

# RIVER AND MERCANTILE

**ES River and Mercantile Funds ICVC  
Interim Report for the Period Ended  
30 September 2022 (unaudited)**

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\*Collectively these comprise the Authorised Corporate Director's Report.

# The Authorised Corporate Director's Report

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Equity Trustees Fund Services Limited ("ETFS"), the Authorised Corporate Director ("ACD") of ES River and Mercantile Funds ICVC ("the Company"), is pleased to present the interim Financial Statements of the Company for the period ended 30 September 2022.

We hope that you find this report informative. If you require further information concerning your investment, please call our Registrar on 0345 603 3618 or email any queries to [etfs@bnymellon.com](mailto:etfs@bnymellon.com).

## Constitution and Authorised Status

The ES River and Mercantile Funds ICVC is an open-ended investment Company ("OEIC") with variable share capital ("ICVC"). The Company is authorised in the United Kingdom by the FCA pursuant to Regulation 14 of the OEIC Regulations with number IC000489. The effective date of the Authorisation Order made by the FCA was 2 October 2006. The head office of the Company is 4th Floor Pountney Hill House, 6 Laurence Pountney Hill, London, EC4R 0BL.

The minimum Share capital of the Company shall be £1 and the maximum share capital shall be £100,000,000,000.

The base currency for the Company is pounds sterling. The Share capital of the Company at all times equals the Net Asset Value of the Fund. The Shareholders are not liable for the debts of the Company. There were no Shares in any Fund held by any other Fund of the Company.

The Company is a "UCITS Scheme, as defined in the FCA Rules, and is organised as an umbrella company for the purposes of the OEIC Regulations.

The sub-funds of the company are valued on a mid-market basis, with daily single prices appearing on the ACD's website ([www.equitytrustees.com](http://www.equitytrustees.com)). The sub-funds valuation point is 12 noon.

In line with the Protected Cell Company Regime, the assets of a sub-fund of the Company belong exclusively to that sub-fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the company, or any other sub-fund of the Company, and shall not be available for any such purpose.

The sub-funds in which shares are currently available are as follows:

- ES River and Mercantile UK Alpha Fund
- ES River and Mercantile UK Listed Smaller Companies Fund
- ES River and Mercantile UK Dynamic Equity Fund
- ES River and Mercantile UK Recovery Fund
- ES River and Mercantile UK Equity Income Fund
- ES River and Mercantile Global Recovery Fund
- ES River and Mercantile Global Alpha Fund
- ES River and Mercantile European Fund

Subject to the OEIC Regulations and the provisions set out in the instrument constituting the Scheme, the ACD may establish additional Funds from time to time.

The Company will not have any direct interest in any immovable property or tangible movable property.

The maximum level of management fees that may be charged to the Company, including any management fees levied on any Collective Investment Schemes in which the Company invests, will not exceed 10% per year.

The Directors are of the opinion that it is appropriate to adopt the going concern basis in the preparation of the accounts for all sub-funds except ES Dynamic Asset Allocation Fund, accordingly, the Company has adequate financial resources to continue in operational existence for at least the next twelve months from the approval of these Financial Statements. Further, appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of these Financial Statements and applicable accounting standards have been followed.

# The Authorised Corporate Director's Report

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The Directors are of the opinion that it is not appropriate to adopt the going concern basis in the preparation of the accounts for ES Dynamic Asset Allocation Fund as there is intent to close the sub-fund within the next accounting year subject to internal governance and regulatory approval. As such the financial statements for ES Dynamic Asset Allocation Fund have been prepared on a basis other than going concern. There has been no impact on the financial statements or disclosure notes to adjust assets and liabilities to realisable value. There is also no intention to close the remaining sub-funds in the OEIC. No adjustments were necessary to provide for the costs of terminating the Fund as the ACD will bear any related costs for this Fund. The comparatives are also prepared on a basis other than going concern.

## **Additional information**

ES Dynamic Asset Allocation Fund changed Investment Manager from River and Mercantile Investments Limited to Schroders IS Limited on 1 February 2022, Schroders IS Limited issued their termination notice on 22 April 2022 as they do not believe the sub-fund forms part of their ongoing strategy.

With effect from 4 August 2022:

- ES River and Mercantile Dynamic Asset Allocation Fund was renamed ES Dynamic Asset Allocation Fund;
- ES River and Mercantile UK Equity High Alpha Fund was renamed ES River and Mercantile UK Alpha Fund;
- ES River and Mercantile Global High Alpha Fund was renamed ES River and Mercantile Global Alpha Fund;
- Amendments were made to the Instrument of Incorporation and prospectus to reflect changes made to the investment objectives and investment policies for all nine sub-funds;
- ES River and Mercantile European Fund changed the frequency of income distributions to half yearly;
- An introduction of a new fee paid out of the scheme property, namely the Investment Management Fee;
- Amendments were made to the Instrument of Incorporation to reflect that the scheme may issue net paying, gross paying or limited issue units and for the avoidance of doubt each of the above may be further classified between class "A" and "Z" (inclusive and through the use of one or more letters together or in any sequence but, for the avoidance of doubt, where they do not form a word in the English language), between "1" and "30" inclusive, and/or "Retail" or "Institutional" or "Hedged" and in upper or lower case or under such other designation as the Directors shall by resolution from time to time decide. In addition, each of the above may be denominated in currencies other than the base currency to form further classes of shares as the Directors shall by resolution from time to time decide.

With effect from 31 August 2022, the ES Dynamic Asset Allocation Fund closed to investors and is in the process of being wound down.

With effect from 29 September 2022, the ES River and Mercantile UK Equity Smaller Companies Fund was renamed the ES River and Mercantile UK Listed Smaller Companies Fund.

# Company Information

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Company	ES River and Mercantile Funds ICVC
Registered Office	4th Floor, Pountney Hill House, 6 Laurence Pountney Hill, London, EC4R 0BL
Administrator and Registrar	The Bank of New York Mellon (International) Limited, 160 Queen Victoria Street London, EC4V 4LA
Authorised Corporate Director ('ACD')	Equity Trustees Fund Services Ltd
Equity Trustees Fund Services Ltd	4th Floor, Pountney Hill House, 6 Laurence Pountney Hill, London, EC4R 0BL
Directors of the ACD	Tim Callaghan (appointed 1 June 2022)  Vincent Camerlynck  James Gardner  Kevin Lavery (resigned 1 June 2022)  Dallas McGillivray
Investment Manager of all funds other than of the ES Dynamic Asset Allocation Fund	River and Mercantile Asset Management LLP 30 Coleman Street, London, EC2R 5AL
Investment Manager of ES Dynamic Asset Allocation Fund	Schroders IS Limited 1 London Wall Place, London, EC2Y 5AU
Depository	The Bank of New York Mellon (International) Limited 160 Queen Victoria Street, London, EC4V 4LA

# Company Information continued

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## Principal Activities

The Company is a UCITS scheme under the OEIC regulations as defined in the Collective Investment Schemes sourcebook and also an umbrella company for the purposes of the OEIC Regulations. The property attributable to each of the sub-funds is managed as if such sub-fund belonged to the “UCITS Scheme” category as specified in the COLL. Holders of shares in a sub-fund are entitled to receive (or, in the case of accumulation shares, to have re-invested) the net revenue derived from the sub-fund and to redeem their shares at a price linked to the value of the property of the sub-fund. Shareholders do not have any proprietary interest in the underlying assets of any sub-fund.

Each sub-fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Fund. Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund of the Company in every circumstance. The shareholders of the Company will not be liable for the debts of the Company.

The base currency for the Company is pounds sterling. The maximum size of the Company’s capital is £100,000,000,000 and the minimum size is £1.

The Company was authorised by an order made by FCA with effect from 2 October 2006. The operation of the Company is governed by the Regulations, the Company’s Instrument of Incorporation and its Prospectus.

## Holdings in other Sub-Funds of the Company

As at 30 September 2022, no sub-funds held shares in any other sub-fund of the Company.

## Securities Financing Transactions Regulation

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) will be required on all report & accounts published after 13 January 2017. During the period to 30 September 2022 and at the balance sheet date, the ES River and Mercantile Funds ICVC did not engage in SFTs.

## Authorised Corporate Director’s Statement

In accordance with COLL 4.5.8BR, the Interim Report and the unaudited statements were approved by the ACD of the Company.



James Gardner  
Director – UK  
for and on behalf of Equity Trustees Fund Services Ltd  
Authorised Corporate Director  
25 November 2022

# Notes Applicable to the Financial Statements of all sub-funds of the ES River and Mercantile Funds ICVC

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## Notes applicable to the Financial Statements

### Accounting policies

#### Basis of accounting

The Financial Statements of the Company comprise the Financial Statements of each sub-fund and have been prepared on a going concern basis in accordance with Financial Reporting Standard (“FRS”) 102 and the Statement of Recommended Practice ‘Financial Statements of UK Authorised Funds’ issued by the IMA (now known as the Investment Association) in May 2014, updated in June 2017 (the “SORP”).

All other accounting and distribution policies used to prepare the interim financial statements are as per the audited financial statements for the year ended 31 March 2022.

# ES River and Mercantile UK Alpha Fund

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## 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.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The sub-fund’s capital is at risk meaning that the sub-fund could suffer a decrease in value and the value of your investment would decrease as a result.

## Investment Policy

The sub-fund seeks to achieve its investment objective by investing at least 60% of its value in shares of UK companies (companies which are domiciled, incorporated, or have significant operations in the UK). Investment can be direct, or indirect, in shares (including common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

In addition, up to 20% of the sub-fund may be invested in shares of companies which are not UK companies but which, at the time of investment, are listed in the UK. Investment can be direct or indirect as noted above. It is expected that at least 80% of the sub-fund will be invested in UK companies and companies which are listed in the UK.

Up to 20% of the sub-fund may be invested in shares of overseas companies (companies which are not UK companies and which are not listed in the UK), excluding emerging markets, collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager.

The sub-fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as “efficient portfolio management”). As an example, the sub-fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The sub-fund is actively managed, meaning the Investment Manager uses their expertise to pick investments to achieve the sub-fund’s objectives.

The sub-fund will invest in a broad range of companies by industry group and size and does not have to hold the same companies that are included in the Benchmark or in the same weights. However, where the sub-fund invests in companies which are included in the Benchmark the sub-fund’s exposure to any one company will not be more than 4% above or below the Benchmark’s exposure to that company. Exposure to any industry group will not be more than 8% above or below the Benchmark’s exposure to that industry group, measured at the Industry Group level of MSCI GICS (Global Industry Classification Standard).



# ES River and Mercantile UK Alpha Fund

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## Investment Manager's Review

### Investment Review

The ES River and Mercantile UK Equity High Alpha Fund returned -13.4% over the 6 months to 30 September 2022, compared to the MSCI United Kingdom IMI return of -8.1%.

**Positive contributors during past 6 months:** US interest rate sensitives performed reasonably (**Standard Chartered**), underweight **GSK** and US exposed growth stocks (**Ashtead**); individual stock successes (**TPICAP**, **Harbour**).

**Negative contributors:** Overweight smaller companies; large cap defensive growth strong (**Diageo**); consumer cyclicals, industrials (**MPAC**, **BAE**) and UK financials weak; individual stock disappointments (**ASOS**).

The portfolio continues to be positioned for Value, Recovery, Multi-Cap investing, and for deeply out-of-favour structural/quality growers. Looking at the component parts of the portfolio, we added to the large cap deeper value stocks where market uncertainty seemed to increase during the period depressing valuations, including **Lloyds**, **South32**, **Tesco** and **GSK**. Our focus (not deliberate, just catalysed by share price corrections) during the half-year was adding to our exposure to medium term quality or growth compounders that have become recovery stocks because they are seen as exposed to the economic downturn and because forced sellers' capital flowing out of SMID cap funds created recovery type valuation anomalies, these included adding to our **IMI** and **Moonpig** positions, and buying initial positions in **Segro**, **Genuit**, **Dotdigital**, **Ashtead**, **Intertek**, **Liontrust**, **Gamma Communications**, **Hollywood Bowl**, **Fulham Shore**, **JD Sports** and **Headlam**. We added to high scoring MoneyPenny recovery stocks such as **RHI Magnesita**, **AB Foods**, **Vistry** and **Marks and Spencer**. UK domestic stocks have continued to be very weak and we have been adding to them (**Berkeley Group**, **Royal Mail Dominos**, **Wickes**, **Tortilla Mexican**). We continued to add to our S-PVT focused holdings, including adding to **SIG** (leading insulation product distributor and a classic recovery stock) and buying **Impax**. And lastly, we continue to think about strategic value, especially at this time of low valuations and a very weak pound, probably most of the above but including **Burberry**, **ITV**, **Rank** and **Capco**.

Sales have included taking full profits where our PVT thesis has been delivered, most notably the continued recipients of M&A activity (**Mediclinic**, **RPS**, **Biffa**, **Schroders**); taking some profits in energy stocks following a strong run (**BP**, **Serica**, **Harbour**, **Hunting**); reducing or exiting into relative strength (**Compass**, **Renewi**, **Beazley**, **Smart Metering**, **Serco**, **Pendragon**), and re-focusing capital towards higher conviction ideas (**Petrofac**, **Fresnillo**, **Avon Protection**). We also quite aggressively reduced **Standard Chartered** as the narrative could weaken if US interest rate expectations peak.

### Outlook

Catalysed by inflation pressures the world is being forced by Central Banks to move to a world of money costing a more normal (and ultimately more sustainable) amount. The monetary tightening and economic uncertainty associated with this transition is creating huge uncertainty, an aggressive discounting of risks and a few blow-ups (mini-budgets, pension fund liability management). But uncertainty creates investment opportunities and from our perspective there is amazing value out there. Who knows when the low point will be, though it should be pretty close given how 'end of the world' everything feels. It has been a long time since having such a great combination of low valuations plus exposure to medium-term profits and cash growth in our equity portfolios. For us, this provides an exciting investment opportunity.

River and Mercantile  
25 November 2022  
Investment Adviser to the Fund

Source: River and Mercantile Asset Management LLP, FactSet Analytics. Fund performance is calculated using midday published prices. Benchmark performance is calculated using close of business mid-market prices.

# ES River and Mercantile UK Alpha Fund

## Portfolio Statement as at 30 September 2022

Holding	Investment	Market Value £	% of Net Assets
<b>UNITED KINGDOM (UK LISTED COMPANIES) – 93.48% (2022 – 96.41%)</b>			
<b>Automobiles &amp; Components – 0.00% (2022 – 0.12%)</b>			
<b>Banks – 11.13% (2022 – 11.90%)</b>			
907,719	Barclays	1,309,839	1.91
23,823	Close Brothers	220,958	0.32
534,320	HSBC	2,496,878	3.63
3,763,248	Lloyds Banking	1,557,608	2.27
7,176	Mortgage Advice Bureau*	43,917	0.06
385,070	NatWest	869,488	1.26
27,400	Secure Trust Bank	194,540	0.28
132,155	Standard Chartered	748,790	1.09
169,600	Virgin Money UK	210,813	0.31
<b>Capital Goods – 6.39% (2022 – 5.10%)</b>			
5,600	Ashtead	228,760	0.33
33,000	Balfour Beatty	101,112	0.15
20,500	Bodycote	95,366	0.14
386,687	Costain	152,741	0.22
800	Ferguson	75,216	0.11
94,438	Flowtech Fluidpower*	99,160	0.14
49,400	Genuit	143,754	0.21
22,400	Grafton	150,371	0.22
30,430	IMI	340,512	0.50
151,888	Kier	102,980	0.15
184,282	Melrose Industries	188,336	0.27
55,242	Morgan Advanced Materials	124,571	0.18
77,472	Mpac*	193,680	0.28
23,126	Norcros	38,158	0.06
960,932	Renold*	217,171	0.32
340,246	Rolls-Royce	236,709	0.34
75,083	Rotork	175,694	0.26
4,200	RS	40,698	0.06
107,790	Senior	126,114	0.18
252,600	Severfield	123,774	0.18
808,250	SIG	242,475	0.35
387,404	Speedy Hire	142,952	0.21
1,100	Spirax-Sarco Engineering	114,345	0.17
16,000	Travis Perkins	124,032	0.18
127,850	Trifast	92,052	0.13
60,298	Tyman	118,184	0.17
78,076	Vesuvius	241,567	0.35
64,404	Volex*	157,146	0.23
14,500	Weir	203,943	0.30

# ES River and Mercantile UK Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>Commercial &amp; Professional Services – 1.88% (2022 – 3.13%)</b>			
232,252	De La Rue	193,466	0.28
764,175	Inspired*	84,059	0.12
2,800	Intertek	103,796	0.15
155,940	Johnson Service*	123,193	0.18
75,282	Mind Gym*	67,754	0.10
203,340	Mitie	127,088	0.18
29,500	PageGroup	109,268	0.16
44,590	Ricardo	205,114	0.30
46,571	RWS*	149,027	0.22
84,940	Serco	132,761	0.19
<b>Consumer Durables &amp; Apparel – 3.02% (2022 – 3.68%)</b>			
8,494	Berkeley	280,047	0.41
10,926	Burberry	197,378	0.29
524,380	Coats	266,385	0.39
92,460	Crest Nicholson	169,294	0.24
151,024	DFS Furniture	159,784	0.23
75,000	Dr Martens	166,950	0.24
36,700	MJ Gleeson	150,103	0.22
17,300	Persimmon	214,001	0.31
310,540	Taylor Wimpey	274,145	0.40
33,826	Vistry	199,066	0.29
<b>Consumer Services – 4.49% (2022 – 4.88%)</b>			
102,577	888	95,191	0.14
26,870	Carnival	156,276	0.23
11,990	Compass	216,419	0.31
16,200	Domino's Pizza	36,061	0.05
24,090	Entain	261,617	0.38
1,000,000	Fulham Shore	90,000	0.13
113,000	Gym	124,074	0.18
62,700	Hollywood Bowl	116,998	0.17
50,840	J D Wetherspoon	205,699	0.30
265,000	Marston's	94,393	0.14
136,230	On the Beach	137,047	0.20
25,900	Playtech	114,271	0.17
885,104	Rangers International Football**	168,170	0.24
168,500	Rank	114,917	0.17
847,547	Restaurant	249,857	0.36
137,675	SSP	261,307	0.38
46,415	Tortilla Mexican Grill	67,302	0.10
51,955	Trainline	163,970	0.24
153,295	Tribal*	102,708	0.15
13,479	Whitbread	310,152	0.45

# ES River and Mercantile UK Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>Diversified Financials – 5.23% (2022 – 5.61%)</b>			
80,700	abrnd	112,254	0.16
158,170	ADVFN*	77,503	0.11
36,300	Ashmore	71,511	0.10
61,300	Fidelity China Special Situations	135,473	0.20
10,200	Foresight	37,026	0.05
45,660	Gresham House*	324,186	0.47
30,820	Hargreaves Lansdown	267,210	0.39
21,506	IG	164,198	0.24
22,400	Impax Asset Management*	117,152	0.17
17,500	IntegraFin	38,430	0.06
11,350	Intermediate Capital	111,525	0.16
259,300	International Personal Finance	205,884	0.30
140,400	IP	83,327	0.12
106,030	Jupiter Fund Management	97,336	0.14
25,900	Liontrust Asset Management	189,070	0.27
1,185,040	Mercia Asset Management*	278,485	0.41
16,600	Polar Capital*	68,890	0.10
221,554	Premier Miton*	230,416	0.34
119,530	Provident Financial	198,778	0.29
21,016	Rockwood Strategic*	290,021	0.42
478,900	Schroder UK Public Private	76,911	0.11
216,002	TP ICAP	423,364	0.62
<b>Energy – 12.79% (2022 – 12.48%)</b>			
797,479	BP	3,453,882	5.02
105,900	Capital	87,685	0.13
13,065	Capricorn Energy	31,983	0.04
1,764,232	EnQuest	467,522	0.68
115,541	Harbour Energy	517,277	0.75
100,360	Hunting	234,341	0.34
190,794	John Wood	242,976	0.35
959,093	Savannah Energy*	261,832	0.38
38,181	Serica Energy*	142,224	0.21
138,279	Shell	3,106,438	4.52
603,010	Tullow Oil	252,299	0.37
<b>Food &amp; Staples Retailing – 0.91% (2022 – 0.17%)</b>			
73,600	Cake Box*	85,376	0.12
247,090	Marks & Spencer	243,729	0.36
16,900	Ocado	79,836	0.12
103,100	Tesco	213,108	0.31
<b>Food, Beverage &amp; Tobacco – 5.21% (2022 – 5.73%)</b>			
25,697	Associated British Foods	324,168	0.47
30,100	Barr	136,955	0.20

# ES River and Mercantile UK Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>Food, Beverage &amp; Tobacco continued</b>			
301,000	Benchmark*	112,875	0.16
41,650	British American Tobacco	1,343,837	1.95
3,700	Cranswick	99,086	0.14
91,200	Devro	151,392	0.22
8,610	Diageo	326,922	0.48
39,189	Imperial Brands	726,956	1.06
13,970	Nichols*	148,780	0.22
30,971	Tate & Lyle	210,417	0.31
<b>Health Care Equipment &amp; Services – 0.68% (2022 – 1.09%)</b>			
59,970	ConvaTec	123,178	0.18
32,775	Smith & Nephew	344,138	0.50
<b>Household &amp; Personal Products – 4.91% (2022 – 3.69%)</b>			
64,180	Haleon	179,191	0.26
82,429	PZ Cussons	160,736	0.23
5,700	Reckitt Benckiser	340,632	0.50
389,780	Science in Sport*	62,365	0.09
66,292	Unilever	2,631,129	3.83
<b>Insurance – 3.40% (2022 – 4.20%)</b>			
78,209	Aviva	303,607	0.44
25,700	Conduit	88,794	0.13
20,700	Hiscox	182,616	0.27
175,475	Legal & General	379,903	0.55
136,639	Prudential	1,221,279	1.78
73,800	Sabre Insurance	71,586	0.10
100,400	Saga	89,958	0.13
<b>Materials – 8.71% (2022 – 11.05%)</b>			
51,667	Anglo American	1,413,351	2.06
26,300	Antofagasta	293,245	0.43
340,570	Breedon*	181,524	0.26
393,680	Carclo	64,564	0.09
296,740	Centamin	267,422	0.39
103,750	Central Asia Metals*	225,137	0.33
26,700	DS Smith	68,592	0.10
257,720	Elementis	232,592	0.34
124,688	Essentra	227,680	0.33
90,100	Ibstock	147,854	0.21
11,203	Johnson Matthey	205,295	0.30
15,500	Marshalls	45,353	0.07
8,950	Mondi	124,763	0.18
42,370	Rio Tinto	2,074,435	3.02
364,300	SigmaRoc	137,341	0.20

# ES River and Mercantile UK Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Materials continued</b>		
70,900	Synthomer	75,509	0.11
8,700	Victrex	145,290	0.21
23,310	Zotefoams	57,809	0.08
	<b>Media &amp; Entertainment – 3.77% (2022 – 4.86%)</b>		
519,153	Centaur Media	218,044	0.32
526,423	Ebiquity*	252,683	0.37
145,027	Everyman Media*	137,776	0.20
170,335	Hyve	83,549	0.12
35,000	Informa	181,720	0.26
382,375	ITV	218,948	0.32
86,500	Moneysupermarket.com	160,631	0.23
24,850	Pearson	215,400	0.31
153,100	Pebble*	134,728	0.20
333,659	Reach	231,059	0.34
63,700	S4 Capital	92,556	0.14
34,000	Team17	125,800	0.18
205,100	Trustpilot	154,338	0.22
31,520	WPP	236,337	0.34
716,411	XLMedia*	150,446	0.22
	<b>Pharmaceuticals, Biotechnology &amp; Life Sciences – 5.91% (2022 – 4.06%)</b>		
27,100	AstraZeneca	2,693,740	3.92
89,144	GlaxoSmithKline	1,164,042	1.69
73,164	Indivior	207,786	0.30
	<b>Real Estate – 2.68% (2022 – 2.24%)</b>		
84,353	British Land	295,742	0.43
345,630	Capital & Counties Properties	367,405	0.54
519,470	Foxtons	155,841	0.23
63,187	Grainger	144,824	0.21
35,973	Great Portland Estates	158,281	0.23
35,200	Helical	125,136	0.18
4,600	International Biotechnology Trust PLC/Fund	29,670	0.04
18,000	Segro	135,540	0.20
64,231	Shaftesbury	235,728	0.34
48,400	Workspace	192,922	0.28
	<b>Retailing – 3.53% (2022 – 3.91%)</b>		
31,370	ASOS*	178,338	0.26
33,500	B&M European Value Retail	102,544	0.15
330,460	Card Factory	145,402	0.21
251,000	Currys	142,192	0.21
11,300	Dunelm	82,490	0.12
27,900	Halfords	36,772	0.05

# ES River and Mercantile UK Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Retailing continued</b>		
41,700	Headlam	96,327	0.14
222,300	Hostelworld	162,946	0.24
131,600	JD Sports Fashion	131,797	0.19
16,700	Kingfisher	36,790	0.05
167,225	Moonpig	266,557	0.39
4,900	Next	235,200	0.34
360,460	Smooove*	116,789	0.17
109,600	Superdry	108,723	0.16
250,700	Topps Tiles	92,759	0.14
11,500	Watches of Switzerland	77,395	0.11
16,280	WH Smith	194,302	0.28
181,390	Wickes	218,938	0.32
	<b>Semiconductors &amp; Semiconductor Equipment – 0.24% (2022 – 0.17%)</b>		
490,679	IQE*	166,831	0.24
	<b>Software &amp; Services – 2.84% (2022 – 1.86%)</b>		
13,000	accesso Technology*	70,460	0.10
78,131	Bango*	152,355	0.22
975,695	Capita	244,314	0.36
146,800	dotdigital	124,780	0.18
504,650	Eckoh*	196,813	0.29
12,750	FD Technologies*	181,560	0.26
11,900	GB	72,412	0.11
114,200	iomart*	186,146	0.27
86,650	Kin & Carta	151,118	0.22
131,980	Learning Technologies*	138,447	0.20
99,221	NCC	216,798	0.31
31,390	Sage	218,851	0.32
	<b>Technology Hardware &amp; Equipment – 0.80% (2022 – 0.99%)</b>		
4,800	Gooch & Housego	26,880	0.04
154,308	Strix*	189,799	0.28
104,820	TT Electronics	147,586	0.21
109,164	Xaar	188,854	0.27
	<b>Telecommunication Services – 2.60% (2022 – 2.88%)</b>		
425,000	BT	515,525	0.75
15,900	Gamma Communications*	167,904	0.24
1,095,000	Vodafone	1,107,264	1.61
	<b>Transportation – 1.43% (2022 – 1.62%)</b>		
80,645	easyJet	239,032	0.35
245,020	International Consolidated Airlines	231,936	0.34

# ES River and Mercantile UK Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Transportation continued</b>		
26,034	James Fisher & Sons	73,416	0.11
26,240	JET2*	181,843	0.26
22,010	Ocean Wilsons***	178,281	0.26
41,500	Royal Mail	76,526	0.11
	<b>Utilities – 0.93% (2022 – 0.99%)</b>		
582,529	Centrica	412,663	0.60
14,800	Drax	88,800	0.13
1,139,100	Eenergy*	77,459	0.11
937,504	OPG Power Ventures*	62,813	0.09
	<b>OVERSEAS COMPANIES (UK LISTED COMPANIES) – 6.31% (2022 – 3.29%)</b>		
	<b>Australia – 0.31% (2022 – 0.00%)</b>		
100,600	South32	215,284	0.31
	<b>Bermuda – 0.00% (2022 – 0.42%)</b>		
	<b>Ireland – 1.42% (2022 – 0.78%)</b>		
34,010	Bank of Ireland	195,793	0.29
126,500	Cairn Homes	92,218	0.13
7,350	CRH	213,848	0.31
3,975	Flutter Entertainment	394,956	0.58
1,950	Kingspan	78,531	0.11
	<b>Netherlands – 0.64% (2022 – 0.38%)</b>		
11,350	Just Eat Takeaway.com	161,238	0.23
16,670	RHI Magnesita	281,389	0.41
	<b>Singapore – 0.10% (2022 – 0.00%)</b>		
4,000	XP Power	66,640	0.10
	<b>South Africa – 0.33% (2022 – 0.52%)</b>		
461,131	Old Mutual	224,801	0.33
	<b>Switzerland – 1.80% (2022 – 0.00%)</b>		
258,763	Glencore	1,237,146	1.80
	<b>United States of America – 1.71% (2022 – 1.19%)</b>		
241,394	Boku*	265,534	0.38
19,200	MaxCyte	107,520	0.16
131,758	Somero Enterprises*	507,268	0.74



# ES River and Mercantile UK Alpha Fund

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## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>United States of America continued</b>			
33,000	Tinybuild	39,600	0.06
82,928	Tremor International*	257,740	0.37
<b>Portfolio of investments</b>		<b>68,625,131</b>	<b>99.79</b>
<b>Net other assets</b>		<b>142,325</b>	<b>0.21</b>
<b>Net assets</b>		<b>68,767,456</b>	<b>100.00</b>

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

99.79% of the sub-fund's assets are listed in the UK.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2022.

