Smith & Williamson

Smith & Williamson Funds

Smith & Williamson

Asset management as it should be

Contents

Authorised Corporate Director's report

The Authorised Corporate Director (“the ACD”) presents herewith the Annual Long Report (“the Report”) for Smith & Williamson Funds ("the Company") for the year ended 30 November 2013.

Smith & Williamson Funds is an authorised open-ended investment company with variable capital (“ICVC”) further to an authorisation order dated 7 April 2004. The Company is incorporated under registration number IC000315. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook (“COLL”) as issued and amended by the Financial Conduct Authority ("FCA").

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

The ACD is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the accounts as the assets of the Company consist predominantly of securities which are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future. The sub-funds, S&W UK Growth Fund and S&W Opportunities Fund are not going concerns as they ceased trading on 4 November 2013 as part of a scheme of arrangement. Further, appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of these accounts and applicable accounting standards have been followed.

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

The Company has no Directors other than the ACD.

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

The base currency of the Company is UK sterling.

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

Investment objective and policy

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

Sub-funds

There are currently only three sub-funds available in the Company with the following available share classes:
Smith & Williamson Global Gold & Resources Fund - A class and B class income shares
Smith & Williamson MM Global Investment Fund - A class and B class income shares
S&W Opportunities Fund - ceased trading on 4 November 2013 and the sub-fund is in the process of termination
S&W UK Growth Fund - ceased trading on 4 November 2013 and the sub-fund is in the process of termination
Smith & Williamson Oriental Growth Fund - A and B accumulation shares

Changes affecting the Company in the year

Further to an FCA authorisation order dated 20 December 2013, Smith & Williamson Funds has been granted protected cell status. The result of this is that the assets of a sub-fund will no longer be used or made available to discharge the liabilities of another sub-fund.

On 4 November 2013, in respect of S&W Opportunities Fund and S&W UK Growth Fund, all shares were cancelled in the sub-funds and the participating shareholders were allocated units in Smith & Williamson UK Equity Growth Trust which is an authorised unit trust also managed by Smith & Williamson Fund Administration Limited.

Further information in relation to the Company is illustrated on page 85.

In accordance with the requirements of the Collective Investment Schemes sourcebook as issued and amended by the Financial Conduct Authority, we hereby certify the Report on behalf of the ACD, Smith & Williamson Fund Administration Limited.

K. Stopps
Director
Smith & Williamson Fund Administration Limited
28 March 2014

Statement of the Authorised Corporate Director's responsibilities

The COLL rules require the ACD to prepare financial statements for each annual accounting period which give a true and fair view of the financial affairs of the Company as at the end of the financial period and of its net revenue and net capital losses on the property of the Company for the year. In preparing the financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice: "Financial Statements of Authorised Funds" issued by the Investment Management Association ("the IMA") in October 2010;
- follow generally accepted United Kingdom accounting principles (UK accounting standards and applicable law);
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- make judgements and estimates that are reasonable and prudent; and
- take reasonable steps for the prevention and detection of fraud and other irregularities.

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

Report of the Depositary to the shareholders of Smith & Williamson Funds

Depositary's responsibilities

The Depositary is responsible for the safekeeping of all the property of the Company (other than tangible movable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook (COLL), as amended, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended ('the OEIC regulations'), the Company's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the Company; the application of revenue of the Company; and the investment and borrowing powers applicable to the Company.

Report of the Depositary to the shareholders of Smith & Williamson Funds

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

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with COLL and, where applicable, the OEIC Regulations, the Instrument of Incorporation and the Prospectus of the Company; and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

National Westminster Bank Plc
Trustee and Depositary Services
28 March 2014

Independent Auditor's report to the shareholders of Smith & Williamson Funds ("the Company")

We have audited the financial statements of the Company for the year ended 30 November 2013 set out on pages 6 to 13 and in relation to the sub-funds, pages 21 to 28, pages 38 to 46, pages 50 to 57, pages 61 to 68 and pages 75 to 84. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ("the COLL rules") issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Authorised Corporate Director ("the ACD"), Smith & Williamson Fund Administration Limited and the Auditor

As explained more fully in the Statement of ACD's responsibilities set out on page 3 the ACD is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the financial position of the Company as at 30 November 2013 and of the net revenue and the net capital losses on the property of the Company for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds and the COLL rules.

Opinion on other matters prescribed by the COLL rules

In our opinion the information given in the Authorised Corporate Director's report is consistent with the financial statements.

We have received all the information and explanations which we consider necessary for the purposes of our audit.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL rules we are required to report to you if, in our opinion:

- proper accounting records for the Company have not been kept; or
- the financial statements are not in agreement with the accounting records.

Philip Merchant
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
28 March 2014

Aggregated financial statements - Smith & Williamson Funds

Aggregated statement of total return

for the year ended 30 November 2013

	Notes	2013		2012	
		£	£	£	£
Income:					
Net capital losses	2		(19,048,883)		(4,594,057)
Revenue	3	2,128,387		2,556,005	
Expenses	4	(1,769,260)		(2,191,420)	
Finance costs: Interest	6	(4)		-	
Net revenue before taxation		359,123		364,585	
Taxation	5	(65,876)		(61,165)	
Net revenue after taxation			293,247		303,420
Total return before distributions			(18,755,636)		(4,290,637)
Finance costs: Distributions	6		(980,646)		(1,302,436)
Change in net assets attributable to shareholders from investment activities			(19,736,282)		(5,593,073)

Aggregated statement of change in net assets attributable to shareholders

for the year ended 30 November 2013

	2013		2012	
	£	£	£	£
Opening net assets attributable to shareholders		143,621,750		146,500,899
Share exchange issues on inspecie transfers	(31,278,055)		-	
Amounts receivable on issue of shares	13,844,458		26,608,116	
Amounts payable on cancellation of shares	(35,438,199)		(24,044,293)	
		(52,871,796)		2,563,823
Dilution levy		46,717		36,585
Stamp duty reserve tax		(6,910)		(6,837)
Change in net assets attributable to shareholders from investment activities		(19,736,282)		(5,593,073)
Retained accumulation distributions		134,068		120,353
Closing net assets attributable to shareholders		71,187,547		143,621,750

Aggregated balance sheet
as at 30 November 2013

	Notes	2013		2012	
		£	£	£	£
ASSETS:					
Investment assets			66,968,275		141,028,538
Debtors	7	502,239		788,080	
Cash and bank balances	8	4,628,208		3,277,157	
Total other assets			5,130,447		4,065,237
Total assets			72,098,722		145,093,775
LIABILITIES:					
Creditors	9	(512,322)		(890,552)	
Distribution payable on income shares		(398,853)		(581,473)	
Total liabilities			(911,175)		(1,472,025)
Net assets attributable to shareholders			71,187,547		143,621,750

Notes to the aggregated financial statements

as at 30 November 2013

1. Accounting policies

a *Basis of accounting*

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments. They have been prepared in accordance with the applicable UK Accounting Standards and in accordance with the Statement of Recommended Practice for Authorised Funds ("the SORP") issued by the Investment Management Association ("the IMA") in October 2010.

As described in the ACD's report, the ACD continues to adopt the going concern basis in the preparation of the accounts.

b *Valuation of investments*

The purchase and sale of investments are included up to close of business on 29 November 2013 being the last busness day.

Purchases and sales of investments are recognised when a legally binding and unconditional right to obtain, or an obligation to deliver an asset arises.

