved the sub-fund's stated objective.

Taking into consideration the unique event that has caused the sub-fund to underperform over the review period, the sub-fund's longer term performance record and the performance of the sub-fund post the equity market crash, we have concluded that the sub-fund does continue to provide value to its investors. We will however continue to closely monitor the sub-fund to track that its' recovery is maintained.

ACD & Supplier costs

We concluded that based on its size and complexity, the majority of the sub-fund's individual costs were assessed as fair and reasonable, and therefore represented good value for investors.

As the sub-fund has not achieved its stated Investment objective over the specific period under review, the ACD will continue to monitor the fee payable to the sub-fund's Investment Manager to ensure that it continues to represent value in-line with the sub-fund's ongoing performance against its' objective.

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

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's assets under management 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 0.38% 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 0.08% which has been applied to the OCF.

Note: The IA Mixed Investment 20% - 60% Sector contains a broad range of funds that invest through various investment vehicles and that may have differing investment objectives and investment strategies. All of which could have a significant impact on a fund's operating cost (its 'OCF'). Therefore, comparing the OCF of a sub-fund to the average OCF of its IA Sector should be considered as a guide rather than an absolute 'like-for-like' comparison.

	Ongoing Charges Figure (OCF)	Average peer group OCF	Average OCF of IA Sector
B Share Class	0.72%	1.02%*	1.10%*

Comparable Services

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

* Source – Data extracted from FE Analytics May 2021. Performance figures calculated to 31st March 2021. Yield figures extracted from Bloomberg.

**Based on an investment of £1,000.00 originally made on the 31st March 2020 into the B Share Class, revalued on the 31st March 2021.

***Calculated by multiplying the value of the original £1,000.00 investment on the 31st March 2021 by the sub-fund's published OCF at the latest accounting period end date. Note: this figure is provided purely for illustrative purposes only and may not be the actual value charged due to the daily fluctuations in the valuation of the sub-fund. Investors should also note that the costs and charges represented by the OCF are deducted from the scheme property rather than individual investor accounts and are reflected in the daily published NAV price for the sub-fund.

	Average rolling 3 year performance	Average rolling 5 year performance
B Acc Share Class	9.29%	29.89%
Z Acc Share Class	10.76%	32.81%
SONIA + 4.125%	14.90%	25.61%

The below table illustrates the return on an investment of £1,000 over the past 12 months, along with the approximate charge.

	Current value of £1,000 investment**	Illustrative impact of Costs and Charges (the 'OCF') ***
B Acc Share Class	£1,243	£8.95

- **Classes of Shares**



	Minimum Initial Investment	Annual Management Charge (AMC)	Ongoing Charges Figure (OCF)
B Share Class	£1,000	0.55%	0.72%
Z Share Class	£2,500,000	0.00%	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 all investors are holding an appropriate share class according to the value of their investment.

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

The ACD remains positive about the long term prospects for the sub-fund and will continue to work closely with the Investment Manager to monitor its investment process to ensure that the process provides the sub-fund with opportunities to achieve its investment objective over future reporting periods and developing economic cycles.

As a result of our review, we have identified the need to further articulate within the scheme documentation how and when investors will benefit from economies of scale when the sub-fund significantly increases in size.

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

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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Over the rolling 5-year period calculated as per our methodology, as set out within the assessment criteria section of this document, all share classes have not achieved the sub-funds stated objective to provide capital growth in excess of the benchmark. We have therefore concluded that the sub-fund's performance has not provided value to investors over this reporting period.

This underperformance was due to the sub-fund having an investment strategy with a distinct and strong value focus (This means seeking out companies that the Investment Manager believes are good quality, but which have been overlooked by the market and are trading at a significant discount to their true value), which for much of the 5 years covered by this review period, has been out of favour compared to growth strategies which have dominated the benchmark performance.

It should also be noted that over the last 12 months of the reporting period, there was a general resurgence in value stocks which has resulted in the sub-fund outperforming its benchmark by more than 14% after the deduction of all fees during this period.

We remain confident in the sub-fund's investment strategy, and in the Investment Manager's ability to deliver the sub-fund's investment objective in the future. The sub-fund continues to provide a credible option for those investors who have a preference for a value investment style.

	Average performance since inception*
B Acc Share Class	30.83%
Z Acc Share Class	34.81%
MSCI ACWI	47.10%

The below table illustrates the return on an investment of £1,000 over the past 12 months, along with the approximate charge.

	Current value of £1,000 investment**	Illustrative impact of Costs and Charges (the 'OCF') ***
B Acc Share Class	£1,592	£14.81

Classes of Shares

ACD & Supplier costs

We concluded that based on its size and complexity, the majority of the sub-fund's individual costs were assessed as fair and reasonable. However, although the sub-fund has been managed during the period in line with its investment policy, it has not achieved its stated objective over the specific period under review. The ACD has therefore concluded that the fee paid by investors for the investment management of the sub-fund's portfolio, which represents a significant portion of the overall OCF, has not provided value over the period under review.