\*Security listed in AIM.

\*\*Delisted security.

\*\*\*The Portfolio Statement categories have been re-aligned in the current period resulting in a mismatch in the comparatives, this does not have any impact on the Financial Statements.

# ES River and Mercantile UK Alpha Fund

## Statement of Total Return for the period ended 30 September 2022

	1 April 2022 to 30 September 2022		1 April 2021 to 30 September 2021	
	£	£	£	£
Income				
Net capital (losses)/gains		(12,340,666)		6,297,421
Revenue	1,739,983		1,620,891	
Expenses	(171,381)		(246,259)	
Interest payable and similar charges	(605)		(242)	
Net revenue before taxation for the period	1,567,997		1,374,390	
Taxation	(23,476)		(8,279)	
Net revenue after taxation for the period		1,544,521		1,366,111
Total return before distributions		(10,796,145)		7,663,532
Distributions		(1,546,146)		(1,368,217)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>(12,342,291)</b>		<b>6,295,315</b>

## Statement of Change in Net Assets attributable to Shareholders for the period ended 30 September 2022

	1 April 2022 to 30 September 2022		1 April 2021 to 30 September 2021	
	£	£	£	£
Opening net assets attributable to Shareholders		91,460,752		99,409,096
Amounts received on creation of shares	1,723,571		4,542,339	
Amounts paid on cancellation of shares	(13,453,709)		(12,056,908)	
		(11,730,138)		(7,514,569)
Dilution adjustment		18,836		16,489
Change in net assets attributable to Shareholders from investment activities		(12,342,291)		6,295,315
Retained distributions on accumulation shares		1,360,297		1,255,504
<b>Closing net assets attributable to Shareholders</b>		<b>68,767,456</b>		<b>99,461,835</b>

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

# ES River and Mercantile UK Alpha Fund

## Balance Sheet as at 30 September 2022

	30 September 2022		31 March 2022	
	£	£	£	£
<b>ASSETS</b>				
Fixed assets				
Investments		68,625,131		91,182,235
Current assets				
Debtors	882,381		876,960	
Cash and bank balances	58,698		135,498	
<b>Total other assets</b>		<b>941,079</b>		<b>1,012,458</b>
<b>Total assets</b>		<b>69,566,210</b>		<b>92,194,693</b>
<b>LIABILITIES</b>				
Creditors				
Bank overdrafts	(294,721)		—	
Distribution payable	(97,953)		(61,075)	
Other creditors	(406,080)		(672,866)	
<b>Total other liabilities</b>		<b>(798,754)</b>		<b>(733,941)</b>
<b>Total liabilities</b>		<b>(798,754)</b>		<b>(733,941)</b>
<b>Net assets attributable to Shareholders</b>		<b>68,767,456</b>		<b>91,460,752</b>

# ES River and Mercantile UK Alpha Fund

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## Fund Facts

### Distribution information

#### A-Class Distribution shares

The distribution payable on 30 November 2022 is 3.3151p (2021: 2.4700p) per share for distribution shares.

#### B-Class Accumulation shares

The distribution payable on 30 November 2022 is 18.3858p (2021: 13.4311p) per share for accumulation shares.

#### Z-Class Accumulation shares

The distribution payable on 30 November 2022 is 32.4407p (2021: 25.3424p) per share for accumulation shares.

## Performance records

### Net asset values

	Net asset value of sub-fund £	Net asset value per share p	Shares in issue
<b>31 March 2020</b>			
A-Class Distribution shares	5,959,612	126.62	4,706,587
B-Class Accumulation shares	25,058,106	679.12	3,689,815
Z-Class Accumulation shares	26,727,230	961.91	2,778,563
<b>31 March 2021</b>			
A-Class Distribution shares	7,375,759	197.40	3,736,488
B-Class Accumulation shares	41,654,664	1,073.55	3,880,079
Z-Class Accumulation shares	50,378,673	1,531.87	3,288,698
<b>31 March 2022</b>			
A-Class Distribution shares	7,290,657	204.16	3,571,103
B-Class Accumulation shares	37,582,967	1,132.79	3,317,737
Z-Class Accumulation shares	46,587,128	1,628.63	2,860,516
<b>30 September 2022</b>			
A-Class Distribution shares	5,131,907	173.68	2,954,740
B-Class Accumulation shares	23,110,530	982.07	2,353,246
Z-Class Accumulation shares	40,525,019	1,417.22	2,859,474

## Operating Charges

	30 September 2022
A-Class Distribution shares	0.84%
B-Class Accumulation shares	0.84%
Z-Class Accumulation shares	0.09%

The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure has been calculated in accordance with the COLL sourcebook. The Operating Charges figure is inclusive of Annual Management Charges.

The Operating Charges figure is capped at a maximum of 0.15% above the annual management charge, with any costs above this amount absorbed by the Investment Manager.

# ES River and Mercantile UK Alpha Fund

## Synthetic Risk Reward Indicator (SRRI)



Typically Lower Rewards

Typically Higher Rewards



This Fund is ranked at 6 because funds of this type have experienced medium to high rises and falls in value in the past. The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile. The risk and reward score is not guaranteed and may change over time. The lowest category does not mean risk free. While the risk indicator takes into account the broader risk profile, the following risks are considered most relevant to this sub-fund:

- **Equity Securities:** Equities can lose value rapidly, and typically involve higher market risks than bonds, money market instruments or other debt instruments. Fluctuation in value may occur in response to activities of individual companies, the general market, economic conditions, or changes in currency exchange rates.
- **Small and Mid-Cap size:** Stocks of small and mid-size companies can be more volatile and less liquid than stocks of larger companies. Small and mid-size companies often have fewer financial resources shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks.
- **Concentration:** In certain conditions the Sub-Fund may invest in a relatively small number of securities, which may result in portfolio concentration in sectors, countries, or other groupings. These potential concentrations mean that a loss arising in a single investment may cause a proportionately greater loss in the Sub-Fund than if a larger number of investments were made.
- **Liquidity:** There is a risk that adverse market conditions may affect the Fund's ability to sell assets at the price the Fund would like, or the Fund may have to sell them at a loss.
- **Currency:** To the extent that a Sub-Fund holds assets that are denominated in currencies other than the base currency, any changes in currency exchange rates could reduce investment gains or income, or increase investment losses.

## Summary of Largest Portfolio Changes

The table below shows the top ten purchases and sales for the period.

<b>Purchases</b>	<b>£</b>	<b>Sales</b>	<b>£</b>
GlaxoSmithKline	906,918	Shell	1,157,104
AstraZeneca	351,200	Standard Chartered	861,023
Unilever	301,424	British American Tobacco	677,147
Tesco	274,298	BP	651,861
IMI	262,148	Unilever	463,668
Persimmon	251,351	RPS	414,591
ASOS	244,494	Vodafone	391,556
South32	235,636	Lloyds Banking	384,228
Great Portland Estates	227,870	Mediclinic International	375,294
Ashtead	227,331	Serica Energy	368,525

# ES River and Mercantile UK Listed Smaller Companies Fund

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## 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 plus AiM (excluding investment companies) Index Net Total Return (the “Benchmark”) over a rolling 5 year period, after the deduction of all fees.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The Fund’s capital is at risk meaning that the Sub-Fund could suffer a decrease in value and the value of your investment would decrease as a result.

## Investment Policy

The sub-fund seeks to achieve its investment objective by investing at least 80% of its value in shares of the smallest 10% of companies in the UK stock market in terms of market capitalisation (total number of shares outstanding multiplied by the current price). Investment can be direct, or indirect, in shares (including common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

Up to 20% of the sub-fund may be invested in shares of companies of any size and anywhere in the world (including the UK and excluding emerging markets), collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager.

The sub-fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as “efficient portfolio management”). As an example, the sub-fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The sub-fund is actively managed, meaning the Investment Manager will use their expertise to pick investments to achieve the sub-fund’s objectives.

The sub-fund will invest in a range of companies by industry sector. Its investments are not restricted by reference to the Benchmark, but the sub-fund is limited to a maximum investment of 5% of the sub-fund’s assets in any one company.

# ES River and Mercantile

## UK Listed Smaller Companies Fund

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### Investment Manager's Review

#### Investment Review

The ES R&M UK Listed Smaller Companies Fund B share class returned a loss of 16.3% over the 6 months to 30 September 2022, compared with the Numis Smaller Companies (ex. Investment Companies) + AIM index which fell 18.5% delivering six-month outperformance of 2.2%.

At the sector level, we started the period with a meaningful underweight position to Energy – the best performing sector – but we had largely closed this underweight by September through investment in two North Sea gas production companies (**Serica Energy** and **Kistos**). We were also underweight Consumer exposure (Discretionary and Staples) – two of the weaker sectors.

As has been the case for the last few years, we delivered strong relative performance in the Healthcare sector. **Indivior**, which transitioned from a Recovery to a Growth investment case, **MaxCyte** and **Emis**, which is being acquired at an attractive premium by UnitedHealth, all contributed positively, whilst **Alliance Pharma** declined 51% following a soft period of trading impacted by Chinese lockdowns. There was also a bid for waste services business **Biffa**. **Alpha Financial Markets**, **Serco**, **Diversified Energy** and **Spirent** all benefitted from strong delivery and having US operations.

Consumer exposed businesses face an uncertain demand outlook given the cost-of-living crisis and many – like **Restaurant Group** (-52%) – also have headwinds to profitability from higher energy prices and wages. **Future** and **888 Holdings** are both technology businesses exposed to the consumer – news that the CEO is leaving Future and high leverage at 888 compounded what were already weak share prices. **Essentra**, a special situation investment case, achieved a disposal price for its Packaging business below market expectations and **Sabre** reset expectations for underwriting profitability due to higher-than-expected inflation in the cost of claims.

**Kistos** – a North Sea gas production business with assets in the Netherlands and the UK – was purchased as a cyclical growth company given the buy-and-build strategy and production growth. **XPS Pensions**, a pension consultant and administration business, was acquired as a defensive Quality position. Eight positions were exited in the six-month period: **CareTech**, **Ultra Electronics**, **Ted Baker** and **Vivo Energy** were all M&A takeovers; **BooHoo**, **Joules** and **Speedy Hire** were exited as we have concerns for each on the scope for attractive medium-term profit margins and return on capital; and a small position in **SDX** was also exited given the very low liquidity of the stock.

#### Market Overview

We have been in a prolonged period of weak performance for smaller companies given poor risk sentiment and outflows from UK equities. Our benchmark declined by 18.5% in the six-month period and is down 29% from the peak in September 2021 to 30 September 2022. This is the worst period of relative smaller companies' performance in over 30 years. UK consumer sentiment – a measure of the level of optimism consumers have about the performance of the UK economy over the next twelve months – was at an all-time-low in September. We would be keen to flag that we see this as a coincidence, not a lead indicator, and extremely attractive equity returns have been made from prior lows. Whilst the cost of capital has increased markedly over the last six months driving a re-pricing of risk assets, starting valuations are now very supportive of future equity returns.

#### Outlook

Sentiment towards UK equities remains very depressed. The Government's recently announced fiscal actions are at odds with monetary policy focused on fighting inflation which has had a significant impact on the expectations for the pace of rate rises from the BoE. A better explanation of how the proposed policies will enhance growth and how government debt levels will be stabilised over the medium term should restore calm in the markets. The UK has neither a leverage nor a funding challenge with the second lowest level of debt to GDP in the G7 and the longest average debt maturity in the OECD. Fears of a recession have created an investment environment characterised by wide valuation dispersion where the premium for certainty, liquidity and strong balance sheets is high which creates great opportunities for stock pickers with a longer time horizon and willingness to look through short-term earnings volatility.

# ES River and Mercantile UK Listed Smaller Companies Fund

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## Investment Manager's Review continued

### Outlook continued

We attempt to diversify our portfolios to protect against foreseen and unforeseen risks. We do this through our multi-factor PVT approach which enables us to invest in strong, cash generating companies at various stages of their corporate lifecycle. This approach has supported strong absolute and relative returns for this strategy over more than fifteen years.

River and Mercantile  
25 November 2022  
Investment Adviser to the Fund

Source: River and Mercantile Asset Management LLP, FactSet Analytics. Fund performance is calculated using midday published prices. Benchmark performance is calculated using close of business mid-market prices.



# ES River and Mercantile UK Listed Smaller Companies Fund

## Portfolio Statement as at 30 September 2022

Holding	Investment	Market Value £	% of Net Assets
<b>UNITED KINGDOM (UK LISTED COMPANIES) – 90.06% (2022 – 89.68%)</b>			
<b>Banks – 2.56% (2022 – 2.92%)</b>			
2,235,000	LendInvest*	2,458,500	0.69
1,600,000	OSB	6,726,400	1.87
<b>Capital Goods – 5.50% (2022 – 7.68%)</b>			
1,900,000	Chemring	5,396,000	1.50
550,000	Genuit	1,600,500	0.45
2,300,000	QinetiQ	7,590,000	2.11
1,000,000	Tyman	1,960,000	0.55
1,100,000	Volution	3,212,000	0.89
<b>Commercial &amp; Professional Services – 12.54% (2022 – 11.44%)</b>			
2,800,000	Alpha Financial Markets Consulting*	11,060,000	3.08
4,500,000	Begbies Traynor*	6,219,000	1.73
1,300,000	Biffa	5,356,000	1.49
975,000	Keystone Law*	4,290,000	1.19
7,500,000	Serco	11,722,500	3.26
800,000	Smart Metering Systems*	6,424,000	1.79
<b>Consumer Durables &amp; Apparel – 1.94% (2022 – 3.04%)</b>			
2,150,000	DFS Furniture	2,274,700	0.63
400,000	Focusrite	2,800,000	0.78
2,273,672	Me International	1,900,790	0.53
<b>Consumer Services – 4.28% (2022 – 4.23%)</b>			
3,500,000	888	3,248,000	0.91
3,700,000	Hollywood Bowl	6,904,200	1.92
2,400,000	On the Beach	2,414,400	0.67
9,500,000	Restaurant	2,800,600	0.78
<b>Diversified Financials – 11.96% (2022 – 10.17%)</b>			
600,000	Alpha FX*	10,200,000	2.84
6,500,000	Atrato Onsite Energy	6,370,000	1.77
4,250,000	FRP Advisory	6,587,500	1.83
700,000	JTC	4,809,000	1.34
600,000	Liontrust Asset Management	4,380,000	1.22
600,000	Polar Capital	2,490,000	0.69
3,000,230	River & Mercantile UK Micro Cap Investment**	4,080,313	1.14
3,300,000	XPS Pensions	4,059,000	1.13
<b>Energy – 8.03% (2022 – 4.30%)</b>			
4,250,000	Capital	3,519,000	0.98

# ES River and Mercantile UK Listed Smaller Companies Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Energy continued</b>		
10,000,000	Diversified Energy	12,930,000	3.60
800,000	Kistos	3,840,000	1.07
2,300,000	Serica Energy	8,567,500	2.38
	<b>Food, Beverage &amp; Tobacco – 1.94% (2022 – 1.43%)</b>		
260,000	Cranswick	6,962,800	1.94
	<b>Health Care Equipment &amp; Services – 0.79% (2022 – 2.99%)</b>		
150,000	EMIS*	2,835,000	0.79
	<b>Household &amp; Personal Products – 0.27% (2022 – 0.29%)</b>		
4,100,000	Venture Life*	984,000	0.27
	<b>Insurance – 4.50% (2022 – 1.98%)</b>		
2,400,000	Conduit***	8,292,000	2.31
1,200,000	Lancashire	5,952,000	1.65
2,000,000	Sabre Insurance	1,940,000	0.54
	<b>Materials – 8.04% (2022 – 8.20%)</b>		
7,500,000	Centamin	6,759,000	1.88
4,092,816	Elementis	3,693,766	1.03
2,650,000	Essentra	4,838,900	1.35
1,100,000	Kenmare Resources	4,273,500	1.19
10,697,253	Pan African Resources*	1,869,880	0.52
2,600,000	Serabi Gold*	624,000	0.17
38,000,000	Shanta Gold*	3,420,000	0.95
9,000,000	SigmaRoc*	3,393,000	0.95
	<b>Media &amp; Entertainment – 5.13% (2022 – 5.55%)</b>		
475,000	Future	6,260,500	1.74
6,353,739	Pebble*	5,591,290	1.56
1,500,000	Reach	1,038,750	0.29
1,500,000	Team17*	5,550,000	1.54
	<b>Pharmaceuticals, Biotechnology &amp; Life Sciences – 3.91% (2022 – 5.07%)</b>		
13,500,000	Allergy Therapeutics*	2,430,000	0.68
5,550,000	Alliance Pharma*	3,080,250	0.86
3,000,000	Indivior	8,520,000	2.37
	<b>Real Estate – 4.02% (2022 – 4.72%)</b>		
2,400,000	Capital & Counties Properties	2,551,200	0.71

# ES River and Mercantile UK Listed Smaller Companies Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Real Estate continued</b>		
7,000,000	Supermarket Income Reit	7,490,000	2.09
2,900,000	Watkin Jones*	4,384,800	1.22
	<b>Retailing – 2.42% (2022 – 4.27%)</b>		
2,250,000	Halfords	2,965,500	0.82
3,600,000	Moonpig	5,738,400	1.60
	<b>Software &amp; Services – 3.25% (2022 – 3.43%)</b>		
500,000	Aptitude Software	1,925,000	0.53
1,700,000	Bytes Technology	7,136,600	1.99
2,500,000	Learning Technologies*	2,622,500	0.73
	<b>Technology Hardware &amp; Equipment – 4.96% (2022 – 4.28%)</b>		
3,500,000	Spirent Communications	9,177,000	2.55
3,375,000	Strix*	4,151,250	1.16
3,200,000	TT Electronics	4,505,600	1.25
	<b>Telecommunication Services – 2.35% (2022 – 2.10%)</b>		
800,000	Gamma Communications*	8,448,000	2.35
	<b>Utilities – 1.67% (2022 – 1.59%)</b>		
1,000,000	Drax	6,000,000	1.67
	<b>OVERSEAS COMPANIES (UK LISTED COMPANIES) – 4.76% (2022 – 4.90%)</b>		
	<b>Bermuda – 0.00% (2022 – 0.87%)</b>		
	<b>United States of America – 4.76% (2022 – 4.03%)</b>		
4,125,000	Boku*	4,537,500	1.27
1,400,000	MaxCyte*	7,840,000	2.18
450,000	Somero Enterprises*	1,732,500	0.48
2,493,400	Tinybuild*	2,992,080	0.83
	<b>Portfolio of investments</b>	<b>340,696,469</b>	<b>94.82</b>
	<b>Net other assets</b>	<b>18,623,514</b>	<b>5.18</b>
	<b>Net assets</b>	<b>359,319,983</b>	<b>100.00</b>

# ES River and Mercantile UK Listed Smaller Companies Fund

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## Portfolio Statement continued

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

94.82% of the sub-fund's assets are listed in the UK.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2022.

\*Security listed in AIM.

\*\*Related party.

\*\*\*The Portfolio Statement categories have been re-aligned in the current period resulting in a mismatch in the comparatives, this does not have any impact on the Financial Statements.

# ES River and Mercantile

## UK Listed Smaller Companies Fund

### Statement of Total Return for the period ended 30 September 2022

	1 April 2022 to 30 September 2022		1 April 2021 to 30 September 2021	
	£	£	£	£
Income				
Net capital (losses)/gains		(79,242,694)		61,593,079
Revenue	8,721,660		6,546,350	
Expenses	(1,876,871)		(2,304,915)	
Interest payable and similar charges	(4)		(252)	
Net revenue before taxation for the period	6,844,785		4,241,183	
Taxation	(266,517)		(101,431)	
Net revenue after taxation for the period		6,578,268		4,139,752
Total return before distributions		(72,664,426)		65,732,831
Distributions		(6,598,533)		(4,096,520)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>(79,262,959)</b>		<b>61,636,311</b>

### Statement of Change in Net Assets attributable to Shareholders for the period ended 30 September 2022

	1 April 2022 to 30 September 2022		1 April 2021 to 30 September 2021	
	£	£	£	£
Opening net assets attributable to Shareholders		516,437,904		396,415,369
Amounts received on creation of shares	52,602,681		206,196,401	
Amounts paid on cancellation of shares	(134,001,854)		(15,337,945)	
		(81,399,173)		190,858,456
Dilution adjustment		299,896		281,969
Change in net assets attributable to Shareholders from investment activities		(79,262,959)		61,636,311
Retained distributions on accumulation shares		3,244,166		2,530,565
Unclaimed distributions over 6 years old		149		—
<b>Closing net assets attributable to Shareholders</b>		<b>359,319,983</b>		<b>651,722,670</b>

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

# ES River and Mercantile

## UK Listed Smaller Companies Fund

### Balance Sheet as at 30 September 2022

	30 September 2022		31 March 2022	
	£	£	£	£
<b>ASSETS</b>				
Fixed assets				
Investments		340,696,469		488,423,347
Current assets				
Debtors	2,721,203		2,695,063	
Cash and bank balances	21,884,360		31,136,766	
<b>Total other assets</b>		<b>24,605,563</b>		<b>33,831,829</b>
<b>Total assets</b>		<b>365,302,032</b>		<b>522,255,176</b>
<b>LIABILITIES</b>				
Creditors				
Distribution payable	(2,610,291)		(787,654)	
Other creditors	(3,371,758)		(5,029,618)	
<b>Total other liabilities</b>		<b>(5,982,049)</b>		<b>(5,817,272)</b>
<b>Total liabilities</b>		<b>(5,982,049)</b>		<b>(5,817,272)</b>
<b>Net assets attributable to Shareholders</b>		<b>359,319,983</b>		<b>516,437,904</b>

# ES River and Mercantile UK Listed Smaller Companies Fund

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## Fund Facts

### Distribution information

#### B-Class Accumulation shares

The distribution payable on 30 November 2022 is 39.2396p (2021: 24.9013p) per share for accumulation shares.

#### B-Class Distribution shares

The distribution payable on 30 November 2022 is 8.8816p (2021: 5.6851p) per share for distribution shares.

#### S-Class Accumulation shares

The distribution payable on 30 November 2022 is 3.4883p (2021: 1.7067p) per share for accumulation shares.

#### S-Class Distribution shares

The distribution payable on 30 November 2022 is 5.1625p (2021: 3.5288p) per share for distribution shares.

## Performance records

### Net asset values

	Net asset value of sub-fund £	Net asset value per share p	Shares in issue
<b>31 March 2020</b>			
A-Class Distribution shares	20,715,897	276.22	7,499,869
B-Class Accumulation shares	112,675,947	1,745.02	6,457,017
B-Class Distribution shares	111,775,030	402.43	27,774,995
S-Class Distribution shares	37,143,089	214.62	17,306,050
<b>31 March 2021</b>			
A-Class Distribution shares	30,121,740	456.37	6,600,335
B-Class Accumulation shares	140,146,245	2,912.44	4,811,982
B-Class Distribution shares	184,371,477	666.48	27,663,576
S-Class Distribution shares	41,775,907	355.50	11,751,185
<b>31 March 2022</b>			
B-Class Accumulation shares	243,145,895	2,915.38	8,340,117
B-Class Distribution shares	197,764,717	660.04	29,962,495
S-Class Accumulation shares	39,567,198	237.90	16,631,718
S-Class Distribution shares	35,960,094	352.06	10,214,081
<b>30 September 2022</b>			
B-Class Accumulation shares	169,937,382	2,460.76	6,905,888
B-Class Distribution shares	130,361,988	548.23	23,778,751
S-Class Accumulation shares	30,795,324	201.05	15,317,563
S-Class Distribution shares	28,225,289	292.38	9,653,649

The S-Class Distribution shares were launched on 2 May 2019.

The S-Class Accumulation shares were launched on 19 April 2021.

The A-Class Distribution shares closed on 9 June 2021.

# ES River and Mercantile UK Listed Smaller Companies Fund

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## Fund Facts continued

### Operating Charges

30 September 2022

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B-Class Accumulation shares	0.85%
B-Class Distribution shares	0.85%
S-Class Accumulation shares	0.60%
S-Class Distribution shares	0.60%

The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure has been calculated in accordance with the COLL sourcebook. The Operating Charges figure is inclusive of Annual Management Charges.

The Operating Charges figure is capped at a maximum of 0.20% above the annual management charge, with any costs above this amount absorbed by the Investment Manager.