Investments are stated at their fair value at balance sheet date. In determining fair value, the valuation point is 12 noon on 29 November 2013 with reference to quoted bid prices from reliable external sources.

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

c *Foreign exchange*

The base currency of the Company is sterling which is taken to be the Company's functional currency.

All transactions in foreign currencies are converted into sterling at the rates of exchange ruling at the dates of such transactions. The resulting exchange differences are disclosed in note 2 of the Notes to the aggregated financial statements.

Any foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rate prevailing at the balance sheet date.

d *Revenue*

Revenue is recognised in the Statement of total return on the following basis:

Dividends from quoted equity instruments and non equity shares are recognised as revenue, net of attributable tax credits on the date when the securities are quoted ex-dividend.

Distributions from collective investment schemes are recognised as revenue on the date the securities are quoted ex-dividend. Equalisation on distributions from collective investment schemes is deducted from the cost of the investment and does not form part of the sub-funds' distributions.

Distributions from collective investment schemes which are re-invested on behalf of the sub-funds are recognised as revenue on the date the securities are quoted ex-dividend and form part of the sub-funds' distributions. The value of the distribution is transferred from the capital property of the individual sub-fund and the resultant number of shares from the re-investment are added to the shares held in the security.

Revenue from reporting offshore funds is recognised as revenue when the reported distribution rate is available.

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

Overseas dividends are recognised as revenue gross of any withholding tax and the tax consequences are recognised within the tax expense.

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

Interest on debt securities is recognised on an effective yield basis. Accrued interest purchased and sold on interest bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the sub-funds. The amortised amounts are accounted for as revenue or as an expense and forms part of the distributable revenue of the sub-funds.

Ordinary scrip dividends are recognised wholly as revenue on the basis of the market values of the shares on the date that they are quoted ex-dividend. Where an enhancement is offered the amount by which the market value of the shares on the date they are quoted ex-dividend exceeds the cash dividend is taken to capital. The ordinary element of scrip dividends is treated as revenue and forms part of the sub-funds' distributions.

e *Expenses*

All sub-funds excluding Smith & Williamson MM Global Investment Fund:

All expenses are charged to the sub-funds against revenue other than those relating to the purchase and sale of investments.

Smith & Williamson MM Global Investment Fund:

All expenses, with the exception of those expenses directly related to the purchase and sale of securities, which are charged to the capital property of the sub-fund, are charged to the revenue of the sub-fund and 50% of these expenses are reallocated to capital, net of any tax effect.

Notes to the aggregated financial statements (continued)

as at 30 November 2013

1. Accounting policies (continued)

f Taxation

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

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

Deferred taxation is provided in full on timing differences that result in an obligation at 30 November 2013 to pay more or less tax, at a future date, at rates expected to apply when they crystallise based on current rates and tax laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

Provision for deferred tax assets are only made to the extent the timing differences are expected to be of future benefit.

All foreign dividend revenue is recognised as a gross amount which includes any withholding tax deducted at source. Where foreign tax is withheld in excess of the applicable treaty rate a tax debtor is recognised to the extent that the overpayment is considered recoverable.

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

g Efficient portfolio management

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

h Dilution levy

The need to charge a dilution levy will depend on the volume of sales or redemptions. The ACD may charge a discretionary dilution levy on the sale and redemption of shares if, in its opinion, the existing shareholders (for sales) or remaining shareholders (for redemptions) might otherwise be adversely affected, and if charging a dilution levy is, so far as practicable, fair to all shareholders and potential shareholders. Please refer to the Prospectus for further information.

i Stamp Duty Reserve Tax (SDRT)

SDRT is a tax which arises on transactions in shares by investors. The ACD may charge an SDRT provision on entry to and/or exit from a sub-fund. It is the ACD's current policy to settle this liability from the capital property of the individual sub-fund. Please refer to the Prospectus for further information.

j Distribution policies

i Basis of distribution

The distribution policy of the Company is to distribute all available revenue after deduction of expenses payable from revenue. Distributions attributable to income shares are paid to shareholders.

ii Unclaimed distributions

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

iii Revenue

All revenue is included in the final distribution with reference to the accounting policies for revenue disclosed in note 1d.

iv Expenses

Expenses incurred against the revenue of the individual sub-funds are included in the final distribution, subject to any expense which may be transferred to capital for the purpose of calculating the distribution, with reference to note 6.

v Equalisation

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

Notes to the aggregated financial statements (continued)

as at 30 November 2013

2. Net capital losses	2013	2012
	£	£
Non-derivative securities	(18,654,377)	(4,617,520)
Currency (losses) / gains	(364,631)	38,473
Forward currency contracts	(8,665)	-
Transaction charges	(21,210)	(15,010)
Net capital losses	(19,048,883)	(4,594,057)

3. Revenue	2013	2012
	£	£
Franked revenue	1,115,929	1,639,091
Unfranked revenue	14,982	22,140
Overseas revenue	812,046	789,394
Interest on debt securities	82,209	66,992
Stock dividends	84,871	26,378
Bank and deposit interest	18,350	12,010
Total revenue	2,128,387	2,556,005

4. Expenses	2013	2012
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	1,679,266	2,081,152
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	42,574	52,363
Other expenses:		
Audit fee	39,804	33,805
Safe custody fees	7,821	8,848
FCA fee	545	852
Publication fees	(750)	14,400
	47,420	57,905
Total expenses	1,769,260	2,191,420

5. Taxation	2013	2012
a) Analysis of tax the charge for the year	£	£
Overseas tax withheld	65,876	61,024
Recoverable overseas tax written off	-	141
Total current taxation (note 5b)	65,876	61,165

Notes to the aggregated financial statements (continued)

as at 30 November 2013

5. Taxation (continued)

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2012: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2012: 20%). The differences are explained below:

	£	£
Net revenue before taxation	359,123	364,585
Tax at 20%	71,824	72,918
Effects of:		
Franked revenue	(223,187)	(327,819)
Overseas revenue	(176,015)	(163,196)
Overseas tax withheld	65,876	61,024
Excess management expenses	327,378	418,097
Reclaimable overseas tax written off	-	141
Current tax charge (note 5a)	65,876	61,165

c) Deferred taxation

Deferred taxation is disclosed in the Notes to the financial statements of the individual sub-funds.

6. Finance costs

Distributions and interest

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

	2013	2012
	£	£
Interim income distributions	422,542	558,541
Interim accumulation distribution	104,772	40,027
Final income distributions	398,853	581,473
Final accumulation distribution	29,296	80,326
	955,463	1,260,367
Equalisation:		
Amounts deducted on cancellation of shares	32,846	42,582
Amounts added on issue of shares	(7,663)	(513)
Finance costs: Distributions	980,646	1,302,436
Finance costs: Interest	4	-
Total finance costs	980,650	1,302,436

Notes to the aggregated financial statements (continued)

as at 30 November 2013

6. Finance costs (continued)

	2013	2012
	£	£
Reconciliation between net revenue and distributions:		
Net revenue after taxation per Statement of total return	293,247	303,420
Undistributed revenue brought forward	42	27
Expenses charged to capital	208,022	217,930
Revenue shortfall to be transferred from capital	479,366	781,101
Undistributed revenue carried forward	(31)	(42)
Finance costs: Distributions	980,646	1,302,436

Details of the distribution per share are disclosed in the Distribution tables of the individual sub-funds.