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

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's assets under management 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.

Note: The IA Global Sector contains a broad range of funds that invest through various investment vehicles and that may have differing investment objectives and investment strategies. All of which could have a significant impact on a fund's operating cost (its 'OCF'). Therefore, comparing the OCF of a sub-fund to the average OCF of its IA Sector should be considered as a guide rather than an absolute 'like-for-like' comparison.

	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 May 2021. Performance figures calculated to 31st March 2021. Yield figures extracted from Bloomberg.

**Based on an investment of £1,000.00 originally made on the 31st March 2020 into the B Share Class, revalued on the 31st March 2021.

***Calculated by multiplying the value of the original £1,000.00 investment on the 31st March 2021 by the sub-funds published OCF at the latest accounting period end date. Note: this figure is provided purely for illustrative purposes only and may not be the actual value charged due to the daily fluctuations in the valuation

	Minimum Initial Investment	Annual Management Charge (AMC)	Ongoing Charges Figure (OCF)
B Share Class	£1,000	0.75%	0.92%
Z Share Class	£5,000,000	0.00%	0.17%

of the sub-fund. Investors should also note that the costs and charges represented by the OCF are deducted from the scheme property rather than individual investor accounts and are reflected in the daily published NAV price for the sub-fund.

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

Our review concluded that all investors are holding an appropriate share class according to the value of their investment.

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

The ACD remains positive about the long term prospects for the sub-fund and will continue to work closely with the Investment Manager to monitor its investment process to ensure that the process provides the sub-fund with opportunities to achieve its investment objective over future reporting periods and developing economic cycles.

As a result of our review, we have identified the need to further articulate within the scheme documentation how and when investors will benefit from economies of scale when the sub-fund significantly increases in size.

Assessment of value for the ES River and Mercantile European Fund

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

The sub-fund aims to achieve its objective over a rolling 5-year period of at least 5 years. At the end of the assessment period, the sub-fund had 6 months performance history, and therefore the ACD has concluded that is too soon to provide a fair and appropriate review of the performance of the sub-fund.

The below table illustrates the return on an investment of £1,000 since the fund launched, along with the approximate charge.

	Current value of £1,000 investment**	Illustrative impact of Costs and Charges (the 'OCF') ***
F Inc Share Class	£1,173	£2.64

Classes of Shares

	Minimum Initial Investment	Annual Management Charge (AMC)	Ongoing Charges Figure (OCF)
B Share Class	£1,000	0.75%	0.95%
F Share Class	£1,000	0.30%	0.45%
S Share Class	£30,000,000	Up to 0.60%	0.80%
Z Share Class	£10,000,000	0.00%	0.20%

The sub-fund has four share classes, which are offered to investors based on the amount of their initial investment.

Our review concluded that all investors are holding an appropriate share class according to the value of their investment.

ACD & Supplier costs

In line with our stated assessment process, and the limited market data available to us, we have 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.

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's assets under management 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 0.01% lower than the average OCF of the peer group, and 0.31% higher than the average OCF of funds within the same IA Sector, the IA Europe Ex UK. The F share class is comparable to the average OCF of the IA Sector.

Note: The IA Europe Ex UK Sector contains a broad range of funds that invest through various investment vehicles and that may have differing investment objectives and investment strategies. All of which could have a significant impact on a fund's operating cost (its 'OCF'). Therefore, comparing the OCF of a sub-fund to the average OCF of its IA Sector should be considered as a guide rather than an absolute 'like-for-like' comparison.

	Ongoing Charges Figure (OCF)	Average peer group OCF	Average OCF of IA Sector
B Share Class	0.95%	0.96%*	0.64%*
F Share Class	0.45%		

Comparable Services

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

* Source – Data extracted from FE Analytics May 2021. Performance figures calculated to 31st March 2021. Yield figures extracted from Bloomberg.

**Based on an investment of £1,000.00 originally made on the 30th September 2020 into the B Share Class, revalued on the 31st March 2021

***Calculated by multiplying the value of the original £1,000.00 investment on the 31st March 2021 by the sub-funds published OCF at the latest accounting period end date. Note: this figure is provided purely for illustrative purposes only and may not be the actual value charged due to the daily fluctuations in the valuation of the sub-fund. Investors should also note that the costs and charges represented by the OCF are deducted from the scheme property rather than individual investor accounts and are reflected in the daily published NAV price for the sub-fund. Based on 6 months performance history.

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

As a result of our review, we have identified the need to further articulate within the scheme documentation how and when investors will benefit from economies of scale when the sub-fund significantly increases in size.