# ES River and Mercantile UK Listed Smaller Companies Fund

## Synthetic Risk Reward Indicator (SRRI)



Typically Lower Rewards

Typically Higher Rewards



This Fund is ranked at 6 because funds of this type have experienced medium to high rises and falls in value in the past. The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile. The risk and reward score is not guaranteed and may change over time. The lowest category does not mean risk free. While the risk indicator takes into account the broader risk profile, the following risks are considered most relevant to this sub-fund:

- **Equity Securities:** Equities can lose value rapidly, and typically involve higher market risks than bonds, money market instruments or other debt instruments. Fluctuation in value may occur in response to activities of individual companies, the general market, economic conditions, or changes in currency exchange rates.
- **Small and Mid-Cap Stock:** Stocks of small and mid-size companies can be more volatile and less liquid than stocks of larger companies. Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks.
- **Concentration:** In certain conditions the Sub-Fund may invest in a relatively small number of securities, which may result in portfolio concentration in sectors, countries, or other groupings. These potential concentrations mean that a loss arising in a single investment may cause a proportionately greater loss in the Sub-Fund than if a larger number of investments were made.
- **Liquidity:** There is a risk that adverse market conditions may affect the Fund's ability to sell assets at the price the Fund would like, or the Fund may have to sell them at a loss.
- **Currency:** To the extent that a Sub-Fund holds assets that are denominated in currencies other than the base currency, any changes in currency exchange rates could reduce investment gains or income, or increase investment losses.

## Summary of Largest Portfolio Changes

The table below shows the top ten purchases and sales for the period.

Purchases	£	Sales	£
Conduit	4,847,431	EMIS	11,567,229
Kistos	4,761,967	Smart Metering Systems	8,032,750
XPS Pensions	4,347,613	CareTech	5,188,968
Serica Energy	4,191,898	Serco	5,152,301
FRP Advisory	3,229,603	QinetiQ	4,809,004
Lancashire	2,340,588	Chemring	4,695,942
Kenmare Resources	1,919,478	Ultra Electronics	4,672,562
888	1,685,345	Vivo Energy	4,618,248
TT Electronics	1,660,751	Alliance Pharma	4,152,294
Focusrite	1,641,704	JTC	3,812,948

# ES River and Mercantile UK Dynamic Equity Fund

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## 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.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The sub-fund’s capital is at risk meaning that the sub-fund could suffer a decrease in value and the value of your investment would decrease as a result.

## Investment Policy

The sub-fund seeks to achieve its investment objective by investing at least 60% of its value in shares of UK companies (companies which are domiciled, incorporated, or have significant operations in the UK). Investment can be direct, or indirect, in shares (including common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

In addition, up to 20% of the sub-fund may be invested in shares of companies which are not UK companies but which, at the time of investment, are listed in the UK. Investment can be direct or indirect as noted above. It is expected that at least 80% of the sub-fund will be invested in UK companies and companies which are listed in the UK.

Up to 20% of the sub-fund may be invested in shares of overseas companies (companies which are not UK companies and which are not listed in the UK), excluding emerging markets, collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager.

The sub-fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as “efficient portfolio management”). As an example, the sub-fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The sub-fund is actively managed, meaning the Investment Manager will use their expertise to pick investments to achieve the sub-fund’s objectives.

The sub-fund will invest in a range of companies by industry sector and size. Although its investments are not restricted by reference to a benchmark the sub-fund will invest in a limited number of companies which means that at times the sub-fund may be concentrated. This absence of any benchmark constraints gives the Investment Manager wider scope to be dynamic in its investment decisions (for example by allowing the Investment Manager to change investments when they believe necessary in line with market circumstances to achieve the sub-fund’s objective) than if they were required to invest within such controls.

# ES River and Mercantile UK Dynamic Equity Fund

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## Investment Manager's Review

### Investment Review

The ES R&M UK Dynamic Equity Fund B share class delivered a -16.8% return, which compares to the benchmark's -8.1%.

#### *Positive Contributors*

**Aveva** was up strongly in the period following news that Schneider Electric would bid for the Aveva minorities. **Natwest** benefitted from the rising rate environment which is positive for margins. **Serco**, a new addition to the portfolio in the period, and **Spirent** reported strong interim results driving relative outperformance. **Conduit** benefitted from a hardening reinsurance market. Zero weights in **GSK**, **Segro**, **Rio Tinto** and **National Grid** were also material positive contributors.

#### *Negative Contributors*

**888 Holdings**, **Watkin Jones**, **Capital & Counties Properties** and **Barrick Gold** were adversely impacted by the rising rate environment. **888 Holdings** is running high leverage following the acquisition of selected William Hill assets and the market is rightly cautious given the sharply rising cost of debt. **Watkin Jones** is seeing investor funding costs increase which puts pressure on margins. **Capital & Counties** property portfolio valuation faces headwinds from rising interest rates. **Barrick Gold** was impacted by weakness in the gold price given pressure from higher real rates. **DFS** issued a profit warning in the period reflecting weaker customer demand. **Essentra**, a special situation investment case achieved a disposal price for its Packaging business below market expectations. **Sabre** re-set expectations for underwriting profitability due to the higher-than-expected inflation in cost of claims. Our Energy (zero weight **BP**, underweight **Shell**) and Consumer Staples underweights (**Unilever**) were also a material drag on performance in the period.

#### *Activity*

There were 7 new purchases and 4 exits during the period. Additions in the period included a mix of Quality (**Serco Group**, **Gamma Communications**), Growth (**Future**, **Watches of Switzerland**, **Harbour Energy**) and Recovery (**Balfour Beatty**, **Drax**). Exits were where there was evidence of a breakdown in the PVT investment case (**Sanofi**, **Intertek**, **Speedy Hire**, and **Hyve**).

### Outlook

Sentiment towards UK equities remains very depressed. The Government's recently announced fiscal actions are at odds with monetary policy focused on fighting inflation and this has spooked markets. A better explanation of how the proposed policies will enhance growth and how government debt levels will be stabilised over the medium term should restore calm in the markets. The UK has neither a leverage or funding challenge with the second lowest level of debt to GDP in the G7 and the longest average debt maturity in the OECD. Fears of a recession have created an investment environment characterised by wide valuation dispersion where the premium for certainty is high. This creates a great opportunity for stock pickers with a longer time horizon and willingness to look through short-term earnings volatility to generate outperformance.

Markets continue to move rapidly, and this is a good reminder to focus on stock selection with a balanced approach. We attempt to diversify our portfolios to protect against foreseen and unforeseen risks. We do this through our multi-factor PVT approach which enables us to invest in strong, cash generating companies at various stages of their corporate lifecycle.

River and Mercantile  
25 November 2022  
Investment Adviser to the Fund

Source: River and Mercantile Asset Management LLP, FactSet Analytics. Fund performance is calculated using midday published prices. Benchmark performance is calculated using close of business mid-market prices.

# ES River and Mercantile UK Dynamic Equity Fund

## Portfolio Statement as at 30 September 2022

Holding	Investment	Market Value £	% of Net Assets
<b>UNITED KINGDOM (UK LISTED COMPANIES) – 93.58% (2022 – 86.34%)</b>			
<b>Banks – 5.76% (2022 – 7.23%)</b>			
385,000	Barclays	555,555	1.36
300,250	NatWest	677,964	1.65
268,000	OSB	1,126,672	2.75
<b>Capital Goods – 14.79% (2022 – 12.31%)</b>			
40,500	BAE Systems	319,869	0.78
260,000	Balfour Beatty	796,640	1.94
294,500	Chemring	836,380	2.04
17,000	DCC	796,960	1.95
74,000	IMI	828,060	2.02
108,200	RS	1,048,458	2.56
165,200	Tyman	323,792	0.79
79,000	Weir	1,111,135	2.71
<b>Commercial &amp; Professional Services – 5.12% (2022 – 2.07%)</b>			
854,200	Serco	1,335,115	3.26
95,000	Smart Metering Systems*	762,850	1.86
<b>Consumer Durables &amp; Apparel – 2.54% (2022 – 2.79%)</b>			
15,900	Berkeley	524,223	1.28
489,500	DFS Furniture	517,891	1.26
<b>Consumer Services – 4.49% (2022 – 4.43%)</b>			
637,300	888	591,414	1.44
54,200	Whitbread	1,247,142	3.05
<b>Diversified Financials – 0.00% (2022 – 1.10%)</b>			
<b>Energy – 3.38% (2022 – 5.54%)</b>			
150,000	Harbour Energy	671,550	1.64
31,750	Shell	713,264	1.74
<b>Food &amp; Staples Retailing – 1.15% (2022 – 3.36%)</b>			
228,000	Tesco	471,276	1.15
<b>Food, Beverage &amp; Tobacco – 6.19% (2022 – 4.15%)</b>			
37,000	Cranswick	990,860	2.42
227,857	Tate & Lyle	1,548,060	3.77

# ES River and Mercantile UK Dynamic Equity Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Health Care Equipment &amp; Services – 3.67% (2022 – 3.95%)</b>		
558,000	ConvaTec	1,146,132	2.80
34,000	Smith & Nephew	357,000	0.87
	<b>Household &amp; Personal Products – 2.45% (2022 – 4.57%)</b>		
6,500	Reckitt Benckiser	388,440	0.95
15,500	Unilever	615,195	1.50
	<b>Insurance – 5.67% (2022 – 3.68%)</b>		
407,500	Conduit**	1,407,912	3.44
62,500	Prudential	558,625	1.36
366,538	Sabre Insurance	355,542	0.87
	<b>Materials – 7.21% (2022 – 10.56%)</b>		
25,200	Anglo American	689,346	1.68
522,076	Elementis	471,174	1.15
302,000	Essentra	551,452	1.35
89,200	Mondi	1,243,448	3.03
	<b>Media &amp; Entertainment – 8.73% (2022 – 6.36%)</b>		
258,900	Auto Trader	1,333,335	3.25
73,700	Future	971,366	2.37
169,700	WPP	1,272,411	3.11
	<b>Pharmaceuticals, Biotechnology &amp; Life Sciences – 1.50% (2022 – 4.81%)</b>		
6,175	AstraZeneca	613,795	1.50
	<b>Real Estate – 5.17% (2022 – 4.50%)</b>		
732,000	Capital & Counties Properties	778,116	1.90
631,500	Supermarket Income Reit	675,705	1.65
440,500	Watkin Jones*	666,036	1.62
	<b>Retailing – 5.13% (2022 – 1.93%)</b>		
172,000	B&M European Value Retail	526,492	1.28
608,000	Moonpig	969,152	2.37
90,000	Watches of Switzerland	605,700	1.48
	<b>Software &amp; Services – 2.61% (2022 – 1.13%)</b>		
34,000	AVEVA	1,068,280	2.61
	<b>Technology Hardware &amp; Equipment – 2.91% (2022 – 1.87%)</b>		
455,500	Spirent Communications	1,194,321	2.91

# ES River and Mercantile UK Dynamic Equity Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Telecommunication Services – 2.99% (2022 – 0.00%)</b>		
116,000	Gamma Communications	1,224,960	2.99
	<b>Utilities – 2.12% (2022 – 0.00%)</b>		
145,000	Drax	870,000	2.12
	<b>OVERSEAS COMPANIES (UK LISTED COMPANIES) – 1.45% (2022 – 4.79%)</b>		
	<b>Bermuda – 0.00% (2022 – 3.08%)</b>		
	<b>Ireland – 1.45% (2022 – 1.71%)</b>		
20,500	CRH	596,448	1.45
	<b>OVERSEAS COMPANIES – 2.05% (2022 – 7.33%)</b>		
	<b>Canada – 2.05% (2022 – 3.77%)</b>		
60,300	Barrick Gold	839,722	2.05
	<b>France – 0.00% (2022 – 3.56%)</b>		
	<b>FORWARD CURRENCY CONTRACTS – 0.03% (2022 – (0.06%))</b>		
CA\$1,258,000	Forward Currency Contract 15/12/2022: Canadian dollar 1,258,000 vs UK sterling 828,578	(9,062)	(0.02)
£1,671,831	Forward Currency Contract 15/12/2022: UK sterling 1,671,831 vs Canadian dollar 2,533,000	21,725	0.05
	<b>Portfolio of investments***</b>	<b>39,797,898</b>	<b>97.11</b>
	<b>Net other assets</b>	<b>1,183,550</b>	<b>2.89</b>
	<b>Net assets</b>	<b>40,981,448</b>	<b>100.00</b>

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

95.03% of the sub-fund's assets are listed in the UK.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2022.

\*Security listed in AIM.

\*\*The Portfolio Statement categories have been re-aligned in the current period resulting in a mismatch in the comparatives, this does not have any impact on the Financial Statements.

\*\*\*Includes investment liabilities.

# ES River and Mercantile UK Dynamic Equity Fund

## Statement of Total Return for the period ended 30 September 2022

	1 April 2022 to 30 September 2022		1 April 2021 to 30 September 2021	
	£	£	£	£
Income				
Net capital (losses)/gains		(10,040,666)		3,262,908
Revenue	1,358,846		1,552,608	
Expenses	(267,266)		(381,705)	
Interest payable and similar charges	(13)		(4)	
Net revenue before taxation for the period	1,091,567		1,170,899	
Taxation	(139,812)		(25,303)	
Net revenue after taxation for the period		951,755		1,145,596
Total return before distributions		(9,088,911)		4,408,504
Distributions		(954,227)		(1,149,165)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>(10,043,138)</b>		<b>3,259,339</b>

## Statement of Change in Net Assets attributable to Shareholders for the period ended 30 September 2022

	1 April 2022 to 30 September 2022		1 April 2021 to 30 September 2021	
	£	£	£	£
Opening net assets attributable to Shareholders		73,645,108		80,835,539
Amounts received on creation of shares	531,914		853,472	
Amounts paid on cancellation of shares	(23,777,695)		(4,729,297)	
		(23,245,781)		(3,875,825)
Dilution adjustment		26,595		984
Change in net assets attributable to Shareholders from investment activities		(10,043,138)		3,259,339
Retained distributions on accumulation shares		598,664		1,062,370
<b>Closing net assets attributable to Shareholders</b>		<b>40,981,448</b>		<b>81,282,407</b>

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

# ES River and Mercantile UK Dynamic Equity Fund

## Balance Sheet as at 30 September 2022

	30 September 2022		31 March 2022	
	£	£	£	£
<b>ASSETS</b>				
Fixed assets				
Investments		39,806,960		72,508,111
Current assets				
Debtors	180,026		480,874	
Cash and bank balances	1,194,224		949,950	
<b>Total other assets</b>		<b>1,374,250</b>		<b>1,430,824</b>
<b>Total assets</b>		<b>41,181,210</b>		<b>73,938,935</b>
<b>LIABILITIES</b>				
Investment liabilities		(9,062)		(43,977)
Creditors				
Distribution payable	(48,285)		(31,984)	
Other creditors	(142,415)		(217,866)	
<b>Total other liabilities</b>		<b>(190,700)</b>		<b>(249,850)</b>
<b>Total liabilities</b>		<b>(199,762)</b>		<b>(293,827)</b>
<b>Net assets attributable to Shareholders</b>		<b>40,981,448</b>		<b>73,645,108</b>



# ES River and Mercantile UK Dynamic Equity Fund

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## Fund Facts

### Distribution information

#### A-Class Distribution shares

The distribution payable on 30 November 2022 is 2.1462p (2021: 2.3608p) per share for distribution shares.

#### B-Class Accumulation shares

The distribution payable on 30 November 2022 is 7.1510p (2021: 7.6868p) per share for accumulation shares.

#### S-Class Accumulation shares

The distribution payable on 30 November 2022 is 3.7185p (2021: 4.0140p) per share for accumulation shares.

#### Z-Class Accumulation shares

The distribution payable on 30 November 2022 is 21.9227p (2021: 23.4225p) per share for accumulation shares.

## Performance records

### Net asset values

	Net asset value of sub-fund £	Net asset value per share p	Shares in issue
<b>31 March 2020</b>			
A-Class Distribution shares	3,245,126	122.21	2,655,455
B-Class Accumulation shares	47,131,241	390.80	12,060,335
S-Class Accumulation shares	3,704	185.21	2,000
Z-Class Accumulation shares	927,666	925.48	100,236
<b>31 March 2021</b>			
A-Class Distribution shares	4,086,642	163.39	2,501,114
B-Class Accumulation shares	75,724,500	532.14	14,230,237
S-Class Accumulation shares	5,057	252.84	2,000
Z-Class Accumulation shares	1,019,340	1,269.68	80,283
<b>31 March 2022</b>			
A-Class Distribution shares	3,729,636	162.26	2,298,568
B-Class Accumulation shares	68,689,867	540.47	12,709,391
S-Class Accumulation shares	5,150	257.49	2,000
Z-Class Accumulation shares	1,220,455	1,299.11	93,945
<b>30 September 2022</b>			
A-Class Distribution shares	3,033,347	134.83	2,249,822
B-Class Accumulation shares	37,038,768	456.22	8,118,704
S-Class Accumulation shares	4,353	217.64	2,000
Z-Class Accumulation shares	904,980	1,100.74	82,216

S-Class Accumulation share class launched 6 January 2020.

# ES River and Mercantile UK Dynamic Equity Fund

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## Fund Facts continued

### Operating Charges

30 September 2022

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A-Class Distribution shares	0.85%
B-Class Accumulation shares	0.85%
S-Class Accumulation shares	0.58%
Z-Class Accumulation shares	0.10%

The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure has been calculated in accordance with the COLL sourcebook. The Operating Charges figure is inclusive of Annual Management Charges.

The Operating Charges figure is capped at a maximum of 0.18% above the annual management charge, with any costs above this amount absorbed by the Investment Manager.

# ES River and Mercantile UK Dynamic Equity Fund

## Synthetic Risk Reward Indicator (SRRI)



Typically Lower Rewards

Typically Higher Rewards



This Fund is ranked at 6 because funds of this type have experienced medium to high rises and falls in value in the past. The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile. The risk and reward score is not guaranteed and may change over time. The lowest category does not mean risk free. While the risk indicator takes into account the broader risk profile, the following risks are considered most relevant to this sub-fund:

- **Liquidity risk:** Equities can lose value rapidly, and typically involve higher market risks than bonds, money market instruments or other debt instruments. Fluctuation in value may occur in response to activities of individual companies, the general market, economic conditions, or changes in currency exchange rates.
- **Small and Mid-Cap Stock:** Stocks of small and mid-size companies can be more volatile and less liquid than stocks of larger companies. Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks.
- **Concentration risk:** In certain conditions the Sub-Fund may invest in a relatively small number of securities, which may result in portfolio concentration in sectors, countries, or other groupings. These potential concentrations mean that a loss arising in a single investment may cause a proportionately greater loss in the sub-fund than if a larger number of investments were made.
- **Liquidity:** There is a risk that adverse market conditions may affect the sub-fund's ability to sell assets at the price the sub-fund would like, or the sub-fund may have to sell them at a loss. During the year the ranking changed from 6 to 5.
- **Currency:** To the extent that a sub-fund holds assets that are denominated in currencies other than the base currency, any changes in currency exchange rates could reduce investment gains or income, or increase investment losses.

During the period the ranking changed from 5 to 6.

## Summary of Largest Portfolio Changes

The table below shows the top ten purchases and sales for the period.

<b>Purchases</b>	<b>£</b>	<b>Sales</b>	<b>£</b>
Serco	1,734,327	AstraZeneca	3,034,506
Future	1,286,250	Sanofi	2,535,563
Gamma Communications	1,278,689	Reckitt Benckiser	1,949,771
Drax	967,390	Shell	1,908,755
Balfour Beatty	864,356	Tesco	1,717,428
Harbour Energy	711,061	Capricorn Energy	1,612,339
Watches of Switzerland	708,451	BAE Systems	1,326,800
Moonpig	564,214	Smith & Nephew	1,292,456
888	345,000	NatWest	1,223,048
Smart Metering Systems	184,949	Barrick Gold	1,191,122

# ES River and Mercantile UK Recovery Fund

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## 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.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The Fund’s capital is at risk meaning that the Sub-Fund could suffer a decrease in value and the value of your investment would decrease as a result.

## Investment Policy

The sub-fund seeks to achieve its investment objective by investing at least 60% of its value in shares of UK companies (companies which are domiciled, incorporated, or have significant operations in the UK). Investment can be direct, or indirect, in shares (including common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

In addition, up to 20% of the sub-fund may be invested in shares of companies which are not UK companies but which, at the time of investment, are listed in the UK. Investment can be direct or indirect as noted above. It is expected that at least 80% of the sub-fund will be invested in UK companies and companies which are listed in the UK.

Up to 20% of the sub-fund may be invested in shares of overseas companies (companies which are not UK companies and which are not listed in the UK), including emerging markets, collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager.

The sub-fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as “efficient portfolio management”). As an example, the sub-fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The sub-fund is actively managed meaning the Investment Manager uses their expertise to pick investments to achieve the sub-fund’s objectives.

# ES River and Mercantile UK Recovery Fund

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## Investment Manager's Review

### Investment Review

The ES River and Mercantile UK Recovery Fund (B share class) returned -13.8% over the 6 months to 30 September 2022, compared to the MSCI United Kingdom IMI return of -8.1%.

*Positive contributors during past 6 months:* US interest rate sensitives performed reasonably (**Standard Chartered**), underweight **GSK** and US exposed growth stocks (**Ashtead**); individual stock successes (**TPICAP**, **Harbour Energy**, **Crestchic**).

*Negative contributors:* Overweight smaller companies; large cap defensive growth strong (**Diageo**, **British American Tobacco**, **Reckitt Benckiser**, **Unilever**); individual stock disappointments (**ASOS**, **Restaurant Group**).

The portfolio continues to be positioned for Value, Recovery, Multi-Cap investing, and for deeply out-of-favour structural/quality growers. Looking at the component parts of the portfolio, we added to the large cap deeper value stocks where market uncertainty seemed to increase during the period depressing valuations, including **Lloyds**, **South32**, **Tesco** and **GSK**. Our focus (not deliberate, just catalysed by share price corrections) during the half-year was adding to our exposure to medium term quality or growth compounders that have become recovery stocks because they are seen as exposed to the economic downturn and because forced sellers' capital flowing out of SMID cap funds created recovery type valuation anomalies, these included adding to our **IMI** and **Moonpig** positions, and buying initial positions in **Ashtead**, **Segro**, **Genuit**, **Intertek**, **Netflix**, **Gamma Communications**, **Dr Martens**, **Trustpilot**, **Dotdigital**, **Hollywood Bowl**, **Fulham Shore** and **Headlam**. We added to high scoring MoneyPenny recovery stocks such as **RHI Magnesita**, **AB Foods**, **Vistry** and **Marks and Spencer**. UK domestic stocks have continued to be very weak and we have been adding to them (**Berkeley Group**, **Royal Mail**, **Dominos**, **Wickes**, **Tortilla Mexican**). We continued to add to our S-PVT focused holdings, including adding to **SIG** (leading insulation product distributor and a classic recovery stock) and buying **Impax** and adding to **Verallia**. And lastly, we continue to think about strategic value, especially at this time of very low valuations and a very weak pound, probably most of the above but including **Burberry**, **ITV**, **Rank** and **Capco**.

Sales have included taking full profits where our PVT thesis has been delivered, most notably the continued recipients of M&A activity (**Mediclinic**, **RPS**, **Biffa**, **Schroders**); taking some profits in energy stocks following a strong run (**BP**, **Serica**, **Harbour**, **Hunting**); reducing or exiting into relative strength (**Compass**, **Renewi**, **Beazley**, **Smart Metering**, **Serco**, **Pendragon**), and re-focusing capital towards higher conviction ideas (**Petrofac**, **Fresnillo**, **Avon Protection**, **Phillips**).

### Outlook

Catalysed by inflation pressures the world is being forced by Central Banks to move to a world of money costing a more normal (and ultimately more sustainable) amount. The monetary tightening and economic uncertainty associated with this transition is creating huge uncertainty, an aggressive discounting of risks and a few blow-ups (mini-budgets, pension fund liability management). But uncertainty creates investment opportunities and from our perspective there is amazing value out there. Who knows when the low point will be, though it should be pretty close given how 'end of the world' everything feels. It has been a long time since having such a great combination of low valuations plus exposure to medium-term profits and cash growth in our equity portfolios. For us, this provides an exciting investment opportunity.

River and Mercantile  
25 November 2022  
Investment Adviser to the Fund

Source: River and Mercantile Asset Management LLP, FactSet Analytics. Fund performance is calculated using midday published prices. Benchmark performance is calculated using close of business mid-market prices.