7. Debtors

	2013	2012
	£	£
Amounts receivable on issue of shares	252,455	210,120
Sales awaiting settlement	138,123	343,101
Accrued revenue	108,848	229,740
Recoverable overseas withholding tax	2,528	5,119
Prepaid expenses	285	-
Total debtors	502,239	788,080

8. Cash and bank balances

	2013	2012
	£	£
Cash and bank balances	3,755,166	841,713
Cash on deposit	873,042	2,435,444
Total cash and bank balances	4,628,208	3,277,157

9. Creditors

	2013	2012
	£	£
Amounts payable on cancellation of shares	151,933	613,081
Purchases awaiting settlement	313,749	233,800
Accrued expenses		
Annual management charge	3,035	-
Payable to the Depositary and associates of the Depositary		
Depositary fees	70	-
Audit fee	39,806	33,805
Safe custody fees	1,037	2,234
Publication fee	-	3,000
Transaction charges	2,692	4,632
Total accrued expenses	46,640	43,671
Total creditors	512,322	890,552

10. Purchases, sales and transaction costs

The transaction costs in respect of purchases and sales are disclosed in the Notes to the financial statements of the individual sub-funds.

Notes to the aggregated financial statements (continued)

as at 30 November 2013

11. Share classes

Share classes and their associated management charges are disclosed in the Notes to the financial statements of the individual sub-funds.

12. Related parties

Smith & Williamson Fund Administration Limited, as ACD, is a related party due to its ability to act in respect of the operations of the Company.

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

Amounts payable to the ACD and its associates are disclosed in note 4. The amounts due to/from the ACD and its associates are disclosed in note 7 and 9.

The Investment Advisers' fees included in the annual management charge are paid on to the Investment Advisers by the ACD.

A director of the ACD, the Investment Adviser or a body corporate within the same group as the ACD may have significant influence over the financial and operating policies of the Company and as such is deemed to be a related party.

A shareholder with a holding in excess of 20% of the value of the Company may be able to exercise significant influence over the financial and operating policies of the Company with reference to shareholders' voting rights at general meetings and as such is deemed to be a related party.

Parties with an interest in excess of 20% of the Company are as follows:

	Holding 2013	Holding 2012
Smith & Williamson Nominees Ltd	42.92%	52.15%

Related party security holdings are disclosed in the Notes to the financial statements of the individual sub-funds.

13. Post balance sheet events

There are no post balance sheet events in respect of the Company. Post balance sheet net asset values per share are disclosed in the Notes to the financial statements of the individual sub-funds.

14. Financial instruments

The foreign currency exposure and the interest rate risk profile is disclosed in the Notes to the financial statements of the individual sub-funds.

15 Risk management policies

The risk management policies are disclosed in the Notes to the financial statements of the individual sub-funds.

Smith & Williamson Global Gold & Resources Fund
Investment Adviser's report

Investment objective and policy

The sub-fund aims to achieve long-term capital growth by investing primarily in the shares of gold mining companies, precious metal related companies and resources based companies. The sub-fund may also invest in gold bullion shares, other transferable securities, money market instruments, deposits, collective investment schemes and warrants.

The sub-fund may also invest in equities listed on recognised markets. The sub-fund will typically be fully invested in a spread of equities principally within the gold and precious metal industry. From time to time, depending on market conditions, the sub-fund may invest in other transferable securities, money market instruments, deposits, collective investment schemes, derivatives and warrants.

Derivative and forward transactions may be used by the sub-fund solely for the purposes of hedging.

Investment performance (source: Morningstar Direct)

	1 year to 30 November 2013	3 years to 30 November 2013	5 Years to 30 November 2013
Smith & Williamson Global Gold & Resources Fund	-47.53%	-61.66%	-29.61%
S&P/TSX Global Gold TR	-51.28%	-63.03%	-28.22%

Investment activity

The sub-fund outperformed its benchmark, the S&P/Toronto Stock Exchange (TSX) Global Gold Total Return Index during the year under review, which was due to strong bottom-up security selection. Over the 12 month period ending 30 November 2013, the sub-fund returned -47.5%, while the benchmark returned -51.3%. The portfolio manager's active exposure to mid-cap and small-cap names contributed, while large-cap companies detracted. Allocations to bullion and cash contributed to relative outperformance.

Investment strategy and outlook

The price of gold bullion declined by 26.9% over the 12 month period to end at US$1,253 per ounce, and the amount of gold bullion held in exchange-traded funds followed suit, contracting by 29.7% to 59.2 million ounces. Although the fall months are typically supportive of bullion, prices remained range-bound.

Quantitative Easing (QE) remains a staple of global markets, with the US Federal Reserve (Fed) and the Bank of Japan continuing their asset purchase programs. Earlier in the year, the Fed indicated it could taper the pace of asset purchases, but a modest economic recovery and a significant increase in yields led the Fed to continue its QE program. Signs of positive reform in China and continued demand for physical gold remain positive for the industry's long-term fundamentals. India also attempted to address some of its current account deficit by raising barriers to gold imports, which partially impacted demand.

We remain bullish on gold and other precious metals over the medium to long term. Over history, gold has earned its place as a reserve and investment asset, as well as a store of wealth and insurance against financial and geopolitical instabilities. In the short term, precious metal prices are likely to fluctuate near the industry’s marginal cost of production, and we may see further reductions in capital spending or mine plan adjustments as many producers are waiting for increased stability in commodity prices. We remain focused on identifying companies with strong balance sheets, especially those that can generate free cash flow, as long-term valuations have become increasingly attractive.

AGF Funds Incorporated
December 2013

Major purchases and sales
for the year ended 30 November 2013

Purchases	Cost £	Sales	Proceeds £
Barrick Gold	845,137	Franco-Nevada	1,814,454
Sulliden Gold	710,323	Goldcorp	1,093,464
Primero Mining	549,804	AngloGold Ashanti ADR	1,085,054
Goldcorp	538,377	Potash Corp of Saskatchewan	1,054,402
Dominion Diamond	493,630	Argonaut Gold	946,212
Franco-Nevada	461,733	Barrick Gold	838,353
Potash Corp of Saskatchewan	454,440	Newmont Mining	838,047
Regis Resources	427,280	Yamana Gold	822,774
AuRico Gold	425,853	Central Fund of Canada 'A' (ASE)	811,564
Capstone Mining	386,423	Tahoe Resources	698,726
Total purchases in the year	10,222,045	Total sales in the year	17,495,534