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement as at 30 September 2022

Holding	Investment	Market Value £	% of Net Assets
<b>UNITED KINGDOM (UK LISTED COMPANIES) – 82.42% (2022 – 86.73%)</b>			
<b>Automobiles &amp; Components – 0.00% (2022 – 0.17%)</b>			
<b>Banks – 10.63% (2022 – 11.56%)</b>			
2,355,511	Barclays	3,399,003	1.78
53,930	Close Brothers	500,201	0.26
1,505,232	HSBC	7,033,949	3.67
10,355,682	Lloyds Banking	4,286,217	2.24
18,984	Mortgage Advice Bureau*	116,182	0.06
1,069,195	NatWest	2,414,242	1.26
53,490	Secure Trust Bank	379,779	0.20
329,005	Standard Chartered	1,864,142	0.97
292,832	Virgin Money UK	363,990	0.19
<b>Capital Goods – 5.83% (2022 – 4.44%)</b>			
12,000	Ashtead	490,200	0.26
90,800	Balfour Beatty	278,211	0.14
65,710	Bodycote	305,683	0.16
850,000	Costain	335,750	0.18
207,932	Crestchic*	561,416	0.29
228,894	Driver*	68,668	0.04
3,300	Ferguson	310,266	0.16
186,064	Flowtech Fluidpower*	195,367	0.10
158,700	Genuit	461,817	0.24
58,800	Grafton	394,724	0.21
79,033	IMI	884,379	0.46
409,601	Kier	277,710	0.14
287,322	Melrose Industries	293,643	0.15
177,456	Morgan Advanced Materials	400,163	0.21
172,733	Mpac*	431,833	0.23
91,147	Norcros	150,393	0.08
3,212,530	Renold*	726,032	0.38
764,739	Rolls-Royce	532,029	0.28
199,560	Rotork	466,970	0.24
11,300	RS	109,497	0.06
770,800	Severfield	377,692	0.20
1,864,590	SIG	559,377	0.29
1,025,380	Speedy Hire	378,365	0.20
2,900	Spirax-Sarco Engineering	301,455	0.16
358,610	Trifast	258,199	0.13
163,810	Tyman	321,068	0.17
186,198	Vesuvius	576,097	0.30
174,511	Volex*	425,807	0.22
20,788	Weir	292,383	0.15

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>Commercial &amp; Professional Services – 1.70% (2022 – 2.55%)</b>			
4,915,000	Aukett Swanke*	113,045	0.06
625,268	De La Rue	520,848	0.27
2,092,447	Inspired*	230,169	0.12
316,680	Johnson Service*	250,177	0.13
120,000	Mears	222,000	0.12
158,749	Mind Gym*	142,874	0.08
622,290	Mitie	388,932	0.20
95,300	PageGroup	352,991	0.18
88,110	Ricardo	405,306	0.21
111,788	RWS*	357,722	0.19
170,940	Serco	267,179	0.14
<b>Consumer Durables &amp; Apparel – 2.49% (2022 – 3.33%)</b>			
16,202	Berkeley	534,180	0.28
23,617	Burberry	426,641	0.22
1,089,231	Coats	553,329	0.29
187,190	Crest Nicholson	342,745	0.18
396,490	DFS Furniture	419,487	0.22
213,000	Dr Martens	474,138	0.25
97,500	MJ Gleeson	398,775	0.21
51,100	Persimmon	632,107	0.33
587,789	Taylor Wimpey	518,900	0.27
78,642	Vistry	462,808	0.24
<b>Consumer Services – 4.15% (2022 – 4.38%)</b>			
282,250	888	261,928	0.14
60,860	Carnival	353,962	0.19
26,880	Compass	485,184	0.25
43,400	Domino's Pizza	96,608	0.05
63,370	Entain	688,198	0.36
4,300,000	Fulham Shore	387,000	0.20
294,990	Gym	323,899	0.17
167,300	Hollywood Bowl	312,182	0.16
126,080	J D Wetherspoon	510,120	0.27
818,600	Marston's	291,585	0.15
337,910	On the Beach	339,938	0.18
75,600	Playtech	333,547	0.17
241,205	Rangers International Football**	45,829	0.02
489,720	Rank	333,989	0.17
1,922,256	Restaurant	566,681	0.30
3,455,729	Revolution Bars*	345,573	0.18
231,509	SSP	439,404	0.23
139,245	Tortilla Mexican Grill	201,905	0.11
111,678	Trainline	352,456	0.18

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>Consumer Services continued</b>			
605,830	Tribal*	405,906	0.21
38,374	Whitbread	882,986	0.46
<b>Diversified Financials – 4.95% (2022 – 5.57%)</b>			
24,460	Aberforth Smaller Companies Trust	265,636	0.14
65,000	abrnd	90,415	0.05
319,285	ADVFN*	156,450	0.08
138,096	Argentex	123,458	0.06
104,900	Ashmore	206,653	0.11
275,000	AVI Japan Opportunity Trust PLC/Fund	297,000	0.16
161,160	Fidelity China Special Situations	356,164	0.19
37,500	Foresight	136,125	0.07
177,342	Gresham House*	1,259,128	0.66
89,160	Hargreaves Lansdown	773,017	0.40
47,500	Impax Asset Management*	248,425	0.13
47,100	IntegraFin	103,432	0.05
39,700	Intermediate Capital	390,092	0.20
682,279	International Personal Finance	541,730	0.28
338,700	IP	201,018	0.10
260,000	Jupiter Fund Management	238,680	0.12
59,800	Liontrust Asset Management	436,540	0.23
2,215,280	Mercia Asset Management*	520,591	0.27
44,900	Polar Capital*	186,335	0.10
488,558	Premier Miton*	508,100	0.27
267,290	Provident Financial	444,503	0.23
100,000	River & Mercantile UK Micro Cap Investment	136,000	0.07
61,365	Rockwood Strategic*	846,837	0.44
1,884,800	Schroder UK Public Private	302,699	0.16
368,240	TP ICAP	721,750	0.38
<b>Energy – 12.71% (2022 – 12.86%)</b>			
2,086,150	BP	9,035,116	4.72
298,968	Capital	247,546	0.13
26,708	Capricorn Energy	65,381	0.03
348,070	Diversified Energy	450,055	0.23
4,714,950	EnQuest	1,249,462	0.65
314,333	Harbour Energy	1,407,269	0.73
258,672	Hunting	603,999	0.32
403,612	John Wood	514,000	0.27
2,432,678	Savannah Energy*	664,121	0.35
105,002	Serica Energy*	391,132	0.20
352,235	Shell	7,912,959	4.13
58,000	Subsea 7	412,426	0.22
632,000	Tekmar*	50,560	0.03



# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>Energy continued</b>			
645,027	Trinity Exploration & Production*	774,032	0.40
1,354,370	Tullow Oil	566,668	0.30
<b>Food &amp; Staples Retailing – 0.70% (2022 – 0.00%)</b>			
557,620	Marks & Spencer	550,036	0.29
64,200	Ocado	303,281	0.16
238,100	Tesco	492,153	0.25
<b>Food, Beverage &amp; Tobacco – 3.80% (2022 – 4.19%)</b>			
59,180	Associated British Foods	746,556	0.39
61,940	Barr	281,827	0.15
804,900	Benchmark*	301,837	0.16
86,090	British American Tobacco	2,777,694	1.45
9,700	Cranswick	259,766	0.13
236,274	Devro	392,215	0.20
88,494	Imperial Brands	1,641,564	0.86
31,720	Nichols*	337,818	0.18
78,514	Tate & Lyle	533,424	0.28
<b>Health Care Equipment &amp; Services – 0.60% (2022 – 1.03%)</b>			
40,687	Instem*	235,985	0.12
86,400	Smith & Nephew	907,200	0.48
<b>Household &amp; Personal Products – 4.19% (2022 – 3.55%)</b>			
147,180	Haleon	410,926	0.22
15,400	Reckitt Benckiser	920,304	0.48
855,460	Science in Sport*	136,874	0.07
165,236	Unilever	6,558,217	3.42
<b>Insurance – 2.67% (2022 – 3.84%)</b>			
158,538	Aviva	615,445	0.32
44,430	Hiscox	391,962	0.20
255,930	Legal & General	554,088	0.29
344,780	Prudential	3,081,644	1.61
287,000	Sabre Insurance	278,390	0.15
207,409	Saga	185,838	0.10
<b>Materials – 8.23% (2022 – 9.68%)</b>			
159,720	Anglo American	4,369,141	2.28
65,010	Antofagasta	724,861	0.38
870,020	Breedon*	463,721	0.24
984,357	Carclo	161,434	0.09
640,640	Centamin	577,345	0.30
139,310	Central Asia Metals*	302,303	0.16

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Materials continued</b>		
101,800	DS Smith	261,524	0.14
546,010	Elementis	492,774	0.26
315,922	Essentra	576,874	0.30
212,250	Ibstock	348,302	0.18
25,030	Johnson Matthey	458,675	0.24
87,900	Marshalls	257,195	0.13
33,300	Mondi	464,202	0.24
99,918	Rio Tinto	4,891,985	2.55
430,300	Serabi Gold*	103,272	0.05
1,171,700	SigmaRoc	441,731	0.23
201,840	Synthomer	214,960	0.11
22,310	Victrex	372,577	0.20
114,861	Zotefoams	284,855	0.15
	<b>Media &amp; Entertainment – 3.42% (2022 – 4.20%)</b>		
1,325,867	Centaur Media	556,864	0.29
1,298,167	Ebiquity*	623,120	0.33
433,776	Everyman Media*	412,087	0.22
466,006	Hyve	228,576	0.12
86,450	Informa	448,849	0.23
1,074,630	ITV	615,333	0.32
200,740	Moneysupermarket.com	372,774	0.20
44,470	Pearson	385,466	0.20
829,098	Reach	574,150	0.30
170,700	S4 Capital	248,027	0.13
91,400	Team17	338,180	0.18
613,005	Time out*	214,552	0.11
716,700	Trustpilot	539,317	0.28
79,380	WPP	595,191	0.31
1,852,021	XLMedia*	388,925	0.20
	<b>Pharmaceuticals, Biotechnology &amp; Life Sciences – 2.13% (2022 – 0.78%)</b>		
268,644	GlaxoSmithKline	3,507,953	1.83
200,978	Indivior	570,778	0.30
	<b>Real Estate – 2.93% (2022 – 2.44%)</b>		
251,930	British Land	883,266	0.46
1,003,540	Capital & Counties Properties	1,066,763	0.56
962,514	Foxtons	288,754	0.15
152,210	Grainger	348,865	0.18
107,417	Great Portland Estates	472,635	0.24
101,800	Helical	361,899	0.19
32,500	International Biotechnology Trust PLC/Fund	209,625	0.11
305,000	Montanaro UK Smaller Companies Investment Trust	283,650	0.15
57,800	Segro	435,234	0.23

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Real Estate continued</b>		
184,255	Shaftesbury	676,216	0.35
148,530	Workspace	592,041	0.31
	<b>Retailing – 3.18% (2022 – 3.82%)</b>		
63,620	ASOS*	361,680	0.19
89,300	B&M European Value Retail	273,347	0.14
530,140	boohoo*	193,130	0.10
802,480	Card Factory	353,091	0.18
606,860	Currys	343,786	0.18
29,000	Dunelm	211,700	0.11
74,100	Halfords	97,664	0.05
126,900	Headlam	293,139	0.15
583,286	Hostelworld	427,549	0.22
388,310	JD Sports Fashion	388,893	0.20
447,886	Moonpig	713,930	0.37
9,440	Next	453,120	0.24
890,810	Smoove*	288,622	0.15
240,670	Superdry	238,745	0.13
592,300	Topps Tiles	219,151	0.12
34,100	Watches of Switzerland	229,493	0.12
34,540	WH Smith	412,235	0.22
497,440	Wickes	600,410	0.31
	<b>Semiconductors &amp; Semiconductor Equipment – 0.25% (2022 – 0.19%)</b>		
1,434,127	IQE*	487,603	0.25
	<b>Software &amp; Services – 2.88% (2022 – 1.72%)</b>		
35,000	accesso Technology*	189,700	0.10
55,775	Allfunds	370,528	0.19
500,000	Altitude*	115,000	0.06
165,814	Bango*	323,337	0.17
2,634,208	Capita	659,606	0.34
485,700	dotdigital	412,845	0.22
1,412,068	Eckoh*	550,707	0.29
39,300	FD Technologies*	559,632	0.29
31,900	GB	194,112	0.10
244,200	iomart*	398,046	0.21
297,471	Kin & Carta	518,789	0.27
329,908	Learning Technologies*	346,073	0.18
226,821	NCC	495,604	0.26
56,170	Sage	391,617	0.20
	<b>Technology Hardware &amp; Equipment – 1.14% (2022 – 1.26%)</b>		
4,481,825	Filtronic*	481,796	0.25
33,400	Gooch & Housego	187,040	0.10

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>Technology Hardware &amp; Equipment continued</b>			
363,849	Strix*	447,534	0.24
1,269,080	Thruvision*	274,121	0.14
226,702	TT Electronics	319,197	0.17
268,603	Xaar	464,683	0.24
<b>Telecommunication Services – 1.97% (2022 – 2.68%)</b>			
889,530	BT	1,079,000	0.56
42,200	Gamma Communications*	445,632	0.23
2,233,000	Vodafone	2,258,009	1.18
<b>Transportation – 0.96% (2022 – 1.44%)</b>			
153,888	easyJet	456,124	0.24
653,950	International Consolidated Airlines	619,029	0.32
70,800	James Fisher & Sons	199,656	0.10
52,170	JET2*	361,538	0.19
112,120	Royal Mail	206,749	0.11
<b>Utilities – 0.91% (2022 – 1.05%)</b>			
1,458,316	Centrica	1,033,071	0.54
55,200	Drax	331,200	0.17
3,200,000	Eenergy*	217,600	0.12
2,348,162	OPG Power Ventures*	157,327	0.08
<b>OVERSEAS COMPANIES (UK LISTED COMPANIES) – 6.86% (2022 – 3.38%)</b>			
<b>Australia – 0.31% (2022 – 0.00%)</b>			
279,100	South32	597,274	0.31
<b>Bermuda – 0.45% (2022 – 0.44%)</b>			
96,200	Conduit	332,371	0.17
65,264	Ocean Wilsons	528,638	0.28
<b>Ireland – 1.57% (2022 – 0.80%)</b>			
114,470	Bank of Ireland	658,994	0.34
484,900	Cairn Homes	353,492	0.18
21,630	CRH	629,325	0.33
10,760	Flutter Entertainment	1,069,114	0.56
7,500	Kingspan	302,040	0.16
<b>Netherlands – 0.50% (2022 – 0.34%)</b>			
27,780	Just Eat Takeaway.com	394,643	0.21
33,580	RHI Magnesita	566,830	0.29

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Nigeria – 0.52% (2022 – 0.45%)</b>		
911,970	SEPLAT Energy	994,047	0.52
	<b>Singapore – 0.11% (2022 – 0.00%)</b>		
12,500	XP Power	208,250	0.11
	<b>South Africa – 0.22% (2022 – 0.34%)</b>		
878,640	Old Mutual	428,337	0.22
	<b>Switzerland – 1.67% (2022 – 0.00%)</b>		
669,518	Glencore	3,200,966	1.67
	<b>United States of America – 1.51% (2022 – 1.01%)</b>		
551,227	Boku*	606,350	0.32
42,600	MaxCyte	238,560	0.12
360,813	Somero Enterprises*	1,389,130	0.73
88,800	Tinybuild	106,560	0.06
174,210	Tremor International*	541,444	0.28
	<b>OVERSEAS COMPANIES – 12.13% (2022 – 10.64%)</b>		
	<b>Australia – 0.00% (2022 – 0.28%)</b>		
	<b>Brazil – 0.30% (2022 – 0.00%)</b>		
80,000	Americanas	224,979	0.12
342,000	Sequoia Logistica e Transportes	340,986	0.18
	<b>Canada – 0.20% (2022 – 0.00%)</b>		
27,600	Barrick Gold	384,351	0.20
	<b>China – 0.72% (2022 – 0.63%)</b>		
41,150	Alibaba	365,815	0.19
52,000	Baidu	677,086	0.35
77,000	Ping An Insurance of China	344,454	0.18
	<b>France – 0.76% (2022 – 1.16%)</b>		
5,835	Airbus	455,022	0.24
56,742	Elis	517,376	0.27
24,100	Verallia	488,979	0.25
	<b>Germany – 0.65% (2022 – 0.75%)</b>		
11,400	Bayer	474,758	0.25

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Germany continued</b>		
16,850	Fresenius &	323,988	0.17
8,760	Porsche Automobil pref.	444,496	0.23
	<b>Greece – 0.13% (2022 – 0.42%)</b>		
320,000	Eurobank Ergasias	240,386	0.13
	<b>Hong Kong – 1.02% (2022 – 0.76%)</b>		
423,000	Sands China	950,958	0.50
675,000	Swire Pacific	693,268	0.36
1,496,000	Value Partners	317,540	0.16
	<b>Italy – 0.59% (2022 – 0.69%)</b>		
90,000	BFF Bank	538,262	0.28
51,650	Tenaris	601,035	0.31
	<b>Japan – 0.99% (2022 – 1.09%)</b>		
27,300	Nikon	230,289	0.12
13,850	Nintendo	501,443	0.26
9,280	Sony	533,268	0.28
74,178	Tosei	636,288	0.33
	<b>Luxembourg – 0.10% (2022 – 0.00%)</b>		
2,520	Spotify Technology	194,683	0.10
	<b>Netherlands – 0.96% (2022 – 1.53%)</b>		
55,000	Fugro	502,940	0.26
47,700	ING Groep	370,758	0.20
140,000	Koninklijke BAM Groep	310,838	0.16
13,630	Prosus	645,317	0.34
	<b>Norway – 0.16% (2022 – 0.19%)</b>		
8,350	Bakkafrost P/F	296,944	0.16
	<b>Portugal – 0.19% (2022 – 0.17%)</b>		
41,500	Galp Energia SGPS	357,785	0.19
	<b>Singapore – 0.17% (2022 – 0.00%)</b>		
201,000	Singapore Telecommunications	333,787	0.17

# ES River and Mercantile UK Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>South Korea – 0.13% (2022 – 0.16%)</b>		
440	LG Household & Health Care	174,392	0.09
3,100	Neowiz	71,527	0.04
	<b>Spain – 0.87% (2022 – 0.82%)</b>		
100,000	Applus Services	503,291	0.27
120,000	Banco Santander	252,479	0.13
140,000	CaixaBank	406,792	0.21
47,700	Repsol	494,163	0.26
	<b>United States of America – 4.19% (2022 – 1.99%)</b>		
27,300	AT&T	375,641	0.20
26,472	Baker Hughes	497,047	0.26
320	Booking	471,045	0.25
6,000	DocuSign	287,288	0.15
29,900	DraftKings	405,524	0.21
1,650	Electronic Arts	171,001	0.09
2,875	Johnson & Johnson	421,193	0.22
13,600	Kraft Heinz	406,063	0.21
2,420	McKesson	738,075	0.38
3,000	Meta Platforms	364,633	0.19
2,580	Netflix	544,081	0.28
3,790	Owens Corning	266,824	0.14
5,100	PayPal	393,225	0.20
9,390	Pfizer	368,770	0.19
44,000	Southwestern Energy	241,225	0.13
4,483	Take-Two Interactive Software	437,738	0.23
20,070	Topgolf Callaway Brands	346,276	0.18
6,560	Walt Disney	555,041	0.29
1,360	Waters	328,664	0.17
11,450	Wells Fargo	412,848	0.22
	<b>FORWARD CURRENCY CONTRACTS – (0.08%) (2022 – (0.03%))</b>		
€2,793,000	Forward Currency Contract 15/12/2022: Euro 2,793,000 vs UK sterling 2,532,843	(70,454)	(0.04)
£1,842,315	Forward Currency Contract 15/12/2022: UK sterling 1,842,315 vs Euro 2,054,000	31,449	0.02
£9,758,286	Forward Currency Contract 15/12/2022: UK sterling 9,758,286 vs Euro 11,209,000	(123,892)	(0.06)
	<b>Portfolio of investments</b>	<b>194,102,084</b>	<b>101.33</b>
	<b>Net other liabilities</b>	<b>(2,542,691)</b>	<b>(1.33)</b>
	<b>Net assets</b>	<b>191,559,393</b>	<b>100.00</b>

# ES River and Mercantile UK Recovery Fund

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## Portfolio Statement continued

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

89.28% of the sub-fund's assets are listed in the UK.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2022.

\*Security listed in AIM.

\*\*Delisted security.



# ES River and Mercantile UK Recovery Fund

## Statement of Total Return for the period ended 30 September 2022

	1 April 2022 to 30 September 2022		1 April 2021 to 30 September 2021	
	£	£	£	£
Income				
Net capital (losses)/gains		(31,942,398)		11,131,624
Revenue	4,748,596		3,153,246	
Expenses	(1,077,782)		(1,049,353)	
Interest payable and similar charges	(2,046)		(298)	
Net revenue before taxation for the period	3,668,768		2,103,595	
Taxation	(197,735)		(61,788)	
Net revenue after taxation for the period		3,471,033		2,041,807
Total return before distributions		(28,471,365)		13,173,431
Distributions		(3,483,202)		(2,028,760)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>(31,954,567)</b>		<b>11,144,671</b>

## Statement of Change in Net Assets attributable to Shareholders for the period ended 30 September 2022

	1 April 2022 to 30 September 2022		1 April 2021 to 30 September 2021	
	£	£	£	£
Opening net assets attributable to Shareholders		247,567,062		193,483,395
Amounts received on creation of shares	29,758,582		29,661,266	
Amounts paid on cancellation of shares	(53,979,694)		(20,993,671)	
		(24,221,112)		8,667,595
Dilution adjustment		(9,876)		132,140
Change in net assets attributable to Shareholders from investment activities		(31,954,567)		11,144,671
Retained distributions on accumulation shares		177,886		138,399
<b>Closing net assets attributable to Shareholders</b>		<b>191,559,393</b>		<b>213,566,200</b>

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

# ES River and Mercantile UK Recovery Fund

## Balance Sheet as at 30 September 2022

	30 September 2022		31 March 2022	
	£	£	£	£
<b>ASSETS</b>				
Fixed assets				
Investments		194,296,430		249,411,463
Current assets				
Debtors	3,775,543		2,923,831	
Cash and bank balances	203,733		25,694	
<b>Total other assets</b>		<b>3,979,276</b>		<b>2,949,525</b>
<b>Total assets</b>		<b>198,275,706</b>		<b>252,360,988</b>
<b>LIABILITIES</b>				
Investment liabilities		(194,346)		(73,488)
Creditors				
Bank overdrafts	(183,020)		(580,535)	
Distribution payable	(3,263,656)		(1,642,564)	
Other creditors	(3,075,291)		(2,497,339)	
<b>Total other liabilities</b>		<b>(6,521,967)</b>		<b>(4,720,438)</b>
<b>Total liabilities</b>		<b>(6,716,313)</b>		<b>(4,793,926)</b>
<b>Net assets attributable to Shareholders</b>		<b>191,559,393</b>		<b>247,567,062</b>

# ES River and Mercantile UK Recovery Fund

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## Fund Facts

### Distribution information

#### B-Class Distribution shares

The distribution payable on 30 November 2022 is 17.9983p (2021: 11.5067p) per share for distribution shares.

#### S-Class Accumulation shares

The distribution payable on 30 November 2022 is 3.9874p (2021: 2.1148p) per share for accumulation shares.

#### S-Class Distribution shares

The distribution payable on 30 November 2022 is 4.4137p (2021: 2.9675p) per share for distribution shares.

#### Z-Class Accumulation shares

The distribution payable on 30 November 2022 is 45.9412p (2021: 33.3339p) per share for accumulation shares.

## Performance records

### Net asset values

	Net asset value of sub-fund £	Net asset value per share p	Shares in issue
<b>31 March 2020</b>			
A-Class Distribution shares	708,591	198.72	356,584
B-Class Distribution shares	126,745,634	728.60	17,395,805
S-Class Distribution shares	38,568,554	165.01	23,373,014
Z-Class Accumulation shares	1,982,239	1,338.85	148,056
<b>31 March 2021</b>			
A-Class Distribution shares	1,075,937	322.19	333,949
B-Class Distribution shares	131,725,640	1,182.01	11,144,189
S-Class Distribution shares	57,386,649	267.73	21,434,747
Z-Class Accumulation shares	3,295,169	2,210.52	149,067
<b>31 March 2022</b>			
B-Class Distribution shares	143,845,110	1,211.13	11,876,972
S-Class Accumulation shares	9,423,923	248.22	3,796,610
S-Class Distribution shares	90,813,055	274.30	33,107,472
Z-Class Accumulation shares	3,484,974	2,323.88	149,964
<b>30 September 2022</b>			
B-Class Distribution shares	115,983,200	1,037.42	11,179,939
S-Class Accumulation shares	5,890,361	216.56	2,719,979
S-Class Distribution shares	66,610,110	234.93	28,353,617
Z-Class Accumulation shares	3,075,722	2,035.17	151,129

The S-Class Accumulation shares were launched on 30 April 2021.

The A-Class Distribution shares closed on 9 June 2021.

# ES River and Mercantile UK Recovery Fund

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## Fund Facts continued

### Operating Charges

**30 September 2022**

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B-Class Distribution shares	1.12%
S-Class Accumulation shares	0.87%
S-Class Distribution shares	0.87%
Z-Class Accumulation shares	0.12%

The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure has been calculated in accordance with the COLL sourcebook. The Operating Charges figure is inclusive of Annual Management Charges.

The Operating Charges figure is capped at a maximum of 0.20% above the annual management charge, with any costs above this amount absorbed by the Investment Manager.

# ES River and Mercantile UK Recovery Fund

## Synthetic Risk Reward Indicator (SRRI)



Typically Lower Rewards

Typically Higher Rewards



This Fund is ranked at 6 because funds of this type have experienced medium to high rises and falls in value in the past. The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile. The risk and reward score is not guaranteed and may change over time. The lowest category does not mean risk free. While the risk indicator takes into account the broader risk profile, the following risks are considered most relevant to this sub-fund:

- **Equity Securities:** Equities can lose value rapidly, and typically involve higher market risks than bonds, money market instruments or other debt instruments. Fluctuation in value may occur in response to activities of individual companies, the general market, economic conditions, or changes in currency exchange rates.
- **Small and Mid-Cap Stock:** Stocks of small and mid-size companies can be more volatile and less liquid than stocks of larger companies. Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks.
- **Concentration:** In certain conditions the sub-fund may invest in a relatively small number of securities, which may result in portfolio concentration in sectors, countries, or other groupings. These potential concentrations mean that a loss arising in a single investment may cause a proportionately greater loss in the sub-fund than if a larger number of investments were made.
- **Liquidity:** There is a risk that adverse market conditions may affect the sub-fund's ability to sell assets at the price the sub-fund would like, or the sub-fund may have to sell them at a loss.
- **Currency:** To the extent that a Sub-Fund holds assets that are denominated in currencies other than the base currency, any changes in currency exchange rates could reduce investment gains or income, or increase investment losses.

## Summary of Largest Portfolio Changes

The table below shows the top ten purchases and sales for the period.

<b>Purchases</b>	<b>£</b>	<b>Sales</b>	<b>£</b>
GlaxoSmithKline	3,463,977	Unilever	2,630,190
Unilever	1,466,853	Standard Chartered	2,151,661
Johnson & Johnson	728,329	Vodafone	2,006,278
South32	684,417	Shell	1,966,298
Trustpilot	668,765	British American Tobacco	1,917,624
Synthomer	637,078	BP	1,914,075
Great Portland Estates	635,699	HSBC	1,865,745
Persimmon	621,467	Prudential	1,382,943
Tesco	604,097	Harbour Energy	1,341,965
IMI	579,151	Lloyds Banking	1,125,974

# ES River and Mercantile UK Equity Income Fund

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## 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.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The Fund’s capital is at risk meaning that the Sub-Fund could suffer a decrease in value and the value of your investment would decrease as a result.

## Investment Policy

The sub-fund seeks to achieve its investment objective by investing at least 60% of its value in shares of UK companies (companies which are domiciled, incorporated, or have significant operations in the UK). Investment can be direct, or indirect, in shares (including common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

In addition, up to 20% of the sub-fund may be invested in shares of companies which are not UK companies but which, at the time of investment, are listed in the UK. Investment can be direct or indirect as noted above. It is expected that at least 80% of the sub-fund will be invested in UK companies and companies which are listed in the UK.

Up to 20% of the sub-fund may be invested in shares of overseas companies (companies which are not UK companies and which are not listed in the UK), excluding emerging markets, investment grade bonds issued by companies and governments (an investment grade rating conveys the rating agency’s view that there is a lower risk of loss resulting from the issuer defaulting, than would apply to a non-investment grade bond), convertible bonds, collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager.