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

Portfolio statement

as at 30 November 2013

Investment	Nominal value or holding	Market value £	% of total net assets
Equities 89.02% (98.15%)			
Equities - Australia 4.16% (6.69%)			
Newcrest Mining	42,855	183,230	0.53
Papillon Resources	333,118	174,325	0.50
Regis Resources	648,700	1,083,424	3.13
Total equities - Australia		1,440,979	4.16
Equities - Europe 1.13% (0.78%)			
Umicore	14,354	390,299	1.13
Total equities - Europe		390,299	1.13
Equities - Canada 73.81% (69.60%)			
Agnico Eagle Mines	65,668	1,076,027	3.11
Alacer Gold	200,807	232,127	0.67
Alamos Gold	67,597	512,989	1.48
Argonaut Gold	227,779	704,342	2.04
AuRico Gold	204,600	465,927	1.35
B2Gold	653,420	811,983	2.35
Barrick Gold	73,900	739,995	2.14
Bearing Resources	101,937	2,651	0.01
Belo Sun Mining	1,486,150	352,179	1.02
Cameco	56,400	697,278	2.01
Capstone Mining	259,600	408,122	1.18
Central Fund of Canada 'A'	44,700	361,703	1.05
Central Fund of Canada 'A' (ASE)	221,300	1,809,627	5.23
Central GoldTrust	30,300	795,241	2.30
Colossus Minerals	52,004	8,266	0.02
Continental Gold	105,800	167,553	0.48
Copper Mountain Mining	263,600	227,012	0.66
CuOro Resources	71,800	4,357	0.01
Detour Gold	54,371	129,788	0.37
Dominion Diamond	51,800	426,939	1.23
Dundee Precious Metals	202,100	363,281	1.05
East Africa Metals	161,127	13,969	0.04
Eco Oro Minerals	102,918	22,604	0.07
Eldorado Gold	285,928	1,044,456	3.02
Elgin Mining	165,900	11,027	0.03
Endeavour Mining	323,601	99,129	0.28
Endeavour Silver	155,717	357,308	1.03
First Quantum Minerals	49,090	507,881	1.47
Foraco International	150,900	50,586	0.15
Formation Metals	179,209	8,286	0.02
Fortuna Silver Mines	113,318	232,511	0.67
Fortune Minerals	287,157	43,153	0.12
Franco-Nevada	34,100	829,169	2.40
Geodrill	82,500	32,425	0.09
Goldcorp	85,569	1,169,671	3.38
Great Western Minerals Group	4,118,126	178,516	0.52
Gulf International Minerals*	208,200	-	0.00
Intrepid Mines	50,730	7,477	0.02
Kaminak Gold	172,600	46,389	0.13

Portfolio statement (continued)

as at 30 November 2013

Investment	Nominal value or holding	Market value £	% of total net assets
Equities - Canada (continued)			
Kennady Diamonds	15,824	47,559	0.14
Lucara Diamond	696,800	588,000	1.70
Lydian International	180,195	70,822	0.20
MAG Silver	116,150	405,483	1.17
Midlands Minerals	557,342	1,611	-
Mirasol Resources	216,500	107,615	0.31
Morien Resources	33,116	2,106	0.01
Mountain Province Diamonds	122,306	361,938	1.05
New Gold	106,852	335,350	0.97
Newstrike Capital	173,100	54,027	0.16
North American Palladium	354,900	100,512	0.29
Orca Gold	161,127	36,320	0.10
Orezone Gold	315,119	78,318	0.23
Osisko Mining	368,110	910,621	2.63
Panoro Minerals	416,079	76,956	0.22
Peregrine Diamonds	154,571	34,843	0.10
Pilot Gold	444,757	233,927	0.68
PMI Gold	930,405	139,818	0.40
Premier Gold Mines	170,955	156,119	0.45
Primero Mining	146,516	463,221	1.34
Probe Mines	191,400	254,440	0.74
Quaterra Resources	167,600	6,781	0.02
Regulus Resources	34,137	1,874	0.01
Reservoir Minerals	88,427	235,103	0.68
Reunion Gold	249,500	17,305	0.05
Rio Alto Mining	207,800	195,771	0.57
Romarco Minerals	598,179	122,737	0.35
Roxgold	285,800	71,031	0.21
Sabina Gold & Silver	101,000	34,442	0.10
Sandstorm	57,846	154,131	0.45
Santacruz Silver Mining	214,734	109,219	0.32
SEMAFO	352,810	560,777	1.62
Silver Wheaton	70,312	889,187	2.57
Silvercrest Mines	427,473	395,316	1.14
Southern Arc Minerals	178,400	5,156	0.01
Stornoway Diamond	410,859	180,477	0.52
Sulliden Gold	1,124,000	441,765	1.28
Tahoe Resources	152,856	1,639,746	4.74
Temex Resources	325,100	15,032	0.04
Teranga Gold	707,685	190,199	0.55
Tigray Resources	34,935	1,817	0.01
Torex Gold Resources	978,889	526,178	1.52
Ucore Rare Metals	986,385	128,276	0.37
Yamana Gold	37,100	202,639	0.59
Total equities - Canada		25,536,509	73.81

Portfolio statement (continued)
as at 30 November 2013

Investment	Nominal value or holding	Market value £	% of total net assets
Equities - United Kingdom 1.77% (1.35%)			
Hochschild Mining	28,460	40,470	0.12
Petra Diamonds	530,589	570,383	1.65
Total equities - United Kingdom		610,853	1.77
Equities - Mexico 1.77% (3.44%)			
Fresnillo	72,710	612,945	1.77
Total equities - Mexico		612,945	1.77
Equities - South Africa 3.49% (2.31%)			
Randgold Resources ADR	28,600	1,206,809	3.49
Total equities - South Africa		1,206,809	3.49
Equities - North America 2.89% (13.98%)			
Energizer Resources	487,800	36,652	0.11
Firstgold*	64,211	-	-
Stillwater Mining	140,414	961,704	2.78
Total equities - North America		998,356	2.89
Total equities		30,796,750	89.02
Warrants 0.03% (0.05%)			
Armistice Resources	407,351	7,063	0.02
Formation Metals	60,114	174	0.00
Kinross Gold	2,489	22	-
Pan American Silver	3,990	-	-
Peregine Diamonds	9,660	-	-
Pilot Gold	56,998	988	-
Stornoway Diamond	83,796	4,117	0.01
Ucore Rare Metals	102,885	-	-
Total warrants		12,364	0.03
Portfolio of investments		30,809,114	89.05
Other net assets		3,790,142	10.95
Total net assets		34,599,256	100.00

All investments are quoted securities unless otherwise stated.

The comparative percentage figures in brackets are as at 30 November 2012.

* Gulf International Minerals and Firstgold are delisted and included in the portfolio of investments with no value.

Risk and reward profile

The risk and reward profile relates to both share classes.

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

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

The sub-fund is in the highest category because the price of its investments have risen or fallen more significantly or with greater frequency than most other investments. The category shown is not guaranteed to remain unchanged and may shift over time. Even the lowest category does not mean a risk-free investment.

The price of the sub-fund and any income from it can go down as well as up and is not guaranteed. Investors may not get back the amount invested. Past performance is not a guide to the future.

The sub-fund invests in a specialist sector and it may not perform in line with funds that have a broader investment policy.

The price of gold or other resources may be subject to sudden, unexpected and substantial fluctuations. This may lead to significant declines in the values of any companies developing these resources in which the sub-fund invests and significantly impact investment performance.

Where the sub-fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. This is usually a greater risk for bonds that produce a higher level of income. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond's market value.

For further information please refer to the Key Investor Information Document (KIID).

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

Comparative table

Number of shares in issue	30.11.13	30.11.12	30.11.11
A class income	17,981,254	19,203,731	16,261,683
B class income	12,604,143	12,902,997	9,931,465
Net Asset Value (NAV)	£	£	£
Total NAV of sub-fund	34,599,256	70,056,661	68,278,820
NAV attributable to A class income shareholders	29,440,871	60,102,195	59,337,242
NAV attributable to B class income shareholders	5,158,385	9,954,466	8,941,578
Net asset value per share (based on bid value)	p	p	p
A class income	163.7	313.0	364.9
B class income	40.93	77.10	90.03
Quoted prices (based on mid value)	p	p	p
A class income	164.6	313.7	366.4
B class income	41.15	77.82	90.40

A class income shares were issued at 100.0p on 3 December 2004.
B class income shares were issued at 100.0p on 8 June 2011.