The sub-fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as “efficient portfolio management”). As an example, the sub-fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The sub-fund is actively managed, meaning the Investment Manager will use their expertise to pick investments to achieve the sub-fund’s objectives.

The sub-fund will invest in a range of companies by industry sector and size and does not have to hold the same companies that are included in the Benchmark or in the same weights. However, where the sub-fund invests in companies which are included in the Benchmark the sub-fund’s exposure to any company will not be more than 5% above or below the Benchmark’s exposure to that company. Exposure to any industry sector will not be more than 8% above or below the Benchmark’s exposure to that sector, measured at the Sector level of MSCI GICS (Global Industry Classification Standard).

# ES River and Mercantile UK Equity Income Fund

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## Investment Manager's Review

### Investment Review

The ES R&M UK Equity Income Fund B share class returned -9.3% over the six months to 30 September 2022, compared with the MSCI UK Investable Market Index which returned -8.2%.

In the context of another challenging period for UK equities, the portfolio continued to benefit from its defensive skew, although the portfolio underweight to the energy sector – which rose 11% whilst most of the market posted double-digit declines – was a key factor in our relative underperformance against the benchmark. However, the Fund's return was ahead of the IA UK Equity Income peer group return over the period, where the medium Fund returned -11.3%.

At the stock level, the key positive contributors included defensive positions – **Serco**, **Reckitt Benckiser** and **BAE Systems** – as well as the portfolio's key holding in the energy sector, **Diversified Energy**. Importantly as a multi cap income fund, it was pleasing to see that a number of the less highly capitalised stocks were key contributors to returns in the period, despite the material underperformance of Mid and Small Caps. These included biotech **MaxCyte**, healthcare company **EMIS** (bid for by US competitor UnitedHealth at an attractive premium) and **Me Group**. Of the detractors, the common theme was an exposure to the slowing UK consumer with **easyJet**, **DFS**, **Restaurant Group**, **Tesco** and **Watkin Jones** in this camp. Other negative contributors included **Sabre Insurance** and **Barrick Gold**.

We increased the Fund's small cap exposure over the period, initiating positions in **Hollywood Bowl**, **XPS Pensions** and **Kenmare Resources**. With each name yielding over 4% on a forward 12-month basis, these additions demonstrate the wide range of income opportunities available across the market spectrum and diversity of the portfolio's yield. We trimmed our large cap defensive holdings to fund these trades, which included exiting **Compass Group** and **United Utilities**. We also exited **Smith** and **Nephew** – as we had lower conviction in management's ability to drive a recovery in earnings – and sold **EMIS** and **Ultra Electronics** after they were bid for by overseas buyers, evidence of the attractions of UK companies particularly on the global stage.

### Market Overview

Over the last 6 months, markets have been affected not just by the war in Ukraine and its direct impact on the price of energy but also by the acceleration of interest rate rises and an increase in expectations for “peak” interest rates, given the apparent desire of Central Banks (particularly the US) to try and head off inflation becoming embedded in the global system. This has led to US dollar strength against virtually all other currencies, further tightening financial conditions for non-US dollar denominated economies. On top of this, UK investors have had to navigate through an uncertain political environment with four different Chancellors of the Exchequer and three different Prime Ministers in the year to date!

Perhaps not surprisingly therefore, UK equities fell over 8% in the period, a disappointing return albeit better than many other developed markets as the UK index is well represented in the energy sector, which was among the few sectors to deliver positive returns. More cyclical – especially consumer cyclical – sectors were judged by the market to be the most vulnerable to rising energy and borrowing costs, with Consumer Discretionary (including housebuilders), Retailing and Transportation (airlines) all falling by over 20%.

### Outlook

In our previous report, we outlined the risks to the global economy and investor sentiment, post the Russian invasion of the Ukraine and proposed that a defensive tilt was still the right portfolio structure during periods of heightened volatility. In this we have been broadly vindicated although the volatility of markets – equities, currency and bond markets – was even higher than we had expected. The obvious change in the investment landscape has been in the fixed interest world, as the speed and aggressiveness of the Central Banks in raising interest rates to combat inflation has led to a fundamental repricing of the long term “risk free” rate and flattening of the yield curve over the period.

Not surprisingly, the net result of this upwards rebasing of the ‘risk free’ rate has been a move out in credit spreads, a derating of equities and a general move towards less cyclical assets, especially those related to energy or defence. However, we believe that the market is rapidly approaching “peak” bearishness as there is growing evidence of a slowdown in economic activity, in labour markets and in “demand pull” inflation while at the same time, most cyclical and many “value” stocks are trading on valuations more akin to the economic situation in 2007/8 than the tricky but nowhere near as dire conditions that are likely to prevail over the next six months. We also recognise that there is a developing bear market in the US technology space but – in contrast – UK equities are “unloved” and are trading at multi-year valuation lows against global equities, at a time when sterling is at a multi-decade low against the US dollar.

# ES River and Mercantile UK Equity Income Fund

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## Investment Manager's Review continued

### Outlook continued

Therefore, we will be looking to tilt the portfolio to a greater extent towards "recovery" and lowly rated/depressed valuation opportunities, in particular among Mid and Smaller cap sectors that have been underperforming and experiencing sustained outflows all year. While the outlook for equity markets over the next few quarters is volatile and uncertain, what is certain is that the opportunity set of attractively valued premium income and dividend growth companies has rarely been higher and we continue to find excellent franchises at cyclically low valuations.

River and Mercantile  
25 November 2022  
Investment Adviser to the Fund

Source: River and Mercantile Asset Management LLP, FactSet Analytics. Fund performance is calculated using midday published prices. Benchmark performance is calculated using close of business mid-market prices.



# ES River and Mercantile UK Equity Income Fund

## Portfolio Statement as at 30 September 2022

Holding	Investment	Market Value £	% of Net Assets
<b>UNITED KINGDOM (UK LISTED COMPANIES) – 95.84% (2022 – 92.33%)</b>			
<b>Banks – 7.33% (2022 – 5.15%)</b>			
231,900	HSBC	1,083,669	2.57
3,157,500	Lloyds Banking	1,306,889	3.10
166,500	OSB	699,966	1.66
<b>Capital Goods – 6.52% (2022 – 9.55%)</b>			
133,200	BAE Systems	1,052,014	2.50
24,100	Bunzl	664,919	1.58
168,900	QinetiQ	557,370	1.32
48,700	RS	471,903	1.12
<b>Commercial &amp; Professional Services – 5.79% (2022 – 5.73%)</b>			
62,000	RELX	1,364,620	3.24
547,600	Serco	855,899	2.03
27,400	Smart Metering Systems*	220,022	0.52
<b>Consumer Durables &amp; Apparel – 0.77% (2022 – 1.00%)</b>			
150,000	DFS Furniture	158,700	0.37
200,000	Me International	167,200	0.40
<b>Consumer Services – 1.16% (2022 – 2.78%)</b>			
149,400	Hollywood Bowl	278,780	0.66
712,500	Restaurant	210,045	0.50
<b>Diversified Financials – 5.81% (2022 – 4.05%)</b>			
231,300	Ashmore	455,661	1.08
418,000	Atrato Onsite Energy	409,640	0.97
46,450	Liontrust Asset Management	339,085	0.81
307,200	M&G	511,488	1.21
294,000	Man PLC/Jersey	658,854	1.56
60,000	XPS Pensions	73,800	0.18
<b>Energy – 8.72% (2022 – 5.63%)</b>			
561,600	Diversified Energy	726,149	1.72
131,200	Shell	2,947,408	7.00
<b>Food &amp; Staples Retailing – 3.31% (2022 – 5.80%)</b>			
168,500	J Sainsbury	293,611	0.70
531,900	Tesco	1,099,437	2.61

# ES River and Mercantile UK Equity Income Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>Food, Beverage &amp; Tobacco – 11.68% (2022 – 8.80%)</b>			
69,100	British American Tobacco	2,229,511	5.29
21,900	Cranswick	586,482	1.39
41,200	Diageo	1,564,364	3.71
80,000	Tate & Lyle	543,520	1.29
<b>Health Care Equipment &amp; Services – 0.00% (2022 – 1.30%)</b>			
<b>Household &amp; Personal Products – 9.99% (2022 – 6.90%)</b>			
181,900	Haleon	507,865	1.21
28,200	Reckitt Benckiser	1,685,232	4.00
50,800	Unilever	2,016,252	4.78
<b>Insurance – 4.14% (2022 – 6.50%)</b>			
198,200	Aviva	769,413	1.83
63,300	Lancashire	313,968	0.74
91,700	Phoenix	482,892	1.15
184,800	Sabre Insurance	179,256	0.42
<b>Materials – 5.64% (2022 – 5.72%)</b>			
41,100	Anglo American	1,124,290	2.67
416,600	Centamin	375,440	0.89
137,300	Essentra	250,710	0.59
23,000	Johnson Matthey	421,475	1.00
2,271,300	Shanta Gold*	204,417	0.49
<b>Pharmaceuticals, Biotechnology &amp; Life Sciences – 11.40% (2022 – 11.06%)</b>			
30,500	AstraZeneca	3,031,700	7.20
135,600	GlaxoSmithKline	1,770,665	4.20
<b>Real Estate – 3.66% (2022 – 3.79%)</b>			
310,700	Capital & Counties Properties	330,274	0.78
708,000	Supermarket Income Reit	757,560	1.80
300,000	Watkin Jones*	453,600	1.08
<b>Retailing – 1.69% (2022 – 0.80%)</b>			
139,500	Moonpig	222,363	0.53
10,200	Next	489,600	1.16
<b>Software &amp; Services – 1.71% (2022 – 0.93%)</b>			
103,300	Sage	720,208	1.71

# ES River and Mercantile UK Equity Income Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Technology Hardware &amp; Equipment – 1.36% (2022 – 0.98%)</b>		
147,400	Spirent Communications	386,483	0.92
150,300	Strix*	184,869	0.44
	<b>Transportation – 0.55% (2022 – 0.66%)</b>		
78,200	easyJet	231,785	0.55
	<b>Utilities – 4.61% (2022 – 5.20%)</b>		
72,100	Drax	432,600	1.03
162,300	National Grid	1,510,688	3.58
	<b>OVERSEAS COMPANIES (UK LISTED COMPANIES) – 2.45% (2022 – 1.86%)</b>		
	<b>Bermuda – 0.65% (2022 – 0.52%)</b>		
80,000	Conduit	276,400	0.65
	<b>Ireland – 0.39% (2022 – 0.00%)</b>		
41,900	Kenmare Resources	162,781	0.39
	<b>United States of America – 1.41% (2022 – 1.34%)</b>		
106,000	MaxCyte*	593,600	1.41
	<b>OVERSEAS COMPANIES – 3.49% (2022 – 5.91%)</b>		
	<b>Canada – 2.07% (2022 – 3.40%)</b>		
62,600	Barrick Gold	871,751	2.07
	<b>France – 1.42% (2022 – 2.51%)</b>		
8,700	Sanofi	598,426	1.42
	<b>Portfolio of investments</b>	<b>42,887,569</b>	<b>101.78</b>
	<b>Net other liabilities</b>	<b>(748,083)</b>	<b>(1.78)</b>
	<b>Net assets</b>	<b>42,139,486</b>	<b>100.00</b>

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

98.29% of the sub-fund's assets are listed in the UK.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2022.

\*Security listed in AIM.

# ES River and Mercantile UK Equity Income Fund

## Statement of Total Return for the period ended 30 September 2022

	1 April 2022 to 30 September 2022		1 April 2021 to 30 September 2021	
	£	£	£	£
Income				
Net capital (losses)/gains		(5,367,227)		5,077,284
Revenue	1,591,412		3,200,612	
Expenses	(217,720)		(602,683)	
Interest payable and similar charges	—		(1)	
Net revenue before taxation for the period	1,373,692		2,597,928	
Taxation	(150,585)		(39,666)	
Net revenue after taxation for the period		1,223,107		2,558,262
Total return before distributions		(4,144,120)		7,635,546
Distributions		(1,434,903)		(3,148,194)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>(5,579,023)</b>		<b>4,487,352</b>

## Statement of Change in Net Assets attributable to Shareholders for the period ended 30 September 2022

	1 April 2022 to 30 September 2022		1 April 2021 to 30 September 2021	
	£	£	£	£
Opening net assets attributable to Shareholders		71,781,457		133,314,594
Amounts received on creation of shares	4,138,770		2,634,123	
Amounts paid on cancellation of shares	(28,265,379)		(14,520,431)	
In specie transfer from ES Ardevora UK Income Fund	—		5,347,288	
		(24,126,609)		(6,539,020)
Dilution adjustment		63,451		61,046
Change in net assets attributable to Shareholders from investment activities		(5,579,023)		4,487,352
Unclaimed distributions over 6 years old		210		—
<b>Closing net assets attributable to Shareholders</b>		<b>42,139,486</b>		<b>131,323,972</b>

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

# ES River and Mercantile UK Equity Income Fund

## Balance Sheet as at 30 September 2022

	30 September 2022		31 March 2022	
	£	£	£	£
<b>ASSETS</b>				
Fixed assets				
Investments		42,887,569		71,851,309
Current assets				
Debtors	147,087		1,476,870	
Cash and bank balances	1,040,256		553,833	
<b>Total other assets</b>		<b>1,187,343</b>		<b>2,030,703</b>
<b>Total assets</b>		<b>44,074,912</b>		<b>73,882,012</b>
<b>LIABILITIES</b>				
Creditors				
Distribution payable	(1,167,349)		(1,008,527)	
Other creditors	(768,077)		(1,092,028)	
<b>Total other liabilities</b>		<b>(1,935,426)</b>		<b>(2,100,555)</b>
<b>Total liabilities</b>		<b>(1,935,426)</b>		<b>(2,100,555)</b>
<b>Net assets attributable to Shareholders</b>		<b>42,139,486</b>		<b>71,781,457</b>

# ES River and Mercantile UK Equity Income Fund

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## Fund Facts

### Distribution information

#### B-Class Distribution shares

The distribution payable on 30 November 2022 is 13.1100p (2021: 11.9641p) per share for distribution shares.

#### S-Class Distribution shares

The distribution payable on 30 November 2022 is 6.5977p (2021: 6.0031p) per share for distribution shares.

### Performance records

#### Net asset values

	Net asset value of sub-fund £	Net asset value per share p	Shares in issue
<b>31 March 2020</b>			
A-Class Distribution shares	3,304,569	150.86	2,190,469
B-Class Distribution shares	82,481,317	410.12	20,111,283
S-Class Distribution shares	29,890,787	205.12	14,572,253
<b>31 March 2021</b>			
A-Class Distribution shares	3,386,184	185.35	1,826,929
B-Class Distribution shares	103,848,704	507.68	20,455,573
S-Class Distribution shares	26,079,706	254.56	10,244,825
<b>31 March 2022</b>			
B-Class Distribution shares	57,464,544	533.38	10,773,561
S-Class Distribution shares	14,316,913	268.14	5,339,275
<b>30 September 2022</b>			
B-Class Distribution shares	29,761,026	473.21	6,289,204
S-Class Distribution shares	12,378,460	238.22	5,196,217

The S-Class Distribution share class launched on 2 May 2019.

The A-Class Distribution shares closed on 9 June 2021.

### Operating Charges

	30 September 2022
B-Class Distribution shares	0.86%
S-Class Distribution shares	0.62%

The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure has been calculated in accordance with the COLL sourcebook. The Operating Charges figure is inclusive of Annual Management Charges.

The Operating Charges figure is capped at a maximum of 0.20% above the annual management charge, with any costs above this amount absorbed by the Investment Manager.

# ES River and Mercantile UK Equity Income Fund

## Synthetic Risk Reward Indicator (SRRI)



Typically Lower Rewards

Typically Higher Rewards



This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past. The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile. The risk and reward score is not guaranteed and may change over time. The lowest category does not mean risk free. While the risk indicator takes into account the broader risk profile, the following risks are considered most relevant to this sub-fund:

- **Equity Securities:** Equities can lose value rapidly, and typically involve higher market risks than bonds, money market instruments or other debt instruments. Fluctuation in value may occur in response to activities of individual companies, the general market, economic conditions, or changes in currency exchange rates.
- **Small and Mid-Cap Stock:** Stocks of small and mid-size companies can be more volatile and less liquid than stocks of larger companies. Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks.
- **Concentration:** In certain conditions the sub-fund may invest in a relatively small number of securities, which may result in portfolio concentration in sectors, countries, or other groupings. These potential concentrations mean that a loss arising in a single investment may cause a proportionately greater loss in the sub-fund than if a larger number of investments were made.
- **Liquidity:** There is a risk that adverse market conditions may affect the sub-fund's ability to sell assets at the price the sub-fund would like, or the sub-fund may have to sell them at a loss.
- **Currency:** To the extent that a sub-fund holds assets that are denominated in currencies other than the base currency, any changes in currency exchange rates could reduce investment gains or income, or increase investment losses.

## Summary of Largest Portfolio Changes

The table below shows the top ten purchases and sales for the period.

<b>Purchases</b>	<b>£</b>	<b>Sales</b>	<b>£</b>
M&G	672,215	BAE Systems	1,712,716
Hollywood Bowl	305,889	Bunzl	1,523,120
Moonpig	278,515	Compass	1,469,570
OSB	231,395	Reckitt Benckiser	1,427,326
RS	225,385	Direct Line Insurance	1,348,479
British American Tobacco	221,634	AstraZeneca	1,206,669
Kenmare Resources	182,306	Sanofi	1,186,402
Watkin Jones	178,741	Tesco	1,162,729
RELX	176,153	Barrick Gold	1,136,232
Cranswick	175,727	J Sainsbury	1,017,072

# ES River and Mercantile Global Recovery Fund

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## 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.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The Fund’s capital is at risk meaning that the Sub-Fund could suffer a decrease in value and the value of your investment would decrease as a result.

## Investment Policy

The sub-fund seeks to achieve its investment objective by investing at least 80% of its value in shares of global companies (including Emerging Markets). Investment can be direct, or indirect, in shares (including common and preference shares and units combining common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

Up to 20% of the sub-fund may be invested in collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds), can include those operated and/or managed by the ACD or the Investment Manager.

The sub-fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as “efficient portfolio management”). As an example, the sub-fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The sub-fund is actively managed meaning the Investment Manager uses their expertise to pick investments to achieve the sub-fund’s objectives.



# ES River and Mercantile Global Recovery Fund

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## Investment Manager's Review

### Investment Review

The ES River and Mercantile Global Recovery Fund (B-inc) returned -9.3% over the 6 months to 30 September 2022, compared to the MSCI ACWI Index -7.3%.

*Positive contributors during the past 6 months:* US interest rate sensitives performed reasonably, underweight US MegaCap Tech (**Nvidia, Alphabet, Amazon, Apple, Tesla**); individual stock successes (**Cielo, Enerplus, H&R Block, Crestchic**).

*Negative contributors:* Overweight smaller companies; large cap defensive growth strong (**Johnson & Johnson, Eli Lilly, United Health**); consumer cyclicals, industrials (**Spirit AeroSystems**) and China stocks weak (**Baidu, Alibaba**); individual stock disappointments (**Baker Hughes**).

We continue to position the portfolio for Value, Recovery, Multi-Cap investing and for deeply out-of-favour structural / quality growers and greater regional diversification than the US centric benchmark. We added to the large cap deeper value stocks where market uncertainty seemed to increase during the period depressing valuations, including **Anglo American, Eastern Chem, OMV, Pfizer, Barrick Gold, Citigroup, BP and JP Morgan**. Our focus (not deliberate, just catalysed by share price corrections) during the half-year was adding to our exposure to medium term quality or growth compounders that have become recovery stocks because they are seen as exposed to the economic downturn and because forced sellers' capital flowing out of SMID cap funds created recovery type valuation anomalies, these included adding to our **Paypal, Meta, Spotify, Netflix, Disney and Mercadolibre** positions, and buying initial positions in **Warner Brothers, Nike, Home Depot, Splunk and Zillow**. We added to high scoring MoneyPenny recovery stocks such as **Fluor, Victoria's Secret and RHI Magnesita**. We continued to add to our S-PVT focused holdings, including **Sony, Verallia and Danielli**. And lastly, we continue to think about strategic value, especially at this time of unusually low valuations, including **Capco and Prosieben**. We have continued to add to our US equity positions, following the themes above and taking advantage of significant drawdowns; we now have 40% in US equities, still very underweight.

Sales have included taking full profits where our PVT thesis has been delivered, most notably the continued recipients of M&A activity (**Mediclinic, RPS, Mediaset, Grupo Sura**); taking some profits in energy stocks following a strong run (**BP, Serica, Enerplus, Valero**); reducing or exiting into relative strength (**Compass, Renewi, Beazley, Smart Metering, Serco, MakeMyTrip**), and re-focusing capital towards higher conviction ideas (**Petrofac, Fresnillo, Unicredit**).

### Outlook

Catalysed by inflation pressures the world is being forced by Central Banks to move to a world of money costing a more normal (and ultimately more sustainable) amount. The monetary tightening and economic uncertainty associated with this transition is creating huge uncertainty, an aggressive discounting of risks and a few blow-ups (mini-budgets, pension fund liability management). But uncertainty creates investment opportunities and from our perspective there is amazing value out there. Who knows when the low point will be, though it should be pretty close given how 'end of the world' everything feels. It has been a long time since having such a great combination of low valuations plus exposure to medium-term profits and cash growth in our equity portfolios. For us, this provides an exciting investment opportunity.

# ES River and Mercantile Global Recovery Fund

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## Investment Manager's Review continued

### Outlook continued

The Russian invasion of Ukraine in February 2022, along with the terrible ensuing humanitarian crisis, has been the most meaningful geopolitical development in many years. And now, in many ways, global economies are moving into a period of significant public and private investment. The next ten years is, on many levels, going to be different from the post global financial crisis years, and stockmarkets are currently struggling to understand exactly how this will play out. However it is worth stating that the portfolio is not built on attempts to make precise predictions about the macro-economic future, but rather by building our convictions at the individual company level through a systematic bottom-up approach.

River and Mercantile  
25 November 2022  
Investment Adviser to the Fund

Source: River and Mercantile Asset Management LLP, FactSet Analytics. Fund performance is calculated using midday published prices. Benchmark performance is calculated using close of business mid-market prices.

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement as at 30 September 2022

Holding	Investment	Market Value £	% of Net Assets
<b>OVERSEAS COMPANIES – 90.59% (2022 – 88.68%)</b>			
<b>Automobiles &amp; Components – 2.45% (2022 – 2.85%)</b>			
21,706	BorgWarner	610,366	0.21
14,014	Continental	565,479	0.19
86,010	Dometic	398,941	0.13
219,800	Geely Automobile	270,898	0.09
19,325	General Motors	556,223	0.19
31,582	Harley-Davidson	986,531	0.34
2,370	Hyundai Mobis	282,692	0.10
6,927	Hyundai Motor pref.	363,029	0.12
49,766	Kendrion	604,442	0.20
167,680	Piaggio	305,488	0.10
6,770	Porsche Automobil pref.	343,520	0.12
22,866	Stellantis	246,299	0.08
20,200	Tachi-S	133,642	0.04
35,110	Toyota Motor	407,642	0.14
14,768	Vitesco Technologies	648,651	0.22
4,668	Volkswagen pref.	518,867	0.18
<b>Banks – 10.16% (2022 – 9.59%)</b>			
81,958	Absa	721,223	0.24
171,723	Banco Bilbao Vizcaya Argentaria	696,235	0.24
69,040	Banco do Brasil	440,340	0.15
548,510	Banco Santander	1,154,061	0.39
275,780	Bangkok Bank	894,011	0.30
50,829	Bank of America	1,376,021	0.47
196,020	Bank of Ireland	1,130,878	0.38
25,010	Bank of Kyoto	815,718	0.28
107,250	Bankinter	542,509	0.19
30,209	BNP Paribas	1,156,001	0.39
194,410	BOC Hong Kong	580,156	0.20
219,980	CaixaBank	639,187	0.22
91,680	China Merchants Bank	381,353	0.13
701,100	CIMB	694,836	0.24
60,675	Citigroup	2,264,917	0.77
37,109	Citizens Financial	1,142,225	0.39
32,560	DBS	677,097	0.23
16,004	East West Bancorp	961,989	0.33
900,745	Eurobank Ergasias	676,646	0.23
63,303	FinecoBank Banca Fineco	706,916	0.24
24,841	First Interstate BancSystem	897,908	0.30
12,561	HDFC Bank	657,812	0.22
123,320	Huntington Bancshares	1,456,022	0.49
143,506	ING Groep	1,115,430	0.38
633,228	Intesa Sanpaolo	946,258	0.32

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Banks continued</b>		
14,763	JPMorgan Chase	1,383,461	0.47
97,985	Mediobanca Banca di Credito Finanziario	691,871	0.24
52,962	Societe Generale	948,854	0.32
37,370	Sumitomo Mitsui Financial	930,672	0.32
65,259	Wells Fargo	2,353,019	0.80
18,617	Zions Bancorp NA	848,213	0.29
	<b>Capital Goods – 10.06% (2022 – 9.89%)</b>		
5,538	3M	548,541	0.19
18,075	ABB	424,423	0.15
7,120	AGCO	613,903	0.21
8,880	Airbus	692,476	0.24
57,627	Antares Vision	367,154	0.12
66,774	Aumann	638,733	0.22
4,882	Boeing	530,097	0.18
817,740	China Lesso	682,162	0.23
13,654	Cie de Saint-Gobain	443,890	0.15
8,612	CJ	374,226	0.13
138,980	CK Hutchison	688,330	0.23
19,650	Daimler Truck	402,226	0.14
84,110	Danieli & C Officine Meccaniche	901,996	0.31
31,000	Denyo	264,187	0.09
1,493	dormakaba	455,204	0.16
471,540	Eucatex Industria e Comercio pref.	596,659	0.20
2,290	FANUC	285,508	0.10
37,844	FLSmidth	738,334	0.25
27,110	Fluor	604,711	0.21
3,800	Fortive	198,732	0.07
506,840	Fraser and Neave	386,031	0.13
62,001	Fugro	566,960	0.19
18,122	General Electric	1,006,183	0.34
33,500	Hayward	265,887	0.09
35,000	Heijmans	293,945	0.10
15,448	HERIGE SADCS	410,772	0.14
116,860	Iveco	499,437	0.17
35,900	Jardine Cycle & Carriage	757,087	0.26
18,226	Johnson Controls International	804,112	0.27
8,900	KION	155,350	0.05
141,060	Kitz	697,535	0.24
3,440	Lincoln Electric	387,389	0.13
36,000	Metso Outotec	216,853	0.08
13,235	NKT	562,354	0.19
15,979	Owens Corning	1,124,957	0.38
5,582	Parker-Hannifin	1,214,009	0.41
18,470	Raytheon Technologies	1,354,930	0.46
55,013	Resideo Technologies	939,799	0.32