Performance record

Calendar year		Distribution per share p	Highest price p	Lowest price p
2008	A class income	-	258.2	90.90
2009	A class income	-	302.8	147.8
2010	A class income	-	468.6	257.6
2011	A class income	-	476.3	332.7
2011*	B class income	-	110.4	82.07
2012	A class income	-	392.0	264.3
2012	B class income	-	96.83	65.33
2013**	A class income	-	312.4	163.0
2013**	B class income	-	77.59	40.74

* from 8 June 2011 to 31 December 2011
** to 30 November 2013

Ongoing charges figure (OCF)

The ongoing charges figure provides investors with a clearer picture of the total annual costs in running a collective investment scheme. The ongoing charges figure consists principally of the ACD's periodic charge and the Investment Adviser's fee which are included in the annual management charge, but also includes the costs for other services paid.

A class income	2013	2012
Annual management charge	1.75%	1.75%
Other expenses	0.07%	0.06%
Ongoing charges figure	1.82%	1.81%

B class income	2013	2012
Annual management charge	1.00%	1.07%
Other expenses	0.07%	0.06%
Ongoing charges figure	1.07%	1.13%

Please note the ongoing charges figure is indicative of the charges which the share classes may incur in a year as it is calculated on historical data.

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

Financial statements - Smith & Williamson Global Gold & Resources Fund

Statement of total return
for the year ended 30 November 2013

	Notes	2013 £	2013 £	2012 £	2012 £
Income:					
Net capital losses	2		(31,029,955)		(11,339,258)
Revenue	3	433,773		435,312	
Expenses	4	(864,902)		(1,176,753)	
Net expense before taxation		(431,129)		(741,441)	
Taxation	5	(48,237)		(39,660)	
Net expense after taxation			(479,366)		(781,101)
Total return before distributions			(31,509,321)		(12,120,359)
Change in net assets attributable to shareholders from investment activities			(31,509,321)		(12,120,359)

Statement of change in net assets attributable to shareholders
for the year ended 30 November 2013

	2013 £	2013 £	2012 £	2012 £
Opening net assets attributable to shareholders		70,056,661		68,278,820
Amounts receivable on issue of shares	12,972,732		26,176,592	
Amounts payable on cancellation of shares	(16,943,946)		(12,272,289)	
		(3,971,214)		13,904,303
Dilution levy		26,686		-
Stamp duty reserve tax		(3,556)		(6,103)
Change in net assets attributable to shareholders from investment activities		(31,509,321)		(12,120,359)
Closing net assets attributable to shareholders		34,599,256		70,056,661

Balance sheet
as at 30 November 2013

	Notes	2013 £	2013 £	2012 £	2012 £
ASSETS:					
Investment assets			30,809,114		68,792,173
Debtors	7	267,606		267,419	
Cash and bank balances	8	3,892,862		1,121,345	
Total other assets			4,160,468		1,388,764
Total assets			34,969,582		70,180,937
LIABILITIES:					
Creditors	9	(370,326)		(124,276)	
Total liabilities			(370,326)		(124,276)
Net assets attributable to shareholders			34,599,256		70,056,661

Notes to the financial statements
as at 30 November 2013

1. Accounting policies

The accounting policies are disclosed in the Notes to the aggregated financial statements.

2. Net capital losses

	2013	2012
	£	£
Non-derivative securities	(30,709,523)	(11,369,281)
Currency (losses) / gains	(313,585)	35,989
Transaction charges	(6,847)	(5,966)
Total net capital losses	(31,029,955)	(11,339,258)

3. Revenue

	2013	2012
	£	£
Franked revenue	39,532	72,638
Overseas revenue	380,630	353,494
Bank and deposit interest	13,611	9,180
Total revenue	433,773	435,312

4. Expenses

	2013	2012
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	837,628	1,138,948
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	18,210	24,880
Other expenses:		
Audit fee	6,761	6,761
Safe custody fees	2,262	3,107
FCA fee	91	177
Publication fee	(50)	2,880
	9,064	12,925
Total expenses	864,902	1,176,753

5. Taxation

	2013	2012
	£	£
a. Analysis of the tax charge for the year		
Overseas tax withheld	48,237	39,660
Total taxation (note 5b)	48,237	39,660

b. Factors affecting the tax charge for the year

The tax assessed for the year is higher (2012: higher) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2012: 20%). The differences are explained below:

	2013	2012
	£	£
Net expense before taxation	(431,129)	(741,441)
Corporation tax @ 20%	(86,226)	(148,288)
Effects of:		
Franked revenue	(7,906)	(14,528)
Overseas revenue	(76,190)	(70,740)
Overseas tax withheld	48,237	39,660
Excess management expenses	170,322	233,556
Current tax charge (note 5a)	48,237	39,660

c. Provision for deferred taxation

At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of asset not recognised is £858,265 (2012: £687,943).

Notes to the financial statements (continued)
as at 30 November 2013

6. Finance costs

	2013	2012
	£	£
Total finance costs	-	-

Reconciliation between net expense and distributions:	2013	2012
	£	£
Net expense after taxation per Statement of total return	(479,366)	(781,101)
Revenue shortfall to be transferred from capital	479,366	781,101
Finance costs: Distributions	-	-

7. Debtors

	2013	2012
	£	£
Amounts receivable on issue of shares	252,455	210,120
Sales awaiting settlement	-	34,446
Accrued revenue	12,706	17,734
Recoverable overseas withholding tax	2,350	5,119
Prepaid expenses	95	-
Total debtors	267,606	267,419

8. Cash and bank balances

	2013	2012
	£	£
Cash and bank balances	3,019,877	129,825
Cash on deposit	872,985	991,520
Total cash and bank balances	3,892,862	1,121,345

9. Creditors

	2013	2012
	£	£
Amounts payable on cancellation of shares	102,320	81,640
Purchases awaiting settlement	259,006	33,079
Accrued expenses:		
Payable to the ACD and associates of the ACD		
Annual management charge	1,562	-
Payable to the Depositary and associates of the Depositary		
Depositary fees	34	-
Other expenses:		
Safe custody fees	311	737
Audit fee	6,761	6,761
Publication fee	-	600
Transaction charges	332	1,459
Total accrued expenses	9,000	9,557
Total creditors	370,326	124,276

Notes to the financial statements (continued)
as at 30 November 2013

10. Purchases, sales and transaction costs

	2013	2012
	£	£
Purchases excluding transaction costs	10,189,462	28,575,573
Commissions	32,583	91,596
Taxes	-	4,786
Total purchase transaction costs *	32,583	96,382
Purchases including transaction costs	10,222,045	28,671,955
Sales excluding transaction costs	17,548,276	14,196,278
Commissions	(52,734)	(53,722)
Taxes	(8)	(1)
Total sales transaction costs *	(52,742)	(53,723)
Sales including transaction costs	17,495,534	14,142,555

* These amounts have been deducted in determining net capital losses.

11. Share classes

The sub-fund currently has two share classes; A class income and B class income. The current annual management charge on each share class is as follows:

A class income:	1.75%
B class income:	1.00%

The annual management charge includes the ACD's periodic charge and the Investment Adviser's fee.

The net asset value of each share class, the net asset value per share, and the number of shares in each share class are disclosed in the Comparative table.

On the winding up of a sub-fund all the assets of the sub-fund will be realised and apportioned to the share classes in relation to the net asset value on the closure date. Shareholders will receive their respective share of the proceeds, net of liabilities and the expenses incurred in the termination in accordance with the FCA regulations. Each class has the same rights on winding up.

12. Related party transactions

The related party transactions are disclosed in the Notes to the aggregated financial statements.

There are no related party securities in the portfolio of investments at the balance sheet date (2012: nil).

13. Post balance sheet events

Subsequent to the year end, the net asset value per A class income share has increased from 163.7p to 200.6p and the B class income share has increased from 40.93p to 50.23p as at 6 March 2014. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Financial instruments

In accordance with the investment objective, the sub-fund holds certain financial instruments. These comprise:

- Securities held in accordance with the investment objective and policies

- Cash and short term debtors and creditors arising directly from operations

- There were no derivative transactions in the year

Notes to the financial statements (continued)
as at 30 November 2013

14. Financial instruments (continued)

a *Currency exposure*

The foreign currency risk profile of the sub-fund's net assets and liabilities at the balance sheet date is as follows:

	2013	2012
	£	£
Monetary exposure:		
Canadian dollar	2,655,256	113,454
Euro	-	3,369
US dollar	18,425	23,256
Total monetary exposure	2,673,681	140,079
Non-monetary exposure:		
Australian dollar	1,440,978	4,685,000
Canadian dollar	22,240,663	49,540,324
Euro	390,299	547,783
US dollar	5,513,375	10,663,931
Total non-monetary exposure	29,585,315	65,437,038
Total foreign currency exposure	32,258,996	65,577,117
UK sterling	2,340,260	4,479,544
Total net assets	34,599,256	70,056,661

b *Interest rate risk*

The sub-fund has no exposure to interest bearing securities at the balance sheet date.

The interest rate on bank balances is determined by the following:

UK sterling	Bank of England base rate
US dollar	US Federal Reserve
Canadian dollar	Bank of Canada

c *Fair value of financial assets and liabilities*

Securities held by the sub-fund are valued in accordance with the accounting policies in note 1 of the Notes to the aggregated financial statements. There is no material difference between the fair value and the market value. Other financial assets and liabilities of the sub-fund are included in the Balance sheet at fair value.

d *Global exposure*

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

At the balance sheet date the global exposure is as follows:

	Gross exposure value	% of the total net asset value
	£	
Investment		
Armistice Resources	9,344	0.03%
Formation Metals	340	-
Kinross Gold	270	-
Pan American Silver	24,118	0.07%
Peregine Diamonds	2,216	0.01%
Pilot Gold	30,726	0.09%
Stornoway Diamond	37,003	0.11%
Ucore Rare Metals	13,571	0.04%

Notes to the financial statements (continued)

as at 30 November 2013

15. Risk management policies

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

a Market risk

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

(i) Price risk

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

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

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

(ii) Currency risk

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

The ACD may seek to manage the portfolio exposure to currency movements by using forward currency contracts.

(iii) Interest rate risk profile of financial assets and liabilities

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

During the year the sub-fund's direct exposure to interest rates consisted of cash and bank balances.

The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

Possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account by the Investment Adviser when making investment decisions. The sub-fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

b Liquidity risk

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

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

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

Notes to the financial statements (continued)

as at 30 November 2013

15. Risk management policies (continued)

b Liquidity risk (continued)

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

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the sub-fund’s assets consist of readily realisable securities.

c Credit risk

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

Transactions in securities entered into by the sub-funds give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. This risk is mitigated by the sub-fund only transacting with a large number of brokers who are subject to frequent reviews/limits set that may be transacted with any one broker.

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

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

The sub-fund may hold short-term debtors in the form of unsettled subscription amounts, reclaimable tax, outstanding coupon and dividend amounts. The risk from these is deemed to be low.

The sub-fund may transact in derivative contracts which potentially exposes the sub-fund to counterparty risk from the counterparty not settling their side of the contract. Transactions involving derivatives are entered into only with investment banks and brokers with appropriate and approved credit rating.

d Fair value of financial assets and financial liabilities

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

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

e Derivatives

The ACD may employ derivatives with the aim of reducing the risk profile, reducing costs or generating additional capital or revenue, in accordance with efficient portfolio management.

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

During the year no derivative transactions were entered into for the purposes of efficient portfolio management.

Smith & Williamson MM Global Investment Fund
Investment Adviser's report

Investment objective and policy

The objective of the sub-fund is to achieve a long term capital growth, together with the generation of some income, primarily from a portfolio of shares in United Kingdom close-ended investment trust companies ("Investment Trusts") and other closed-ended investment companies listed on global exchanges in Recognised Markets. The sub-fund may also invest in transferable securities, money market instruments, deposits, collective investment schemes and warrants.

The investment policy of the sub-fund is to invest in a spread of closed-ended funds which themselves invest in a variety of countries and sectors, especially where their prospects are deemed to be good, or where there is a discount of the share price to the net asset value of the relevant Investment Trust. The majority of the portfolio will be primarily invested in closed-ended funds whose shares are listed on the London Stock Exchange, but it may also be invested in closed-ended funds whose shares are listed on global exchanges in Recognised Markets.

Derivative and forward transactions may be used by the sub-fund solely for the purposes of Efficient Portfolio Management.

Investment performance (Source: Morningstar Direct)

	1 year to 30 November 2013	3 years to 30 November 2013	5 Years to 30 November 2013
Smith & Williamson MM Global Investment Fund	21.20%	24.40%	98.50%
FTSE APCIMS Private Investor Growth Index	16.70%	31.60%	78.00%

Investment activity

The theme of corporate activity and returns of capital from across the portfolio continued. Three of our four hedge fund investments were in wind-down over the year and the fourth, AcenciA Debt Strategies, should offer a cash exit in the first quarter of 2015. Over the year we received capital repayments from three of them- PSolve Alternatives PCC - PSolve Niche Opportunities Fund (PSolve), FRM Credit Alpha Fund (FRM) and Thames River Multi Hedge PCC (Thames River). The small rump of Thames River was sold prior to it delisting, whilst we retain tiny positions in PSolve and FRM which have both delisted. Damille Investments and Vision Opportunity China Fund made their final distributions as part of their managed wind-downs and no longer form part of the portfolio. There were also two final payments from legacy positions in Murray Global Return and Bioscience Investment Trust. Finally, Trinity Capital made a payment as part of its managed wind down.

In terms of portfolio activity we were relatively active over the year as the stock markets experienced a strong rally over the first six months before making more muted returns in the second half. Overall we increased our exposure to equities at the start of the year before reducing it after the strong first six months.

New equity focused positions were initiated in Asian Total Return Investment Company and BlackRock Throgmorton Trust (a switch from BlackRock Smaller Companies). Alternative asset classes featured heavily in the new entrants list, with TwentyFour Income Fund (asset backed securities), Real Estate Credit Investments PCC (both preference shares and ordinary shares) and Doric Nimrod Air Three (aircraft leasing) all offering attractive income yields and better prospects for capital growth than traditional bond investments. New positions in Taliesin Property Fund and NB Private Equity Partners Fund were also made.

In terms of existing weightings, we increased Henderson European Focus Trust, Atlantis International Umbrella Fund · Atlantis China Fund, GLG Investments - GLG Japan CoreAlpha Equity, Prospect Japan Fund, Henderson Value Trust, Origo Partners and Trinity Capital Fund.

Full exits from the equity portion of the portfolio included Scottish Mortgage Investment Trust, Polar Capital Funds - Global technology Fund, BlackRock Smaller Companies Trust, Scottish Oriental Smaller Companies Trust, Perpetual Income & Growth Investment Trust and Aberdeen Asian Income Fund. Henderson Diversified Income, City Natural Resources High Yield Trust 3.5% 30/09/2018, Edinburgh Dragon Trust 3.5% 31/01/2018 were also sold as part of our refreshing of the fixed income element of the portfolio.