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Capital Goods continued</b>		
118,190	Sansei Technologies	550,065	0.19
10,613	Siemens	940,873	0.32
42,434	Siemens Energy	423,595	0.14
1,456,870	Sime Darby	602,309	0.20
62,022	SKF	754,238	0.26
3,233	Snap-on	582,797	0.20
32,451	Spirit AeroSystems	636,636	0.22
86,250	Tadano	448,388	0.15
8,999	Toyota Industries	382,062	0.13
80,400	Tsubaki Nakashima	561,281	0.19
24,613	Tsubakimoto Chain	465,362	0.16
29,400	Univar Solutions	599,694	0.20
8,500	Valmet	155,902	0.05
27,547	Volvo	351,338	0.12
	<b>Commercial &amp; Professional Services – 2.21% (2022 – 2.54%)</b>		
22,281	Adecco	555,631	0.19
198,377	Aker Carbon Capture	227,411	0.07
32,890	Alkemy	302,490	0.10
163,551	Applus Services	823,137	0.28
1,500,080	China Everbright Environment	558,067	0.19
65,232	Elis	594,788	0.20
21,223,560	Mega Manunggal Property	551,863	0.19
14,050	Societe BIC	800,215	0.27
20,892	Stericycle	787,731	0.27
18,913	Tinexta	317,513	0.11
21,490	Toppan	286,083	0.10
424,591	Valid Solucoes e Servicos de Seguranca em Meios de Pagamento e Identificacao	691,958	0.24
	<b>Consumer Durables &amp; Apparel – 3.96% (2022 – 3.74%)</b>		
4,740	adidas	494,258	0.17
301,155	Bang & Olufsen	324,700	0.11
41,434	Canada Goose	567,545	0.19
485,047	Chow Sang Sang International	442,821	0.15
11,423	Cie Financiere Richemont	979,545	0.33
29,531	Cie Financiere Richemont Warrants 22/11/2023	11,288	0.00
3,653,744	Consortio ARA	517,638	0.18
27,322	DR Horton	1,649,893	0.56
3,055	EssilorLuxottica	376,278	0.13
132,973	Fourlis	291,735	0.10
450	Kering	180,967	0.06
9,769	LG pref.	361,500	0.12
21,899	Mattel	371,555	0.13
10,925	Mohawk Industries	892,360	0.30
64,773	Neinor Homes	530,349	0.18

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>Consumer Durables &amp; Apparel continued</b>			
6,810	NIKE	507,013	0.17
79,510	Nikon	670,707	0.23
9,190	Sony	528,096	0.18
3,062	Swatch AG/The	625,359	0.21
30,000	Topgolf Callaway Brands	517,603	0.18
668,450	Trisul	569,044	0.19
2,240	Whirlpool	270,754	0.09
<b>Consumer Services – 5.18% (2022 – 4.53%)</b>			
53,080	2U	297,187	0.10
3,410	Airbnb	320,747	0.11
47,920	Bloomin' Brands	786,003	0.27
492	Booking	724,231	0.25
20,630	Cheesecake Factory	541,300	0.18
32,010	Chegg	604,758	0.21
4,370	Darden Restaurants	494,586	0.17
81,890	DraftKings	1,110,646	0.38
1,057,937	Fu Shou Yuan International	520,345	0.18
225,271	GAN	443,963	0.15
771,540	Genting	666,271	0.23
1,116,600	Genting Singapore	543,731	0.19
125,641	Gourmet Master	374,001	0.13
20,871	H&R Block	795,540	0.27
42,799	Las Vegas Sands	1,437,752	0.49
4,466	Marriott International Inc/MD	560,660	0.19
40,600	Penn Entertainment	1,000,179	0.34
750,720	Shangri-La Asia	466,906	0.16
16,526	Starbucks	1,247,407	0.42
35,360	Trip.com	850,624	0.29
1,410,810	Wynn Macau	811,435	0.28
13,451	Yum China	570,188	0.19
<b>Diversified Financials – 5.76% (2022 – 5.85%)</b>			
6,141	Affiliated Managers	615,420	0.21
6,910	American Express	835,291	0.28
176,487	Anima	453,492	0.15
22,420	Artisan Partners Asset Management	540,868	0.18
231,560	B3 - Brasil Bolsa Balcao	500,482	0.17
6,353	Berkshire Hathaway	1,520,782	0.52
106,880	BFF Bank	639,216	0.22
609,299	Bolsa de Valores de Colombia	915,442	0.31
285,570	Bolsa Mexicana de Valores	427,731	0.14
22,210	Charles Schwab	1,430,728	0.49
6,500	Eurazeo	306,889	0.10
8,820	EXOR	500,638	0.17
906,700	GAM	750,942	0.26

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Diversified Financials continued</b>		
18,110	Gruppo MutuiOnline	319,130	0.11
786,050	Haitong	373,163	0.13
112,300	Hellenic Exchanges - Athens Stock Exchange	297,627	0.10
12,580	Hong Kong Exchanges & Clearing	386,752	0.13
183,969	Inversiones La Construcción	509,408	0.17
27,550	JAFCO	362,323	0.12
41,566	Noah	491,881	0.17
181,380	Nomura	537,027	0.18
33,882	State Street	1,846,316	0.63
73,355	UBS	966,383	0.33
1,759,384	Value Partners	373,446	0.13
30,318	Van Lanschot Kempen	525,210	0.18
124,070	WisdomTree Investments	520,154	0.18
	<b>Energy – 4.68% (2022 – 6.53%)</b>		
65,825	Baker Hughes	1,235,951	0.42
1,429,846	CGG	899,692	0.31
23,646	Devon Energy	1,275,397	0.43
84,673	Eni	810,691	0.28
101,102	Galp Energia SGPS	871,633	0.30
73,520	Marathon Oil	1,486,470	0.50
88,946	NOV	1,290,008	0.44
19,170	OMV	626,158	0.21
59,460	Repsol	615,994	0.21
29,952	Schlumberger	963,251	0.33
308,680	Southwestern Energy	1,692,306	0.57
95,485	Tenaris	1,111,129	0.38
21,119	TotalEnergies	894,523	0.30
	<b>Food &amp; Staples Retailing – 1.09% (2022 – 0.89%)</b>		
151,065	Blue Apron	774,068	0.26
3,457,481	Cosco Capital	207,629	0.07
15,970	HelloFresh	306,086	0.10
642,531	Profarma Distribuidora de Productos Farmaceuticos	422,473	0.14
24,709	Sprouts Farmers Market	614,239	0.21
7,923	Walmart	921,121	0.31
	<b>Food, Beverage &amp; Tobacco – 1.95% (2022 – 1.86%)</b>		
680,747	Aryzta	617,706	0.21
20,464	Beyond Meat	259,581	0.09
3,250	Carlsberg	342,162	0.12
15,304	Coca-Cola	768,696	0.26
71,170	Coca-Cola Bottlers Japan	616,652	0.21
89,540	Coca-Cola Icecek	581,082	0.20
13,590	Danone	579,200	0.20

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Food, Beverage &amp; Tobacco continued</b>		
18,523	Kraft Heinz	553,052	0.19
6,914,645	Nippon Indosari Corpindo	508,476	0.17
121,033	Treasury Wine Estates	876,273	0.30
	<b>Health Care Equipment &amp; Services – 1.50% (2022 – 1.57%)</b>		
33,751	Cegedim	422,369	0.14
27,647	Fresenius &	531,589	0.18
7,054	Fukuda Denshi	313,455	0.11
6,190	Henry Schein	364,702	0.12
30,333	Koninklijke Philips	425,913	0.14
2,200	McKesson	670,977	0.23
3,106	Neogen	38,842	0.01
245,220	Qualicorp Consultoria e Corretora de Seguros	331,000	0.11
84,220	Vital KSK	336,716	0.11
10,880	Zimmer Biomet	1,020,847	0.35
	<b>Household &amp; Personal Products – 0.72% (2022 – 0.71%)</b>		
13,258	Henkel	680,062	0.23
910	LG Household & Health Care	360,675	0.12
16,800	Pola Orbis	169,686	0.06
220,810	PRADA	914,703	0.31
	<b>Insurance – 1.56% (2022 – 2.41%)</b>		
43,190	Dai-ichi Life	612,117	0.21
113,600	Japan Post	673,252	0.23
29,320	MS&AD Insurance	693,901	0.23
141,460	Ping An Insurance of China	632,811	0.21
58,565	Poste Italiane	400,267	0.14
13,620	Samsung Life Insurance	531,295	0.18
32,542	SCOR	424,231	0.14
12,654,030	Tune Protect	635,604	0.22
	<b>Materials – 4.99% (2022 – 4.80%)</b>		
38,250	Acerinox	275,185	0.09
30,636	Axalta Coating Systems	578,250	0.20
25,700	Barrick Gold	357,892	0.12
20,384	BASF	708,923	0.24
408,602	Cemex	1,251,831	0.42
13,710	Dowa	439,524	0.15
9,803	Eastman Chemical	624,115	0.21
26,941	HeidelbergCement	966,046	0.33
11,960	Imerys	326,000	0.11
193,690	Incitec Pivot	390,459	0.13
50,711	Industrias Penoles	439,717	0.15
1,900	LG Chem	637,660	0.22



# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Materials continued</b>		
14,534	Mosaic	629,898	0.21
30,000	Nippon Paint	181,583	0.06
6,140	Nitto Denko	296,020	0.10
2,000	Nucor	191,884	0.07
16,588	Okamoto Industries	364,450	0.12
4,564,612	PPC	518,740	0.18
3,100	PPG Industries	307,445	0.10
13,400	Recticel	158,048	0.05
21,592	Rio Tinto	1,161,431	0.40
38,361	Taiheiyo Cement	483,374	0.16
135,935	thyssenkrupp	523,222	0.18
83,904	Titan Cement International	792,283	0.27
57,965	Verallia	1,176,087	0.40
21,549	Vicat	435,897	0.15
18,361	Westrock	508,081	0.17
	<b>Media – 0.00% (2022 – 0.13%)</b>		
	<b>Media &amp; Entertainment – 8.99% (2022 – 7.60%)</b>		
19,950	Alphabet	1,709,770	0.58
66,826	Autohome	430,872	0.15
150,214	Baidu	1,955,918	0.66
10,000	Bilibili	136,371	0.05
4,044	CJ ENM	192,693	0.06
46,020	DeNA	520,641	0.18
97,655	Hello	403,287	0.14
41,346	IMAX	522,983	0.18
240,867	iQIYI	584,744	0.20
23,309	Meta Platforms	2,833,078	0.96
1,715,821	MFE-MediaForEurope	454,741	0.15
513,961	MFE-MediaForEurope	204,863	0.07
69,384	MultiChoice	399,164	0.14
6,500	Neowiz	149,976	0.05
6,450	Netflix	1,360,203	0.46
19,012	Omnicom	1,074,502	0.36
30,172	Paramount Global	514,624	0.17
60,120	Pinterest	1,255,395	0.43
52,296	ProSiebenSat.1 Media	336,218	0.11
12,120	Roblox	389,451	0.13
50,340	Schibsted	611,218	0.21
12,550	Sea	630,142	0.21
38,640	Snap	340,605	0.12
286,557	Solocal	193,888	0.07
15,948	Spotify Technology	1,232,066	0.42
5,397	Take-Two Interactive Software	526,985	0.18
91,310	Television Francaise 1	472,376	0.16

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>Media &amp; Entertainment continued</b>			
33,670	Tencent	1,023,604	0.35
195,407	Tencent Music Entertainment	712,449	0.24
36,869	TripAdvisor	728,595	0.25
23,754	Universal Music	402,869	0.14
14,810	Viaplay	261,216	0.09
118,050	Vimeo	419,832	0.14
24,544	Walt Disney	2,076,665	0.71
49,375	Warner Bros Discovery	509,098	0.17
20,670	Wirtualna Polska	341,160	0.12
221,191	Z	519,785	0.18
<b>Pharmaceuticals, Biotechnology &amp; Life Sciences – 2.94% (2022 – 2.27%)</b>			
22,210	Bayer	924,946	0.31
12,139	Bristol-Myers Squibb	773,273	0.26
11,545	Gilead Sciences	638,010	0.22
87,780	Nichi-iko Pharmaceutical	236,863	0.08
65,932	Pfizer	2,589,321	0.88
5,535	Roche	1,629,141	0.55
18,570	Tsumura	353,405	0.12
87,915	Viatrix	670,999	0.23
1,980	Waters	478,496	0.16
58,361	Yunnan Baiyao	383,828	0.13
<b>Real Estate – 1.89% (2022 – 1.56%)</b>			
700,266	Greentown Service	419,543	0.14
148,190	Hongkong Land	586,760	0.20
41,630	Mitsubishi Estate	488,495	0.16
22,784	RE/MAX	385,958	0.13
7,225,890	Sime Darby Property	628,186	0.21
556,000	Sunac China	290,600	0.10
863,667	Swire Pacific	887,041	0.30
99,180	Tosei	850,752	0.29
19,820	Weyerhaeuser	507,618	0.17
454,260	Wing Tai	428,226	0.15
4,680	Zillow	119,903	0.04
<b>Retailing – 6.04% (2022 – 5.94%)</b>			
211,583	Alibaba	1,880,931	0.64
697,970	Alibaba Health Information Technology	286,744	0.10
18,910	Amazon.com	1,914,546	0.65
314,650	Americanas	884,870	0.30
19,730	Bath & Body Works	576,541	0.20
28,978,620	Bukalapak.com	460,290	0.16
555,995	CECONOMY	583,075	0.20
17,210	Delivery Hero	579,356	0.20

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Retailing continued</b>		
17,289	Dufry	477,719	0.16
25,073	eBay	826,782	0.28
334,810	Falabella	604,281	0.21
21,170	Fnac Darty	527,253	0.18
2,100	Home Depot	519,930	0.18
35,134	Industria de Diseno Textil	656,123	0.22
39,122	JD.com	886,209	0.30
30,575	JUMBO	366,256	0.12
71,570	LL Flooring	443,025	0.15
90,440	Lojas Renner	417,157	0.14
475,531	Marisa Lojas	188,231	0.07
112,641	Marisa Lojas Warrants 15/11/2022	933	0.00
1,266	MercadoLibre	938,788	0.32
5,296	Naspers	597,446	0.20
109,700	Ping An Healthcare and Technology	185,027	0.06
17,194	Prosus	814,056	0.28
107,450	Rakuten	412,300	0.14
216,770	RealReal	289,337	0.10
177,430	Rent the Runway	349,678	0.12
28,613	Sleep Country Canada	454,420	0.16
22,503	Victoria's Secret	586,614	0.20
	<b>Semiconductors &amp; Semiconductor Equipment – 1.99% (2022 – 1.18%)</b>		
57,210	ams-OSRAM	325,218	0.11
15,023	Applied Materials	1,102,602	0.37
226,741	ASE Technology	512,450	0.17
35,354	Infineon Technologies	703,357	0.24
24,424	Intel	564,052	0.19
10,160	Marvell Technology	390,454	0.13
840,743	Meyer Burger Technology	302,706	0.10
17,000	Micron Technology	763,119	0.26
5,700	NVIDIA	619,632	0.21
2,500	NXP Semiconductors	330,355	0.11
2,900	Qualcomm	293,533	0.10
	<b>Software &amp; Services – 6.12% (2022 – 5.48%)</b>		
800	Accenture	184,474	0.06
147,201	Almawave	485,072	0.16
29,305	Atos	209,803	0.07
88,760	BASE	148,319	0.05
262,320	Chanjet Information Technology	140,098	0.05
1,407,990	Cielo	1,259,237	0.43
968,090	Clear Sale	917,119	0.31
37,821	Criteo	915,795	0.31
7,367	Digital Value	415,707	0.14
12,100	DocuSign	579,365	0.20

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Software &amp; Services continued</b>		
32,332	Dropbox	600,125	0.20
13,379	Fiserv	1,121,449	0.38
122,200	GDS	239,579	0.08
4,450	Global Payments	430,968	0.15
24,980	GMO internet	392,992	0.13
40,404	Hecto Innovation	313,701	0.11
3,904,771	Hi Sun Technology China	383,220	0.13
6,758	International Business Machines	719,388	0.24
122,330	Kingsoft Cloud	218,075	0.07
55,853	Kyndryl	413,782	0.14
2,950	Microsoft	615,237	0.21
59,800	Nexi	437,676	0.15
11,549	Oracle	632,127	0.21
42,404	PayPal	3,269,473	1.11
119,629	Sabre	551,903	0.19
7,210	SAP	531,243	0.18
7,420	Splunk	499,652	0.17
11,030	Trend Micro Inc/Japan	531,776	0.18
40,190	Upland Software	292,703	0.10
51,321	Western Union	621,571	0.21
	<b>Technology Hardware &amp; Equipment – 2.01% (2022 – 2.02%)</b>		
47,180	Anritsu	460,766	0.16
33,648	Avnet	1,088,142	0.37
18,568	Cisco Systems	665,507	0.23
37,041	Datalogic	212,104	0.07
163,218	Kerlink SACA	220,298	0.08
9,090	Kyocera	409,216	0.14
6,500	Landis+Gyr	318,271	0.11
8,400	Logitech International	351,290	0.12
130,537	Nokia	506,969	0.17
18,533	Samsung Electronics	615,024	0.21
82,436	Seco	289,665	0.10
15,909	SIT	86,560	0.03
83,970	Yageo	636,147	0.22
	<b>Telecommunication Services – 0.83% (2022 – 1.05%)</b>		
57,780	AT&T	795,038	0.27
429,640	Singapore Telecommunications	713,474	0.24
19,430	SoftBank	587,426	0.20
123,258	Telefonica	365,069	0.12
	<b>Transportation – 3.09% (2022 – 3.23%)</b>		
960,110	Beijing Capital International Airport	465,655	0.16
97,554	bpost	470,434	0.16

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Transportation continued</b>		
36,142	Delta Air Lines	908,811	0.31
3,743	FedEx	498,027	0.17
10,055	Fraport Frankfurt Airport Services Worldwide	326,048	0.11
230,590	Grab	541,204	0.18
493,340	Grupo Traxion	404,413	0.14
3,070,026	Hutchison Port Trust	503,283	0.17
2,842	Hyundai Glovis	289,166	0.10
257,920	JD Logistics	405,592	0.14
20,148	Knight-Swift Transportation	883,133	0.30
24,266	Piraeus Port Authority	296,005	0.10
299,466	SATS	562,737	0.19
41,010	Seino	293,402	0.10
300,650	Sequoia Logistica e Transportes	299,759	0.10
22,406	Southwest Airlines	619,010	0.21
55,412	Uber Technologies	1,315,930	0.45
	<b>Utilities – 0.42% (2022 – 0.46%)</b>		
90,906	Iberdrola	764,424	0.26
27,340	Veolia Environnement	472,542	0.16
	<b>UK COMPANY OR UK LISTED – 10.67% (2022 – 11.62%)</b>		
	<b>UK – 8.87% (2022 – 10.12%)*</b>		
100,221	Allfunds	665,795	0.23
48,579	Anglo American	1,328,879	0.45
63,860	Antofagasta	712,039	0.24
67,302	ASOS*	382,612	0.13
84,320	BP	365,190	0.12
134,570	British Land	471,802	0.16
2,691,984	Capita	674,073	0.23
743,883	Capital & Counties Properties	790,748	0.27
71,621	Carnival	416,548	0.14
407,060	Centrica	288,361	0.10
897,880	Coats	456,123	0.16
357,386	Crestchic*	964,942	0.33
1,066,568	Eckoh*	415,962	0.14
96,870	Farfetch	645,626	0.22
181,750	Fidelity China Special Situations	401,668	0.14
4,675,822	Filtronic*	502,651	0.17
180,000	Gresham House*	1,278,000	0.43
308,374	Harbour Energy	1,380,590	0.47
300,295	Hunting	701,189	0.24
2,979,343	Lloyds Banking	1,233,150	0.42
52,780	Manchester United	626,949	0.21
346,150	Moonpig	551,763	0.19

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>UK continued</b>		
305,291	NatWest	689,347	0.23
253,500	On the Beach	255,021	0.09
98,547	Prudential	880,813	0.30
804,549	Rangers International Football**	152,864	0.05
1,290,688	Restaurant	380,495	0.13
40,222	Rockwood Strategic	555,064	0.19
588,680	Rolls-Royce	409,545	0.14
135,537	RWS*	433,718	0.15
37,600	Shell	844,684	0.29
84,595	Smith & Nephew	888,247	0.30
127,373	Standard Chartered	721,695	0.25
86,198	Subsea 7	612,936	0.21
1,201,280	Tullow Oil	502,616	0.17
33,112	Unilever	1,314,215	0.45
118,801	VK	91,099	0.03
493,230	Vodafone	498,754	0.17
24,040	Weir	338,123	0.11
33,783	Whitbread	777,347	0.26
394,320	Wickes	475,944	0.16
	<b>Bermuda – 0.00% (2022 – 0.19%)</b>		
	<b>Hong Kong – 0.21% (2022 – 0.24%)</b>		
133,720	HSBC	629,470	0.21
	<b>Ireland – 0.26% (2022 – 0.13%)</b>		
472,140	Cairn Homes	344,190	0.12
4,300	Flutter Entertainment	427,248	0.14
	<b>Netherlands – 0.18% (2022 – 0.00%)</b>		
31,397	RHI Magnesita	529,981	0.18
	<b>United States of America – 1.15% (2022 – 0.94%)</b>		
20,277	Capri	698,424	0.24
399,814	Somero Enterprises*	1,539,284	0.52
190,333	Tremor International*	591,555	0.20
3,080	Willis Towers Watson	554,416	0.19

# ES River and Mercantile Global Recovery Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>FORWARD CURRENCY CONTRACTS – 0.12% (2022 – (0.04%))</b>		
US\$17,018,003	Forward Currency Contract 15/12/2022: US dollar 17,018,003 vs Euro 16,857,000	367,662	0.12
	<b>Portfolio of investments***</b>	<b>298,388,419</b>	<b>101.38</b>
	<b>Net other liabilities</b>	<b>(4,069,740)</b>	<b>(1.38)</b>
	<b>Net assets</b>	<b>294,318,679</b>	<b>100.00</b>

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

10.67% of the sub-fund's assets are listed in the UK.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2022.

\*Security listed in AIM.

\*\*Delisted security.

\*\*\*Includes investment liabilities.

\*\*\*\*The Portfolio Statement categories have been re-aligned in the current period resulting in a mismatch in the comparatives, this does not have any impact on the Financial Statements.

# ES River and Mercantile Global Recovery Fund

## Statement of Total Return for the period ended 30 September 2022

	1 April 2022 to 30 September 2022		1 April 2021 to 30 September 2021	
	£	£	£	£
Income				
Net capital (losses)/gains		(34,463,340)		13,327,331
Revenue	6,920,805		4,301,232	
Expenses	(1,638,477)		(1,691,106)	
Interest payable and similar charges	(5,081)		(2,333)	
Net revenue before taxation for the period	5,277,247		2,607,793	
Taxation	(1,084,162)		(460,800)	
Net revenue after taxation for the period		4,193,085		2,146,993
Total return before distributions		(30,270,255)		15,474,324
Distributions		(4,202,665)		(2,155,284)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>(34,472,920)</b>		<b>13,319,040</b>

## Statement of Change in Net Assets attributable to Shareholders for the period ended 30 September 2022

	1 April 2022 to 30 September 2022		1 April 2021 to 30 September 2021	
	£	£	£	£
Opening net assets attributable to Shareholders		393,286,725		387,204,869
Amounts received on creation of shares	17,091,130		40,044,477	
Amounts paid on cancellation of shares	(81,664,284)		(12,003,424)	
In specie transfer to River and Mercantile Global Recovery UCITS ICAV Sub-Fund	—		(81,330,138)	
		(64,573,154)		(53,289,085)
Dilution adjustment		(10,341)		29,498
Change in net assets attributable to Shareholders from investment activities		(34,472,920)		13,319,040
Retained distributions on accumulation shares		88,342		193,198
Unclaimed distributions over 6 years old		27		—
<b>Closing net assets attributable to Shareholders</b>		<b>294,318,679</b>		<b>347,457,520</b>

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.



# ES River and Mercantile Global Recovery Fund

## Balance Sheet as at 30 September 2022

	30 September 2022		31 March 2022	
	£	£	£	£
<b>ASSETS</b>				
Fixed assets				
Investments		298,388,419		394,588,256
Current assets				
Debtors	5,327,063		2,300,016	
Cash and bank balances	4,454,165		383,855	
<b>Total other assets</b>		<b>9,781,228</b>		<b>2,683,871</b>
<b>Total assets</b>		<b>308,169,647</b>		<b>397,272,127</b>
<b>LIABILITIES</b>				
Investment liabilities		—		(277,281)
Creditors				
Bank overdrafts	—		(543,314)	
Distribution payable	(3,484,072)		(1,107,953)	
Other creditors	(10,366,896)		(2,056,854)	
<b>Total other liabilities</b>		<b>(13,850,968)</b>		<b>(3,708,121)</b>
<b>Total liabilities</b>		<b>(13,850,968)</b>		<b>(3,985,402)</b>
<b>Net assets attributable to Shareholders</b>		<b>294,318,679</b>		<b>393,286,725</b>

# ES River and Mercantile Global Recovery Fund

## Fund Facts

### Distribution information

#### B-Class Distribution shares

The distribution payable on 30 November 2022 is 6.1058p (2021: 2.9171p) per share for distribution shares.

#### S-Class Distribution shares

The distribution payable on 30 November 2022 is 3.1841p (2021: 1.7414p) per share for distribution shares.

#### Z-Class Accumulation shares

The distribution payable on 30 November 2022 is 21.2538p (2021: 14.0837p) per share for accumulation shares.

### Performance records

#### Net asset values

	Net asset value of sub-fund £	Net asset value per share p	Shares in issue
<b>31 March 2020</b>			
B-Class Distribution shares	134,132,332	378.17	35,469,090
S-Class Distribution shares	169,945,039	175.51	96,828,336
Z-Class Accumulation shares	17,091,691	855.41	1,998,065
<b>31 March 2021</b>			
B-Class Distribution shares	170,291,041	611.86	27,831,914
S-Class Distribution shares	189,284,348	284.07	66,632,338
Z-Class Accumulation shares	27,629,480	1,403.82	1,968,164
<b>31 March 2022</b>			
B-Class Distribution shares	110,391,526	612.40	18,025,943
S-Class Distribution shares	263,478,059	284.32	92,669,078
Z-Class Accumulation shares	19,417,140	1,428.85	1,358,931
<b>30 September 2022</b>			
B-Class Distribution shares	73,598,990	552.75	13,315,006
S-Class Distribution shares	215,272,700	256.62	83,888,015
Z-Class Accumulation shares	5,446,989	1,310.47	415,651

### Operating Charges

	30 September 2022
B-Class Distribution shares	1.14%
S-Class Distribution shares	0.89%
Z-Class Accumulation shares	0.14%

The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure has been calculated in accordance with the COLL sourcebook. The Operating Charges figure is inclusive of Annual Management Charges.