Reductions included Edinburgh Dragon Trust, Schroder UK Growth Fund, Herald Investment Trust and Worldwide Healthcare Trust. Dolphin Capital Investors was also reduced following a very large increase in its share price that was driven by a significant injection of capital from a highly regarded US hedge fund. We are still firm believers in the positive story for listed private equity but felt it prudent to take some profits from our positions that have performed very well for us and so F&C Private Equity Trust and Standard Life European Private Equity Trust were slightly reduced. Finally, the Fund's biggest position in Forterra Trust received a significant boost as the highly regarded Hong Kong based property investors, Nan Fung, bought out an almost 30% stake in the company as well as taking over the management contract for the assets. We see this as a hugely positive boost for the stock, particularly as the transaction they bought their shares at was completed at $2.98, still well ahead of the current price of $2.18. Although we see substantial upside we did trim the position as part of our portfolio management discipline to maintain our weighting at 5%.

Investment Adviser's report (continued)

Investment activity (continued)

At the asset class level there were some changes, although none more than 2.0% in quantum, and the Fund's overall equity exposure ended the period at just over 64%. The UK weighting remained steady at 20.6%, North America fell from 10.1% to 8.3%, Japan rose from 5.1% to 6.9%, Europe rose from 6.5% to 7.2% and Pacific fell from 14.8% to 13.3%. Private Equity rose to 12.0% from 10.0%, Property rose to 9.6% from 7.9% and Fixed Interest rose to 10.1% from 8.8%. The Hedge Fund weighting fell marginally to 2.7% from 3.3%.

Investment strategy and outlook

Mark Carney's second inflation report as Governor of the Bank of England delivered an upbeat message on the progress of the economic recovery. The bank revised its growth forecasts for this year up to 1.6% from 1.4%, and for growth next year to come in at 2.8%, up from 2.5% in August. From a market standpoint, the key change in the bank's report was a notable downward revision to the forecast for unemployment. The Monetary Policy Committee (MPC) now sees the 7% threshold being reached by the end of 2015, compared to its earlier forecast of the third quarter of 2016. This abrupt change has made Mr Carney's efforts to convince markets that rates will be left on hold for the foreseeable future all the more difficult. However, he was keen to express that the 7% unemployment rate is merely a 'way station' at which the MPC will reassess interest rates. Its primary objective is to reassure the wider economy that rates will be left on hold to minimise the threat of derailing the consumption-led recovery.

Gilt and treasury yields have drifted higher following the temporary resolution to the debt ceiling stand-off in October. There appears to be an acknowledgement amongst policymakers on either side of the Atlantic that both UK and US economies are gaining traction. Although liquidity stimulus in the US seems set to remain for some time, it is likely that tapering of this stimulus can be expected early next year. These factors combined should result in an upward pull on bond yields and downward pressure on prices. The longer end of the yield curve remains our favoured area for index-linked gilts and within the corporate bond space, the extra yield available over gilts means we continue to favour corporate bonds within a fixed income allocation.

A deal to curtail Iran's nuclear program initially sent the oil price plummeting as it may pave the way for sanctions limiting Iranian exports to be lifted. Barring another Middle East flare up, the improved supply from the US means we expect oil prices to remain relatively subdued. The price of gold has continued to fall, dropping around 6.5% in the last month. Given the improving global economic outlook and increased appetite for risk, the arguments for gold moving higher appear to be weakening. Over the past year gold has had a 90% negative correlation (moves in the opposite direction 90% of the time) with the S&P 500 and a significant negative relationship with other major developed equity markets which have rallied.

While US stocks have rallied since early November (delivering over 9%), UK equities have cooled after flirting with all-time highs in late November. The UK market has once again suffered from its high materials and financials weighting, both of which have notably underperformed over the past month. Within the UK market, small cap stocks continue to outperform larger FTSE 100 companies, the former bidding to finish the year as one of the developed world's top performing indices. With a prospective dividend yield of around 4%, the wider UK market remains an attractive place for investors seeking income.

The S&P 500 broke through 1,800 for the first time ever in late November in what has been another stellar year for US equity markets. Financial markets had their first glimpse of incoming Federal Reserve (Fed) Governor Janet Yellen in November. She was keen to downplay the strength of the US economic recovery, suggesting stimulus will remain in place until growth is robust enough to withstand its withdrawal (tapering). The Fed remains keen for the market to think of tapering and a full-blown tightening of monetary policy as two separate events. Yellen is likely to ramp up the emphasis on forward-guidance when she arrives at the Fed in January. The European Central Bank (ECB) surprised the markets by cutting interest rates to a record low at its latest meeting. Inflation has fallen steadily in the eurozone for the past two years and the threat of deflation seems to have sparked Mario Draghi, the president of the ECB, into action. The ECB says it could well take further action, including moving to negative deposit rates, to fend off the increasing deflationary threats to the eurozone.

The Japanese equity market has begun to gain traction again after a period of consolidation and underperformance during the summer. The reasons for this look technical. The strong correlation with the yen has remained in place and the currency has again broken through the 100 mark against the dollar. The introduction of Nippon Individual Savings Accounts (NISA's) in January, as an attempt by the government to encourage some of the $8 trillion sitting in Japanese bank accounts into riskier assets, could be an important factor driving markets higher in 2014. An upcoming government-backed review of the asset allocation of Japan's largest public pension funds is also likely to see the fixed income allocation reduced in favour of domestic equities, for the second time this year. We remain positive on the outlook for the Japanese market.

Investment Adviser's report (continued)

Investment strategy and outlook (continued)

China's Communist Party plenum meeting outlined a big package of policy reforms and showed that the new leadership are not afraid to shake up China's governance structure to move the country in the right direction. The list of reforms is wide-ranging and includes further deregulation, a reduction in the size of China's large state-owned enterprises (SOE's), and relaxation of the country's 34 year old one child policy aimed at addressing China's deteriorating demographics. The key takeaway for markets is that the government’s role in the allocation of resources is to be reduced, allowing the market to take on a much more decisive role.

Smith & Williamson Investment Management LLP
17 December 2013

Major purchases and sales

for the year ended 30 November 2013

Purchases	Cost £	Sales	Proceeds £
Asian Total Return Investment Company	619,306	Polar Capital Funds plc - Global Technology Fund	797,086
BlackRock Throgmorton Trust	598,952	BlackRock Smaller Companies Trust	666,724
NB Private Equity Partners Fund	565,744	Scottish Mortgage Investment Trust	595,426
Doric Nimrod Air Three	510,150	Forterra Trust	583,777
TwentyFour Income Fund	350,700	Scottish Oriental Smaller Companies Trust	522,019
Real Estate Credit Investments	286,294	Edinburgh Dragon Trust Fund	456,577
Taliesin Property Fund	275,138	F&C Private Equity Trust	386,507
Trinity Capital Fund	232,775	Aberdeen Asian Income Fund	360,184
Real Estate Credit Investments	148,287	City Natural Resources High Yield Trust	285,244
Forterra Trust	145,715	Henderson Diversified Income	252,941
Total purchases in the year	4,239,307	Total sales in the year	7,898,295