The Operating Charges figure is capped at a maximum of 0.35% above the annual management charge, with any costs above this amount absorbed by the Investment Manager.

# ES River and Mercantile Global Recovery Fund

## Synthetic Risk Reward Indicator (SRRI)



Typically Lower Rewards

Typically Higher Rewards



This Fund is ranked at 6 because funds of this type have experienced medium to high rises and falls in value in the past. The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile. The risk and reward score is not guaranteed and may change over time. The lowest category does not mean risk free. While the risk indicator takes into account the broader risk profile, the following risks are considered most relevant to this sub-fund:

- **Equity Securities:** Equities can lose value rapidly, and typically involve higher market risks than bonds, money market instruments or other debt instruments. Fluctuation in value may occur in response to activities of individual companies, the general market, economic conditions, or changes in currency exchange rates.
- **Small and Mid-Cap Stock:** Stocks of small and mid-size companies can be more volatile and less liquid than stocks of larger companies. Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks.
- **Liquidity:** There is a risk that adverse market conditions may affect the Fund's ability to sell assets at the price the Fund would like, or the Fund may have to sell them at a loss.
- **Currency:** To the extent that a Sub-Fund holds assets that are denominated in currencies other than the base currency, any changes in currency exchange rates could reduce investment gains or income, or increase investment losses.
- **Emerging Markets:** Where a Sub-fund invests substantially in securities listed or traded in emerging markets, the performance of the Sub-fund may be more volatile than a fund that invests in securities traded in developed countries.

## Summary of Largest Portfolio Changes

The table below shows the top ten purchases and sales for the period.

<b>Purchases</b>	<b>£</b>	<b>Sales</b>	<b>£</b>
Meta Platforms	1,432,451	Enerplus	2,570,999
PayPal	1,194,686	Grupo de Inversiones Suramericana	1,667,847
Penn Entertainment	1,044,291	APA	1,612,921
Pfizer	1,018,667	Japan Petroleum Exploration	1,518,093
Southwestern Energy	966,197	Naspers	1,473,325
Roche	941,548	Cielo	1,351,932
Clear Sale	934,305	MakeMyTrip	1,339,213
Sea	928,372	Valero Energy	1,273,150
OMV	877,057	Tenaris	1,261,101
Walt Disney	766,547	Marriott International	1,138,661

# ES Dynamic Asset Allocation Fund

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## **Investment Objective and Investment Policy**

The sub-fund closed on 31 August 2022, sold all investment assets and is currently in the process of winding up.

## **Investment Manager's Review**

### **Investment review**

The ES Dynamic Asset Allocation Fund closed on 31 August 2022, therefore there is no Investment Manager Report available.

Schroders IS Limited  
25 November 2022  
Investment Adviser to the Fund

# ES Dynamic Asset Allocation Fund

## Statement of Total Return for the period ended 30 September 2022

	1 April 2022 to 30 September 2022		1 April 2021 to 30 September 2021	
	£	£	£	£
Income				
Net capital (losses)/gains		(7,605,271)		15,971,426
Revenue	908,691		1,749,106	
Expenses	(301,224)		(535,113)	
Interest payable and similar charges	(686)		(8,725)	
Net revenue before taxation for the period	606,781		1,205,268	
Taxation	(68,416)		(310,538)	
Net revenue after taxation for the period		538,365		894,730
Total return before distributions		(7,066,906)		16,866,156
Distributions		—		(1,064,924)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>(7,066,906)</b>		<b>15,801,232</b>

## Statement of Change in Net Assets attributable to Shareholders for the period ended 30 September 2022

	1 April 2022 to 30 September 2022		1 April 2021 to 30 September 2021	
	£	£	£	£
Opening net assets attributable to Shareholders		207,640,730		248,889,358
Amounts received on creation of shares	798,294		13,423,737	
Amounts paid on cancellation of shares	(201,451,192)		(63,457,864)	
		(200,652,898)		(50,034,127)
Dilution adjustment		79,074		43,926
Change in net assets attributable to Shareholders from investment activities		(7,066,906)		15,801,232
Retained distributions on accumulation shares		—		948,265
<b>Closing net assets attributable to Shareholders</b>		<b>—</b>		<b>215,648,654</b>

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

# ES Dynamic Asset Allocation Fund

## Balance Sheet as at 30 September 2022

	30 September 2022		31 March 2022	
	£	£	£	£
<b>ASSETS</b>				
Current assets				
Investments		—	183,816,994	
Debtors	2,806		230,119	
Cash and bank balances	110,434		24,578,846	
<b>Total other assets</b>		<b>113,240</b>		<b>208,625,959</b>
<b>Total assets</b>		<b>113,240</b>		<b>208,625,959</b>
<b>LIABILITIES</b>				
Investment liabilities		—	(554,012)	
Creditors				
Other creditors	(113,240)		(431,217)	
<b>Total other liabilities</b>		<b>(113,240)</b>		<b>(431,217)</b>
<b>Total liabilities</b>		<b>(113,240)</b>		<b>(985,229)</b>
<b>Net assets attributable to Shareholders</b>		<b>—</b>		<b>207,640,730</b>

# ES Dynamic Asset Allocation Fund

## Fund Facts

### Distribution information

#### B-Class Accumulation shares

The distribution payable on 30 November 2022 is 0.0000p (2021: 1.4272p) per share for accumulation shares.

#### Z-Class Accumulation shares

The distribution payable on 30 November 2022 is 0.0000p (2021: 4.6383p) per share for accumulation shares.

## Performance records

### Net asset values

	Net asset value of sub-fund £	Net asset value per share p	Shares in issue
<b>31 March 2020</b>			
B-Class Accumulation shares	112,958,996	287.00	39,359,102
Z-Class Accumulation shares	81,122,168	588.46	13,785,493
<b>31 March 2021</b>			
B-Class Accumulation shares	147,939,039	356.79	41,463,867
Z-Class Accumulation shares	100,950,319	734.80	13,738,527
<b>31 March 2022</b>			
B-Class Accumulation shares	158,735,795	380.02	41,770,635
Z-Class Accumulation shares	48,904,935	786.08	6,221,383
<b>30 September 2022*</b>			

\*The Fund closed on 31 August 2022, therefore there is no Net Asset value data to disclose as at period end.

## Summary of Largest Portfolio Changes

The table below shows the top ten purchases and sales for the period.

Purchases	£	Sales	£
S&P 500 UCITS ETF 2C GBP Hedged	18,578,631	iShares MSCI World ESG Enhanced UCITS ETF	45,846,185
iShares MSCI World ESG Enhanced UCITS ETF	16,227,971	S&P 500 UCITS ETF 2C GBP Hedged	18,760,493
iShares Core MSCI World UCITS ETF	14,474,624	United Kingdom Gilt 1.75% 07/09/2022	18,746,521
Insight Liquidity Funds - GBP Liquidity Fund	11,466,955	Insight Liquidity Funds - GBP Liquidity Fund	16,003,493
United Kingdom Gilt 1.75% 07/09/2022	10,784,081	BlackRock ICS Sterling Liquidity Fund	15,847,788
BlackRock ICS Sterling Liquidity Fund	9,522,750	iShares Core MSCI World UCITS ETF	15,341,201
United Kingdom Gilt 0.125% 31/01/2023	6,738,832	Neuberger Berman Global Flexible Credit Fund	13,134,081
Thomson Reuters Core Commodity CRB TR UCITS ETF	4,585,776	SPDR MSCI World Small Cap UCITS ETF	12,962,673
Lumyna Marshall Wace ESG Market Neutral UCITS	4,043,300	iShares MSCI EM UCITS ETF USD Dist	12,854,899
iShares Diversified Commodity Swap UCITS ETF	2,534,025	United States Treasury Note/Bond 0.5% 28/02/2026	10,967,543

# ES River and Mercantile Global Alpha Fund

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## 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.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The Fund’s capital is at risk meaning that the Sub-Fund could suffer a decrease in value and the value of your investment would decrease as a result.

## Investment Policy

The sub-fund seeks to achieve its investment objective by investing at least 80% of its value in shares of global companies (including emerging markets). Investment can be direct, or indirect, in shares (including common and preference shares and units of common and preferred shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

Up to 20% of the sub-fund may be invested in collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager.

The sub-fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as “efficient portfolio management”). As an example, the sub-fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The sub-fund is actively managed meaning the Investment Manager uses their expertise to pick investments to achieve the sub-fund’s objective.

The sub-fund will have a bias towards “Value” metrics (as described in the Investment Strategy section).

The term ‘Alpha’ (as used in the name of the Fund), is typically defined as the excess return (or performance) of an investment relative to the return (or performance) of a benchmark.

The sub-fund will invest in a broad range of companies by region, industry group and size and does not have to hold the same companies that are included in the Benchmark or in the same weights. The sub-fund’s exposure to any one region will not be more than 25% above or below the Benchmark’s exposure to that region. The regions are: the US, the UK, Japan, Developed Europe ex UK, Developed Asia-Pacific ex Japan, other developed markets and Emerging Markets. The sub-fund follows MSCI’s categorisation of countries as Developed Markets, Emerging Markets or other. Exposure to any company will not be more than 4% above or below the Benchmark’s exposure to that company. Exposure to any industry group will not be more than 8% above or below the benchmark’s exposure to that industry group, measured at the Industry Group level of MSCI GICS (Global Industry Classification Standard).



# ES River and Mercantile Global Alpha Fund

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## Investment Manager's Review

### Investment review

The ES R&M Global Alpha Fund B share class delivered a -7.0% return, which compares to the MSCI ACWI -7.3% and MSCI ACWI Value -3.5%. Stock selection, sector allocation and country allocation were all drivers of relative returns. Currency (underweight the US dollar) was a c. -1% drag on relative returns.

US healthcare distributor **McKesson** continued to deliver earnings ahead of market expectations and re-rated as investors sought defensive cash generation. **Swire Pacific** rose +46% (in GBP) after announcing a \$4 billion share buyback while trading at a large discount to book value. North American energy producers **Enerplus** and **Devon Energy** generate high levels of free cash flow at current commodity prices. Among banks, those with consolidated markets and rate sensitivity like **Bank of Ireland** performed particularly well. Zero weight in **Nvidia** supported relative returns. **Baker Hughes** fell after missing earnings forecasts due to supply chain issues and its exit from Russia. **Sony** fell -28%, which we attribute to concerns around consumer spending and the semiconductor cycle.

Buying activity was predominantly focused on de-rated quality growth businesses: payments business **Global Payments**, US warehouse club operator **BJ's Wholesale Club**, commercial roofing and insulation market leader **Carlisle**, specialty chemicals distributor **IMCD**, industrial gases business **Air Liquide** and games developer and publisher **Electronic Arts** all fit in this category. We added attractively valued businesses in the defensive sectors – newly focused specialty ingredients business **Tate & Lyle**, UK meat producer **Cranswick**, Faroese salmon farmer **Bakkafrost**, and Asian telecoms conglomerate **Singapore Telecom**. Positions in idiosyncratic opportunities **Meitec** and **T. Hasegawa** (engagement to unlock shareholder value), **Industrie de Nora** (hydrogen) and **Weyerhaeuser** (forest ownership) were added, while we also started to build our weighting in Brazil (**B3, Americanas**).

Full exits were completed in **Amazon.com**, **Johnson Controls**, **JP Morgan**, **Intel**, **Pola Orbis**, **Avantor**, **Raytheon Technologies** and **Subsea 7** following breakdowns in the investment case for each, while a handful of smaller positions were also sold. We switched energy major exposure from **Eni** into **Shell** and **Repsol**.

### Outlook

The challenges facing global economies over the coming quarters are clear. The recent corporate results season was a reminder that companies are dynamic – our investee companies' management teams are not standing still and are adapting to these current challenges. Most are seeing supply chain pressures easing up, which provides some respite within logistics costs at a time of well-publicised inflation in other areas of the cost base. Another feature, which we believe is an investable trend, is the resilience of capex expectations. There is evidence that capex will prove more robust than broader equity market earnings, underpinned by critical investment in areas such as decarbonisation, supply chain resilience or 'near-shoring', automation, and energy supply.

Broad-based share price falls have pushed risk-reward into more attractive territory for investors. This is not a forecast about the short-term trajectory of prices, though the technically oversold nature of markets plus appearance of economic and market crash concerns on the front page of newspapers has historically coincided with sentiment bottoming. A more sustainable market rally is likely to require consensus earnings forecasts to be reset and inflation rolling over, allowing less restrictive monetary policy. We assess that our portfolio is a significant way through its own fall based on historical precedent for earnings drawdowns in a recession and related trough valuation approaches. When it comes to looking for entry points to deploy capital, Voltaire had it right: "The perfect is the enemy of the good".

River and Mercantile  
25 November 2022  
Investment Adviser to the Fund

Source: River and Mercantile Asset Management LLP, FactSet Analytics. Fund performance is calculated using midday published prices. Benchmark performance is calculated using close of business mid-market prices.

# ES River and Mercantile Global Alpha Fund

## Portfolio Statement as at 30 September 2022

Holding	Investment	Market Value £	% of Net Assets
<b>OVERSEAS COMPANIES – 89.16% (2022 – 89.55%)</b>			
<b>Automobiles &amp; Components – 1.92% (2022 – 2.73%)</b>			
20,310	BorgWarner	571,111	0.37
5,500	Continental	221,931	0.14
20,077	General Motors	577,868	0.37
34,000	Harley-Davidson	1,062,062	0.68
21,773	Kendrion	264,448	0.17
6,000	Porsche Automobil pref.	304,449	0.19
<b>Banks – 7.62% (2022 – 8.50%)</b>			
480,510	Banco Santander	1,010,990	0.65
248,020	Bangkok Bank	804,020	0.52
304,101	Bank of Ireland	1,754,419	1.13
17,100	Bank of Kyoto	557,728	0.36
75,310	China Merchants Bank	313,260	0.20
43,660	Citigroup	1,629,770	1.05
39,190	Citizens Financial	1,206,278	0.78
87,920	DBS	1,828,328	1.18
591,491	Eurobank Ergasias	444,332	0.29
10,700	HDFC Bank	560,353	0.36
62,590	ING Groep	486,494	0.32
92,210	Mediobanca Banca di Credito Finanziario	651,094	0.42
22,060	Sumitomo Mitsui Financial	549,388	0.36
<b>Capital Goods – 8.19% (2022 – 9.87%)</b>			
13,800	AGCO	1,189,868	0.77
8,610	Airbus	671,421	0.43
3,000	Carlisle Cos	753,722	0.49
10,070	Cie de Saint-Gobain	327,374	0.21
109,840	Danieli & C Officine Meccaniche	1,177,925	0.76
1,322	dormakaba	403,067	0.26
2,280	FANUC	284,261	0.18
9,517	General Electric	528,410	0.34
72,800	Hayward	577,809	0.37
6,500	IMCD	699,342	0.45
8,090	LG	374,338	0.24
80,400	Metso Outotec	484,305	0.31
20,418	NKT	867,559	0.56
14,400	Owens Corning	1,013,792	0.65
4,320	Parker-Hannifin	939,541	0.61
7,240	Siemens	641,847	0.41
3,800	Snap-on	685,008	0.44
87,140	Tadano	453,015	0.29
15,360	Toyota Industries	652,125	0.42

# ES River and Mercantile Global Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>Commercial &amp; Professional Services – 2.20% (2022 – 2.20%)</b>			
171,047	Applus Services	860,864	0.56
53,180	Elis	484,897	0.31
30,700	Meitec	435,670	0.28
15,200	Stericycle	573,115	0.37
642,150	Valid Solucoes e Servicos de Seguranca em Meios de Pagamento e Identificacao	1,046,516	0.68
<b>Consumer Durables &amp; Apparel – 4.93% (2022 – 4.90%)</b>			
3,700	Cie Financiere Richemont	317,283	0.20
3,493,252	Consortio ARA	494,901	0.32
9,092	LG pref.	336,447	0.22
51,597	Neinor Homes	422,466	0.27
108,000	Nikon	911,035	0.59
3,300	Shimano	464,430	0.30
28,760	Sony	1,652,670	1.07
10,600	TopBuild	1,564,884	1.01
85,800	Topgolf Callaway Brands	1,480,344	0.95
<b>Consumer Services – 3.25% (2022 – 1.78%)</b>			
1,000	Booking	1,472,015	0.95
521,710	Genting	450,527	0.29
33,070	Las Vegas Sands	1,110,924	0.72
24,180	MakeMyTrip	664,555	0.43
39,467	Trip.com	949,422	0.61
679,430	Wynn Macau	390,778	0.25
<b>Diversified Financials – 6.26% (2022 – 6.90%)</b>			
10,530	Affiliated Managers	1,055,264	0.68
208,580	Anima	535,956	0.35
300,000	B3 - Brasil Bolsa Balcao	648,404	0.42
5,940	Berkshire Hathaway	1,421,918	0.92
344,093	Bolsa de Valores de Colombia	516,982	0.33
27,260	Charles Schwab	1,756,039	1.13
9,920	EXOR	563,076	0.36
84,743	Grupo de Inversiones Suramericana	611,411	0.40
135,260	Nomura	400,476	0.26
18,270	State Street	995,578	0.64
72,830	UBS	959,467	0.62
1,073,580	Value Partners	227,878	0.15
<b>Energy – 4.20% (2022 – 4.92%)</b>			
77,656	Baker Hughes	1,458,093	0.94
889,790	CGG	559,877	0.36
22,900	Devon Energy	1,235,160	0.80
65,000	Enerplus	826,352	0.53

# ES River and Mercantile Global Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Energy continued</b>		
24,700	NOV	358,231	0.23
50,200	Repsol	520,062	0.34
134,920	Southwestern Energy	739,685	0.48
69,440	Tenaris	808,051	0.52
	<b>Food &amp; Staples Retailing – 1.89% (2022 – 1.78%)</b>		
17,000	BJ's Wholesale Club	1,108,663	0.71
76,082	Blue Apron	389,850	0.25
58,100	Sprouts Farmers Market	1,444,303	0.93
	<b>Food, Beverage &amp; Tobacco – 3.34% (2022 – 2.36%)</b>		
15,100	Bakkafrost P/F	536,989	0.35
30,780	Coca-Cola	1,546,031	1.00
22,850	Danone	973,857	0.63
31,060	Kraft Heinz	927,376	0.60
163,280	Treasury Wine Estates	1,182,139	0.76
	<b>Health Care Equipment &amp; Services – 3.24% (2022 – 3.25%)</b>		
26,100	Henry Schein	1,537,756	0.99
6,700	McKesson	2,043,431	1.32
3,200	UnitedHealth	1,449,818	0.93
	<b>Household &amp; Personal Products – 2.17% (2022 – 2.13%)</b>		
13,690	Colgate-Palmolive	861,895	0.56
8,160	Henkel	418,563	0.27
1,400	LG Household & Health Care	554,884	0.36
13,440	Procter & Gamble	1,521,346	0.98
	<b>Insurance – 1.35% (2022 – 1.22%)</b>		
22,550	AXA	444,569	0.29
40,240	Dai-ichi Life	570,307	0.37
8,060	Samsung Life Insurance	314,408	0.20
48,000	Tokio Marine	761,535	0.49
	<b>Materials – 5.51% (2022 – 4.65%)</b>		
6,000	Air Liquide	618,903	0.40
57,350	Barrick Gold	798,641	0.52
190,863	Cemex	584,745	0.38
11,720	Dowa	375,727	0.24
337,320	Incitec Pivot	680,002	0.44
36,100	Industrie De Nora	496,751	0.32
1,400	LG Chem	469,854	0.30
27,100	Mosaic	1,174,503	0.76
14,173	Okamoto Industries	311,391	0.20

# ES River and Mercantile Global Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>Materials continued</b>			
37,000	T Hasegawa	686,971	0.44
35,700	Taiheiyo Cement	449,844	0.29
39,640	Verallia	804,280	0.52
24,237	Vicat	490,270	0.32
21,059	Westrock	582,740	0.38
<b>Media – 0.00% (2022 – 0.39%)</b>			
<b>Media &amp; Entertainment – 5.42% (2022 – 5.58%)</b>			
22,900	Alphabet	1,962,593	1.26
45,000	Baidu	585,939	0.38
45,530	DeNA	515,097	0.33
6,000	Electronic Arts	621,822	0.40
9,050	Meta Platforms	1,099,977	0.71
29,920	Nintendo	1,083,261	0.70
62,570	ProSiebenSat.1 Media*	402,271	0.26
8,100	Take-Two Interactive Software	790,916	0.51
15,980	Walt Disney	1,352,066	0.87
<b>Pharmaceuticals, Biotechnology &amp; Life Sciences – 6.20% (2022 – 5.73%)</b>			
24,900	Bayer	1,036,972	0.67
5,900	Johnson & Johnson	864,361	0.56
35,600	Pfizer	1,398,104	0.90
6,940	Roche	2,042,681	1.32
15,600	Sanofi	1,073,039	0.69
21,280	Tsumura	404,979	0.26
88,700	Viatis	676,990	0.44
8,700	Waters	2,102,480	1.36
<b>Real Estate – 2.63% (2022 – 1.81%)</b>			
682,769	Greentown Service	409,061	0.26
40,220	Inmobiliaria Colonial Socimi	174,222	0.11
13,520	RE/MAX	229,027	0.15
3,438,660	Sime Darby Property	298,942	0.19
1,317,442	Swire Pacific	1,353,096	0.87
115,419	Tosei	990,047	0.64
13,800	Weyerhaeuser	353,437	0.23
303,590	Wing Tai	286,191	0.18
<b>Retailing – 3.91% (2022 – 5.84%)</b>			
62,460	Alibaba	555,257	0.36
227,700	Americanas	640,346	0.41
19,400	Bath & Body Works	566,898	0.36
23,789	eBay	784,442	0.51

# ES River and Mercantile Global Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Retailing continued</b>		
40,340	JD.com	913,800	0.59
69,239	JUMBO	829,410	0.53
660	MercadoLibre	489,416	0.32
16,620	Prosus	786,879	0.51
31,560	Sleep Country Canada	501,224	0.32
	<b>Semiconductors &amp; Semiconductor Equipment – 2.33% (2022 – 2.41%)</b>		
12,700	Advanced Micro Devices	720,838	0.46
9,750	Applied Materials	715,594	0.46
196,619	ASE Technology	444,372	0.29
27,050	Infineon Technologies	538,151	0.35
4,400	KLA	1,192,647	0.77
	<b>Software &amp; Services – 7.38% (2022 – 5.98%)</b>		
5,500	Accenture	1,268,257	0.82
30,968	Criteo	749,857	0.48
29,920	Dropbox	555,355	0.36
27,220	Fiserv	2,281,623	1.47
7,900	Global Payments	765,089	0.49
7,450	Microsoft	1,553,735	1.00
25,730	Oracle	1,408,316	0.91
16,110	PayPal	1,242,128	0.80
11,100	SAP	817,864	0.53
67,150	Western Union	813,283	0.52
	<b>Technology Hardware &amp; Equipment – 2.53% (2022 – 2.75%)</b>		
14,980	Apple	1,852,941	1.19
18,700	Cisco Systems	670,238	0.43
8,050	Kyocera	362,397	0.23
14,010	Samsung Electronics	464,927	0.30
77,760	Yageo	589,101	0.38
	<b>Telecommunication Services – 0.89% (2022 – 0.00%)</b>		
62,900	AT&T	865,488	0.56
307,100	Singapore Telecommunications	509,980	0.33
	<b>Transportation – 1.80% (2022 – 1.87%)</b>		
4,032	Aena SME	378,254	0.24
19,500	Knight-Swift Transportation	854,730	0.55
365,677	SATS	687,157	0.44
37,240	Seino	266,430	0.17
22,480	Southwest Airlines	621,055	0.40

# ES River and Mercantile Global Alpha Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
<b>UK COMPANY OR UK LISTED – 9.97% (2022 – 9.41%)</b>			
<b>UK – 7.89% (2022 – 7.62%)</b>			
308,000	888	285,824	0.18
122,900	Allfunds	816,457	0.53
40,300	Anglo American	1,102,406	0.71
1,326,229	Capita	332,088	0.21
276,491	Chemring	785,234	0.51
22,100	Cranswick	591,838	0.38
189,926	Hunting	443,477	0.29
2,881,703	Lloyds Banking	1,192,737	0.77
40,520	Mondi	564,849	0.36
92,390	Prudential	825,782	0.53
35,700	Shell	802,001	0.52
46,510	Smith & Nephew	488,355	0.32
153,000	Tate & Lyle	1,039,482	0.67
34,860	Unilever	1,383,593	0.89
25,119	VK	19,262	0.01
23,110	Whitbread	531,761	0.34
138,110	WPP	1,035,549	0.67
<b>Bermuda – 0.48% (2022 – 0.59%)</b>			
216,125	Conduit	746,712	0.48
<b>United States of America – 1.60% (2022 – 1.20%)</b>			
25,470	Capri	877,292	0.57
8,880	Willis Towers Watson	1,598,448	1.03
<b>FORWARD CURRENCY CONTRACTS – 0.21% (2022 – (0.01%))</b>			
US\$8,187,459	Forward Currency Contract 15/12/2022: US dollar 8,187,459 vs Euro 8,110,000	176,884	0.11
US\$2,560,748	Forward Currency Contract 15/12/2022: US dollar 2,560,748 vs Japanese Yen 364,922,000	16,818	0.01
US\$4,270,973	Forward Currency Contract 15/12/2022: US dollar 4,270,973 vs UK Sterling 3,682,000	140,061	0.09
<b>Portfolio of investments</b>		<b>154,079,057</b>	<b>99.34</b>
<b>Net other assets</b>		<b>1,017,233</b>	<b>0.66</b>
<b>Net assets</b>		<b>155,096,290</b>	<b>100.00</b>

# ES River and Mercantile Global Alpha Fund

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## Portfolio Statement continued

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

9.97% of the sub-fund's assets are listed in the UK.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2022.

\*The Portfolio Statement categories have been re-aligned in the current period resulting in a mismatch in the comparatives, this does not have any impact on the Financial Statements.



# ES River and Mercantile Global Alpha Fund

## Statement of Total Return for the period ended 30 September 2022

	1 April 2022 to 30 September 2022		1 April 2021 to 30 September 2021	
	£	£	£	£
Income				
Net capital (losses)/gains		(13,274,709)		3,163,524
Revenue	2,514,034		1,581,143	
Expenses	(204,491)		(114,178)	
Interest payable and similar charges	(216)		(219)	
Net revenue before taxation for the period	2,309,327		1,466,746	
Taxation	(331,232)		(179,377)	
Net revenue after taxation for the period		1,978,095		1,287,369
Total return before distributions		(11,296,614)		4,450,893
Distributions		(1,978,611)		(1,287,929)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>(13,275,225)</b>		<b>3,162,964</b>

## Statement of Change in Net Assets attributable to Shareholders for the period ended 30 September 2022

	1 April 2022 to 30 September 2022		1 April 2021 to 30 September 2021	
	£	£	£	£
Opening net assets attributable to Shareholders		177,379,068		146,870,627
Amounts received on creation of shares	4,660,159		17,108,947	
Amounts paid on cancellation of shares	(15,588,232)		(4,354,467)	
		(10,928,073)		12,754,480
Dilution adjustment		10,053		14,123
Change in net assets attributable to Shareholders from investment activities		(13,275,225)		3,162,964
Retained distributions on accumulation shares		1,910,467		1,338,431
<b>Closing net assets attributable to Shareholders</b>		<b>155,096,290</b>		<b>164,140,625</b>

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

# ES River and Mercantile Global Alpha Fund

## Balance Sheet as at 30 September 2022

	30 September 2022		31 March 2022	
	£	£	£	£
<b>ASSETS</b>				
Fixed assets				
Investments		154,079,057		175,596,375
Current assets				
Debtors	1,403,138		1,667,974	
Cash and bank balances	507,766		1,503,985	
<b>Total other assets</b>		<b>1,910,904</b>		<b>3,171,959</b>
<b>Total assets</b>		<b>155,989,961</b>		<b>178,768,334</b>
<b>LIABILITIES</b>				
Investment liabilities		—		(80,375)
Creditors				
Other creditors	(893,671)		(1,308,891)	
<b>Total other liabilities</b>		<b>(893,671)</b>		<b>(1,308,891)</b>
<b>Total liabilities</b>		<b>(893,671)</b>		<b>(1,389,266)</b>
<b>Net assets attributable to Shareholders</b>		<b>155,096,290</b>		<b>177,379,068</b>

# ES River and Mercantile Global Alpha Fund

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## Fund Facts

### Distribution information

#### B-Class Accumulation shares

The distribution payable on 30 November 2022 is 3.4715p (2021: 2.0140p) per share for accumulation shares.

#### Z-Class Accumulation shares

The distribution payable on 30 November 2022 is 10.3701p (2021: 7.3103p) per share for accumulation shares.

### Performance records

#### Net asset values

	Net asset value of sub-fund £	Net asset value per share p	Shares in issue
<b>31 March 2020</b>			
B-Class Accumulation shares	267,028	247.55	107,867
Z-Class Accumulation shares	86,163,794	507.97	16,962,222
<b>31 March 2021</b>			
B-Class Accumulation shares	9,849,638	395.67	2,489,343
Z-Class Accumulation shares	137,020,989	817.99	16,751,000
<b>31 March 2022</b>			
B-Class Accumulation shares	40,416,257	407.70	9,913,185
Z-Class Accumulation shares	136,962,811	849.13	16,129,803
<b>30 September 2022</b>			
B-Class Accumulation shares	28,978,470	380.10	7,623,981
Z-Class Accumulation shares	126,117,820	794.66	15,870,574

#### Operating Charges

**30 September 2022**

B-Class Accumulation shares	0.84%
Z-Class Accumulation shares	0.09%

The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure has been calculated in accordance with the COLL sourcebook. The Operating Charges figure is inclusive of Annual Management Charges.

The Operating Charges figure is capped at a maximum of 0.25% above the annual management charge, with any costs above this amount absorbed by the Investment Manager.

# ES River and Mercantile Global Alpha Fund

## Synthetic Risk Reward Indicator (SRRI)



Typically Lower Rewards

Typically Higher Rewards



This Fund is ranked at 6 because funds of this type have experienced medium to high rises and falls in value in the past. The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile. The risk and reward score is not guaranteed and may change over time. The lowest category does not mean risk free. While the risk indicator takes into account the broader risk profile, the following risks are considered most relevant to this sub-fund:

- **Equity Securities:** Equities can lose value rapidly, and typically involve higher market risks than bonds, money market instruments or other debt instruments. Fluctuation in value may occur in response to activities of individual companies, the general market, economic conditions, or changes in currency exchange rates.
- **Small and Mid-Cap Stock:** Stocks of small and mid-size companies can be more volatile and less liquid than stocks of larger companies. Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks.
- **Liquidity:** There is a risk that adverse market conditions may affect the Sub-Fund's ability to sell assets at the price the Sub-Fund would like, or the Sub-Fund may have to sell them at a loss.
- **Currency:** To the extent that a Sub-Fund holds assets that are denominated in currencies other than the base currency, any changes in currency exchange rates could reduce investment gains or income, or increase investment losses.
- **Emerging Markets:** Where a Sub-fund invests substantially in securities listed or traded in emerging markets, the performance of the Sub-fund may be more volatile than a fund that invests in securities traded in developed countries.

## Summary of Largest Portfolio Changes

The table below shows the top ten purchases and sales for the period.

<b>Purchases</b>	<b>£</b>	<b>Sales</b>	<b>£</b>
Waters	1,431,148	Walmart	1,598,939
BJ's Wholesale Club	1,391,946	Raytheon Technologies	1,252,380
KLA	1,250,207	Intel	1,175,439
Tate & Lyle	1,173,948	Johnson & Johnson	1,142,566
Advanced Micro Devices	1,147,732	Subsea 7	1,072,891
AT&T	1,052,936	Alphabet	1,016,165
Global Payments	844,244	Amazon.com	1,002,355
IMCD	839,919	State Street	939,589
Shell	821,861	Johnson Controls International	915,892
Fiserv	739,744	Owens Corning	858,839

# ES River and Mercantile European Fund

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## 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).

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The Fund’s capital is at risk meaning that the Sub-Fund could suffer a decrease in value and the value of your investment would decrease as a result.

## Investment Policy

The sub-fund aims to achieve its objective over a business cycle, which is a multi-year period of time during which economic conditions are expected to move through distinct periods of being supportive and unsupportive of companies’ trading activities. The sub-fund will provide a dividend stream for investors derived from companies that the Investment Manager considers to be aligned to the Sustainable Investment Framework and appropriate with reference to the business cycle.

The length of a business cycle varies and as such investors looking to measure the sub-fund’s performance against its objective should do so over a rolling period of at least five years.

The sub-fund seeks to achieve its investment objective by investing at least 80% of its value in shares of European companies which are domiciled, incorporated, or have significant operations in Europe (excluding the UK). Investment can be direct, or indirect, in shares (including common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

Up to 20% of the sub-fund may be invested in shares of ‘non-European’ companies (including emerging markets and the UK), collective investment schemes and cash. The sub-fund’s investment into UK companies may be up to 10% of the sub-fund’s net assets, but typically will not exceed 5% of the sub-fund’s net assets. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager, and is limited to 10% of the overall sub-fund value.

The sub-fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as “efficient portfolio management”). As an example, the sub-fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The sub-fund is actively managed, meaning the Investment Manager will use their expertise to pick investments to achieve the sub-fund’s objectives.

The sub-fund will invest in a range of companies by industry sector and size. Although its investments are not restricted by reference to a benchmark the sub-fund will invest in a limited number of companies which means that the sub-fund will be concentrated. This absence of any benchmark constraints gives the Investment Manager wider scope to be dynamic in its investment decisions (for example by allowing the Investment Manager to change investments when they believe necessary in line with market circumstances to achieve the sub-fund’s objective) than if they were required to invest within such controls.

# ES River and Mercantile European Fund

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## Investment Manager's Review

### Investment Review

It has been a turbulent period for European equity markets. Russia's deplorable invasion of Ukraine at the end of February catalysed a European energy crisis which, combined with supply-chain driven inflationary pressures (post-Covid) resulted in a squeeze on consumer spending or "cost of living crisis". As bond yields backed up, pre-empting central bank reaction to rampant inflation by hiking policy rates, risk assets sold off in earnest, with long-duration names hardest hit. Early August saw a small rally in global equity markets fuelled by hope of a Fed 'pivot' towards looser monetary policy but were dashed following commentary from Fed Chair Powell at Jackson Hole. As we entered September primary indicators (such as PMIs) started to point to an imminent recession.

The ES River and Mercantile European Fund (B share class) returned -11.0% over the 6 months to 30 September 2022, compared to the MSCI Europe (ex-UK) IMI return of -11.5%.

**Positive contributors during past 6 months:** Outperformance was chiefly driven by a strong industrials sector (**NKT, Fugro, Alfen**); strength in specific Materials (**Verallia, UPM-Kymmene**) and Financials (**CaixaBank, ING**) despite weakness in the overall sectors; as well as underweights in poorly performing financials and health care names.

**Negative contributors:** A weak performing materials sector (**Salzgitter, Recticel, Boliden**); underweights in the strong Energy sector (**Total Energy**); specific Consumer Discretionary disappointments (**Dometic, Sony**).

As rising inflation (and subsequently rates) indicated a potential downturn was on the horizon, during the period we maintained positions in high quality defensive names in sectors such as consumer staples (**Nestle, Carlsberg**) and healthcare (**Novo Nordisk, Roche**) which have resilient business models in a recessionary environment. We also expect certain software businesses to be more resilient (**SAP, Sopra Steria**). We allocated capital to quality growth names which had been significantly de-rated earlier in the year, as we believe the sell-off presented an attractive entry point to owning medium-term quality compounders with strong franchises (**ASML, LVMH, IMCD**). We continue to see strong investment cases for sustainability enablers (**Verallia, Air Liquide**) as well as beneficiaries of more resilient capex spending this cycle (**NKT, Metso Outotec**).

### Outlook

This commentary is an important one, as we consider there is now a strongly favourable risk-reward entry point to allocate capital for positive returns.

The potential for a better business cycle for European companies remains high, as we recover the underinvestment from the last cycle and the deflationary malaise of the post GFC period is well and truly over. Coupled with the imperative of decarbonisation, which represents a positive investment shock and favours Europe over other regions, we can expect stronger demand over this cycle.

With this in mind, within European equities it is exciting that we are currently at trough valuation levels seen in the crisis years of 2009, 2012 and 2020. There is also attractive absolute value with, for example, the DAX index priced below 10x aggregate profits. This of course suggests there is an earnings decline expected and hence priced by the markets. If this decline is less than about 30% (approximately commensurate with PMIs at 43) then the resultant valuations will still be below through-cycle levels. PMIs at 43 represent a fairly harsh recession and anything less bad – which would be my expectation as Europe seems to have navigated the gas crisis avoiding the worst-case scenario – is a positive, therefore.

Finally, timing. The market's derating is only *partly* a function of expected downgrades: the increased cost of risk-free this year is a strong influence. It would be logical then to expect the clear and explicit value opportunity to materialise in higher share prices when the expectation of further rate increases slows. Given that most commodity prices are now much lower than a year ago, the labour market is starting to let off steam, and the supply chain disruption has broadly eased (see shipping rates for evidence: down 70% from peak) it is reasonable to expect this pressure to abate over the coming months from the current inflationary levels. This will likely give central banks an 'off-ramp' which logically can act as a strong catalyst to unlock this value.

# ES River and Mercantile European Fund

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## Investment Manager's Review continued

### Outlook continued

A positive central scenario is an important part of any investment thesis, but an asymmetric risk-reward is sine qua non. Here there is empirical evidence that the skew is extremely favourable. Early October included a dry run of the market reaction to less inflationary and less interest rate pressure, when over the course of 24 hours the Australian central bank raised rates only by 50bps not the 75bps expected, and the JOLTS (job opening) survey came in somewhat weaker than expected (bad news is good news in the current investment regime, especially in the labour market). On the back of these relatively minor positives the market appreciated around 4% over the ensuing 24 hr period. If this is a result of the aforementioned factors, on top of the extremely bearish positioning currently, imagine the results if a more consequential and sustained drop was to occur, with major central banks such as the ECB and Fed becoming incrementally less hawkish. It is this opportunity which we hope to exploit.

River and Mercantile  
25 November 2022  
Investment Adviser to the Fund

Source: River and Mercantile Asset Management LLP, FactSet Analytics. Fund performance is calculated using midday published prices. Benchmark performance is calculated using close of business mid-market prices.

# ES River and Mercantile European Fund

## Portfolio Statement as at 30 September 2022

Holding	Investment	Market Value £	% of Net Assets
<b>EUROPEAN COMPANY (EX UK) – 88.62% (2022 – 91.69%)</b>			
<b>Automobiles &amp; Components – 2.75% (2022 – 5.70%)</b>			
260,000	Dometic	1,205,959	1.21
142,100	Stellantis	1,530,614	1.54
<b>Banks – 9.42% (2022 – 11.16%)</b>			
1,042,600	Banco Santander	2,193,623	2.21
530,000	CaixaBank	1,540,000	1.55
290,000	ING Groep	2,254,085	2.27
40,500	KBC	1,729,469	1.74
189,500	Skandinaviska Enskilda Banken	1,639,060	1.65
<b>Capital Goods – 14.97% (2022 – 12.55%)</b>			
16,100	Airbus	1,255,503	1.26
15,000	Alfen Beheer	1,247,126	1.26
161,100	Danieli & C Officine Meccaniche	1,727,637	1.74
120,300	Ebusco	1,693,385	1.70
56,800	Fugro	519,400	0.52
20,000	IMCD	2,151,821	2.17
312,700	Metso Outotec	1,883,609	1.90
81,500	NKT	3,462,928	3.49
50,200	Valmet	920,737	0.93
<b>Commercial &amp; Professional Services – 2.46% (2022 – 4.56%)</b>			
786,600	Aker Carbon Capture	901,726	0.91
169,215	Elis	1,542,908	1.55
<b>Consumer Durables &amp; Apparel – 6.02% (2022 – 3.24%)</b>			
18,900	EssilorLuxottica	2,327,876	2.34
4,700	LVMH Moet Hennessy Louis Vuitton	2,516,841	2.53
5,600	Swatch AG/The	1,143,700	1.15
<b>Energy – 0.00% (2022 – 2.97%)</b>			
<b>Food, Beverage &amp; Tobacco – 10.46% (2022 – 11.27%)</b>			
85,686	Andfjord Salmon	316,975	0.32
80,000	Bakkafrost P/F	2,844,976	2.86
23,600	Carlsberg	2,484,621	2.50
53,000	Danone	2,258,837	2.28
25,500	Nestle	2,485,133	2.50



# ES River and Mercantile European Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Insurance – 3.22% (2022 – 1.10%)</b>		
14,753	Muenchener Rueckversicherungs-Gesellschaft in Muenchen	3,199,181	3.22
	<b>Materials – 16.38% (2022 – 13.04%)</b>		
32,200	Air Liquide	3,321,446	3.35
104,200	Boliden	2,906,512	2.93
189,500	Recticel	2,235,086	2.25
66,299	Salzgitter	1,131,650	1.14
91,900	UPM-Kymmene	2,625,945	2.64
199,000	Verallia	4,037,631	4.07
	<b>Media &amp; Entertainment – 1.52% (2022 – 2.35%)</b>		
85,300	Viaplay	1,504,507	1.52
	<b>Pharmaceuticals, Biotechnology &amp; Life Sciences – 9.03% (2022 – 10.54%)</b>		
11,042	Merck	1,616,812	1.63
24,000	Novo Nordisk	2,162,170	2.18
13,200	Roche	3,885,215	3.91
18,900	Sanofi	1,300,028	1.31
	<b>Semiconductors &amp; Semiconductor Equipment – 3.97% (2022 – 2.46%)</b>		
5,000	ASML	1,902,589	1.92
22,000	BE Semiconductor Industries	860,114	0.87
3,245,920	Meyer Burger Technology	1,168,679	1.18
	<b>Software &amp; Services – 3.45% (2022 – 4.62%)</b>		
20,800	SAP	1,532,574	1.54
16,538	Sopra Steria SACA	1,893,997	1.91
	<b>Technology Hardware &amp; Equipment – 2.82% (2022 – 2.55%)</b>		
37,900	Sensirion	2,797,442	2.82
	<b>Telecommunication Services – 2.15% (2022 – 3.58%)</b>		
880,000	Koninklijke KPN	2,140,728	2.15
	<b>NON-EUROPEAN COMPANY – 8.15% (2022 – 7.93%)</b>		
	<b>United Kingdom – 1.75% (2022 – 5.00%)</b>		
261,600	Allfunds	1,737,878	1.75

# ES River and Mercantile European Fund

## Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	<b>Canada – 0.75% (2022 – 0.88%)</b>		
53,262	Barrick Gold	741,713	0.75
	<b>United States of America – 3.96% (2022 – 0.00%)</b>		
14,200	Walt Disney	1,201,460	1.21
11,300	Waters	2,730,808	2.75
	<b>Japan – 1.69% (2022 – 2.05%)</b>		
29,200	Sony	1,677,955	1.69
	<b>Portfolio of investments</b>	<b>96,090,669</b>	<b>96.77</b>
	<b>Net other assets</b>	<b>3,212,389</b>	<b>3.23</b>
	<b>Net assets</b>	<b>99,303,058</b>	<b>100.00</b>

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2022.

# ES River and Mercantile European Fund

## Statement of Total Return for the period ended 30 September 2022

	1 April 2022 to 30 September 2022		1 April 2021 to 30 September 2021	
	£	£	£	£
Income				
Net capital (losses)/gains		(19,545,295)		5,545,692
Revenue	4,784,381		583,577	
Expenses	(515,557)		(126,646)	
Interest payable and similar charges	(667)		(1,362)	
Net revenue before taxation for the period	4,268,157		455,569	
Taxation	(619,540)		(83,367)	
Net revenue after taxation for the period		3,648,617		372,202
Total return before distributions		(15,896,678)		5,917,894
Distributions		(3,116,255)		(223,396)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>(19,012,933)</b>		<b>5,694,498</b>

## Statement of Change in Net Assets attributable to Shareholders for the period ended 30 September 2022

	1 April 2022 to 30 September 2022		1 April 2021 to 30 September 2021	
	£	£	£	£
Opening net assets attributable to Shareholders		244,616,121		22,918,632
Amounts received on creation of shares	24,702,955		56,563,259	
Amounts paid on cancellation of shares	(151,489,723)		(1,444,132)	
		(126,786,768)		55,119,127
Dilution adjustment		20,551		61,561
Change in net assets attributable to Shareholders from investment activities		(19,012,933)		5,694,498
Retained distributions on accumulation shares		466,087		157,834
<b>Closing net assets attributable to Shareholders</b>		<b>99,303,058</b>		<b>83,951,652</b>

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

# ES River and Mercantile European Fund

## Balance Sheet as at 30 September 2022

	30 September 2022		31 March 2022	
	£	£	£	£
<b>ASSETS</b>				
Fixed assets				
Investments		96,090,669		243,696,732
Current assets				
Debtors	1,130,504		2,980,093	
Cash and bank balances	3,628,916		3,059,304	
<b>Total other assets</b>		<b>4,759,420</b>		<b>6,039,397</b>
<b>Total assets</b>		<b>100,850,089</b>		<b>249,736,129</b>
<b>LIABILITIES</b>				
Creditors				
Bank overdrafts	(53,821)		—	
Distribution payable	(269,278)		(700,584)	
Other creditors	(1,223,932)		(4,419,424)	
<b>Total other liabilities</b>		<b>(1,547,031)</b>		<b>(5,120,008)</b>
<b>Total liabilities</b>		<b>(1,547,031)</b>		<b>(5,120,008)</b>
<b>Net assets attributable to Shareholders</b>		<b>99,303,058</b>		<b>244,616,121</b>

# ES River and Mercantile European Fund

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## Fund Facts

### Distribution information

#### B-Class Accumulation shares

The distribution payable on 30 November 2022 is 0.4695p (2021: 0.0720p) per share for accumulation shares.

The distribution paid on 31 July 2022 was 0.4330p (2021: 0.0706p) per share for accumulation shares.

#### B-Class Distribution shares

The distribution payable on 30 November 2022 is 0.5662p (2021: 0.2158p) per share for distribution shares.

The distribution paid on 31 July 2022 was 0.5227p (2021: 0.4721p) per share for distribution shares.

#### F-Class Accumulation shares

The distribution payable on 30 November 2022 is 0.5943p (2021: 0.2216p) per share for accumulation shares.

The distribution paid on 31 July 2022 was 0.5482p (2021: 0.4844p) per share for accumulation shares.

#### F-Class Distribution shares

The distribution payable on 30 November 2022 is 0.5784p (2021: 0.2193p) per share for distribution shares.

The distribution paid on 31 July 2022 was 0.5338p (2021: 0.4796p) per share for distribution shares.

#### S-Class Accumulation shares

The distribution payable on 30 November 2022 is 1.1914p (2021: 0.2673p) per share for accumulation shares.

The distribution paid on 31 July 2022 was 1.0995p (2021: 0.4334p) per share for accumulation shares.

#### S-Class Distribution shares

The distribution payable on 30 November 2022 is 1.1767p (2021: 0.2672p) per share for distribution shares.

The distribution paid on 31 July 2022 was 1.0861p (2021: 0.4334p) per share for distribution shares.

#### Z-Class Accumulation shares

The distribution payable on 30 November 2022 is 2.4250p (2021: 0.6213p) per share for accumulation shares.

The distribution paid on 31 July 2022 was 2.2376p (2021: 1.1209p) per share for accumulation shares.

## Performance records

### Net asset values

	Net asset value of sub-fund £	Net asset value per share p	Shares in issue
<b>31 March 2021</b>			
B-Class Distribution shares	2,247,457	113.95	1,972,259
F-Class Accumulation shares	7,020,080	116.87	6,006,864
F-Class Distribution shares	13,651,095	115.70	11,798,508
<b>31 March 2022</b>			
B-Class Accumulation shares	5,535,535	100.81	5,491,053
B-Class Distribution shares	17,444,695	121.71	14,333,188
F-Class Accumulation shares	43,459,440	127.58	34,063,965
F-Class Distribution shares	55,065,865	124.22	44,329,070
S-Class Accumulation shares	123,059,696	255.99	48,072,918
S-Class Distribution shares	19,993	252.79	7,909
Z-Class Accumulation shares	30,897	520.50	5,936
<b>30 September 2022</b>			
B-Class Accumulation shares	5,973,142	90.60	6,592,673

# ES River and Mercantile European Fund

## Fund Facts continued

	Net asset value of sub-fund £	Net asset value per share p	Shares in issue
B-Class Distribution shares	17,019,874	108.34	15,709,956
F-Class Accumulation shares	37,910,946	114.96	32,978,938
F-Class Distribution shares	34,538,847	110.84	31,162,058
S-Class Accumulation shares	3,817,565	230.21	1,658,271
S-Class Distribution shares	18,013	225.32	7,995
Z-Class Accumulation shares	24,671	469.57	5,254

The Z-Class Accumulation were launched on 06 May 2021.

The S-Class Accumulation and Distribution shares were launched on 11 May 2021.

The B-Class Accumulation shares were launched on 28 May 2021.

## Operating Charges

	30 September 2022
B-Class Accumulation shares	0.94%
B-Class Distribution shares	0.94%
F-Class Accumulation shares	0.45%
F-Class Distribution shares	0.45%
S-Class Accumulation shares	0.69%
S-Class Distribution shares	0.69%
Z-Class Accumulation shares	0.19%

The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure has been calculated in accordance with the COLL sourcebook. The Operating Charges figure is inclusive of Annual Management Charges.

The Operating Charges figure is capped at a maximum of 0.20% above the annual management charge for the B-Class and Z-Class shares, 0.15% for the F-Class shares and 0.09% for the S-Class shares. With any costs above this amount absorbed by the Investment Manager.

# ES River and Mercantile European Fund

## Synthetic Risk Reward Indicator (SRRI)



Typically Lower Rewards

Typically Higher Rewards



This Fund is ranked at 6 because funds of this type have experienced medium to high rises and falls in value in the past. The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile. The risk and reward score is not guaranteed and may change over time. The lowest category does not mean risk free. While the risk indicator takes into account the broader risk profile, the following risks are considered most relevant to this sub-fund:

- **Equity Securities:** Equities can lose value rapidly, and typically involve higher market risks than bonds, money market instruments or other debt instruments. Fluctuation in value may occur in response to activities of individual companies, the general market, economic conditions, or changes in currency exchange rates.
- **Small and Mid-Cap Stock:** Stocks of small and mid-size companies can be more volatile and less liquid than stocks of larger companies. Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks.
- **Concentration:** In certain conditions the Sub-Fund may invest in a relatively small number of securities, which may result in portfolio concentration in sectors, countries, or other groupings. These potential concentrations mean that a loss arising in a single investment may cause a proportionately greater loss in the Sub-Fund than if a larger number of investments were made.
- **Liquidity:** There is a risk that adverse market conditions may affect the Fund's ability to sell assets at the price the Fund would like, or the Fund may have to sell them at a loss.
- **Currency:** To the extent that a Sub-Fund holds assets that are denominated in currencies other than the base currency, any changes in currency exchange rates could reduce investment gains or income, or increase investment losses.
- **ESG Investing:** The Fund may use certain ESG criteria in their investment strategies. This may limit the types and number of investment opportunities available and, as a result, the Fund may underperform in relation to other funds that do not have an ESG focus.

## Summary of Largest Portfolio Changes

The table below shows the top ten purchases and sales for the period.

Purchases	£	Sales	£
Waters	5,664,689	Koninklijke KPN	7,988,785
Salzgitter	4,781,381	Sanofi	6,211,032
Stellantis	3,964,833	Bakkafrost P/F	5,706,812
Muenchener Rueckversicherungs- Gesellschaft in Muenchen	3,058,964	Elis	5,669,450
ASML	2,832,900	Verallia	5,599,387
IMCD	2,639,115	ING Groep	5,339,402
LVMH Moet Hennessy Louis Vuitton	2,610,572	Danieli & C Officine Meccaniche	5,216,919
Boliden	1,583,845	Banco Santander	5,040,796
Roche	1,508,959	Roche	4,881,277
Walt Disney	1,180,456	Novo Nordisk	4,723,956

# Other Information

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# Directory

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Investment Company**

ES River and Mercantile Funds ICVC  
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London, EC4R 0BL

(authorised and regulated by the Financial Conduct Authority)

**Registered in England**

The Company is incorporated in England and Wales with registered number IC000489.

**The Authorised Corporate  
Director (ACD)**

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**Investment Manager of all funds  
other than of the ES Dynamic  
Asset Allocation Fund**

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**Investment Manager of  
ES Dynamic Asset  
Allocation Fund**

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160 Queen Victoria Street  
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(authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

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**The Independent Auditors**

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