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

Portfolio statement
as at 30 November 2013

Investment	Nominal value or holding	Market value £	% of total net assets
Convertible Debentures 2.81% (4.90%)			
Electra Private Equity 5% 29/12/2017	£650,000	772,788	2.81
Equities 88.14% (82.61%)			
Equities - United Kingdom 83.15% (77.68%)			
Equities - incorporated in the United Kingdom 57.40% (55.45%)			
Financial Services 0.66% (1.02%)			
Origo Partners	2,585,000	180,950	0.66
Equity Investment Instruments 56.74% (54.43%)			
Active Capital Trust*	1,005,740	65,775	0.24
Asian Total Return Investment Company	305,000	565,775	2.06
BlackRock Throgmorton Trust	256,500	744,491	2.71
Caledonia Investments Fund	52,000	991,120	3.61
Cayenne Trust	841,500	1,136,026	4.12
City Natural Resources High Yield Trust	190,500	270,510	0.98
Ecofin Water & Power Opportunities Fund	710,295	930,486	3.39
Edinburgh Dragon Trust	£295000	760,215	2.77
Edinburgh Investment Trust	183,500	1,089,990	3.97
F&C Private Equity Trust	465,000	971,850	3.54
Hansa Trust	55,000	467,500	1.70
Henderson European Focus Trust	64,500	568,245	2.07
Henderson Value Trust	205,287	515,270	1.87
Herald Investment Trust	110,000	762,850	2.78
Monks Investment Trust	315,000	1,209,601	4.39
Pantheon International	77,600	799,280	2.91
Premier Energy & Water Trust	579,416	909,683	3.31
PSolve Alternatives - PSolve Niche Opportunities Fund*	1,249,750	63,237	0.23
Schroder UK Growth Fund	500,000	932,500	3.39
Standard Life European Private Equity Trust	408,700	817,400	2.97
Worldwide Healthcare Trust	81,400	1,024,012	3.73
		15,595,816	56.74
Total equities - incorporated in the United Kingdom		15,776,766	57.40
Equities - incorporated outwith the United Kingdom 25.75% (22.23%)			
Real Estate 4.22% (3.00%)			
Battersea Power Station Shareholder Vehicle***	5,618,631	-	-
Dolphin Capital Investors	1,701,790	663,698	2.41
Sofia Property Fund**	3,311,250	-	-
Taliesin Property Fund	175,000	189,875	0.69
Trinity Capital Fund	3,967,423	307,475	1.12
		1,161,048	4.22
Financial Services 21.53% (19.23%)			
AcenciA Debt Strategies	660,000	646,800	2.35
Advance Frontier Markets Fund	930,934	516,668	1.88
Baker Steel Resources Trust	600,000	276,000	1.00
Damille Investments****	441,221	-	-
Doric Nimrod Air Three	459,895	497,836	1.81
FRM Credit Alpha Fund	56,877	31,282	0.11
Golden Prospect Precious Metals	590,000	202,075	0.74
NB Private Equity Partners Fund	100,000	551,475	2.01
Prospect Japan Fund	1,296,863	841,397	3.06
Real Estate Credit Investments	188,010	291,416	1.06
Real Estate Credit Investments preference shares	340,000	359,550	1.31
TwentyFour Income Fund	350,000	399,000	1.45
Utilico Emerging Markets	501,260	952,394	3.47
Utilico Investments Fund	300,000	351,000	1.28
		5,916,893	21.53

Portfolio statement (continued)
as at 30 November 2013

Investment	Nominal value or holding	Market value £	% of total net assets
Total equities - incorporated outwith the United Kingdom		7,077,941	25.75
Total equities - United Kingdom		22,854,707	83.15
Equities - Singapore 4.99% (4.93%)			
Forterra Trust	1,305,108	1,374,167	4.99
Total equities		24,228,874	88.14
Collective Investment Schemes 8.50% (8.88%)			
UK Authorised Collective Investment Schemes 3.33% (2.76%)			
Invesco Perpetual UK Strategic Income Fund	349,804	914,561	3.33
Offshore Collective Investment Schemes 5.17% (6.12%)			
Atlantis International Umbrella Fund - Atlantis China Fund	128,413	494,379	1.80
GLG Investments - GLG Japan CoreAlpha Equity	6,829	925,148	3.37
Total Offshore Collective Investment Schemes		1,419,527	5.17
Total Collective Investment Schemes		2,334,088	8.50
Warrants 0.29% (3.61%)			
Aberdeen Latin American Income Fund	46,000	2,530	0.01
Battersea Power Station***	4,217,083	-	-
Golden Prospect Precious Metals	189,732	474	-
Polar Capital Global Healthcare Growth & Income	172,682	69,505	0.25
Polar Capital Technology Trust	53,313	7,064	0.03
Total warrants		79,573	0.29
Portfolio of investments		27,415,323	99.74
Other net assets		70,394	0.26
Total net assets		27,485,717	100.00

All investments are quoted securities or regulated collective investment schemes unless otherwise stated.

The comparative figures in brackets are as at 30 November 2012.

* Active Capital Trust and PSolve Alternatives - PSolve Niche Opportunities Fund are unquoted securities and are valued by the ACD's fair value pricing committee at fair value.

**Sofia Property Fund has been suspended from trading and is included in the Portfolio statement with no value.

***Battersea Power Station Vehicle and Battersea Power Station have ceased trading and is included in the Portfolio statement with no value.

****Damille Investments has been delisted and is included in the Portfolio statement with no value.

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Risk and reward profile

The risk and reward profile relates to both share classes.

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

Typically lower rewards, lower risk ← → Typically higher rewards, higher risk

1	2	3	4	5	6	7

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

The price of the sub-fund and any income from it can go down as well as up and is not guaranteed. Investors may not get back the amount invested. Past performance is not a guide to the future.

Investment trusts may borrow to purchase additional investments. This can increase returns when stock markets rise but will magnify losses when markets fall.

The value of an investment trust moves in line with stock market demand and its share price may be less than or more than the net value of the investments it holds.

Where the sub-fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. This is usually a greater risk for bonds that produce a higher level of income. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond's market value.

For further information please refer to the Key Investor Information Document (KIID).

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

Comparative table

Number of shares in issue	30.11.13	30.11.12	30.11.11
A class income	1,227,986	1,494,218	1,804,898
B class income	1,599,419	1,000	-
Net Asset Value (NAV)	£	£	£
Total NAV of sub-fund	27,485,717	25,938,372	29,008,305
NAV attributable to A class income shareholders	25,493,585	25,937,335	29,008,305
NAV attributable to B class income shareholders	1,992,132	1,037	-
Net asset value per share (based on bid value)	p	p	p
A class income	2,076	1,736	1,607
B class income	124.6	103.7	-
Quoted prices (based on mid value)	p	p	p
A class income	2,107	1,762	1,638
B class income	126.7	104.9	-

A class income shares were issued at 1,252p on 30 September 2004.
B class income shares were issued at 100.0p on 31 August 2012.

Performance record

Calendar year		Distribution per share p	Highest price p	Lowest price p
2008	A class income	11.683	2,079	1,071
2009	A class income	12.209	1,574	1,025
2010	A class income	9.773	1,865	1,530
2011	A class income	22.508	1,926	1,610
2012	A class income	22.675	1,791	1,609
2012*	B class income	0.511	107.1	98.56
2013**	A class income	27.024	2,116	1,790
2013**	B class income	2.094	127.2	107.0

* from 31 August 2012 to 30 November 2012
** to 30 November 2013

Distributions in the current and prior year:

A class income

Payment date	p	Payment date	p
31.07.13	10.463	31.07.12	7.879
31.03.14	16.561	31.03.13	14.796

B class income

Payment date	p	Payment date	p
31.07.13	0.870	31.07.12	-
31.03.14	1.224	31.03.13	0.511

Comparative table (continued)

Ongoing charges figure (OCF)

The ongoing charges figure provides investors with a clearer picture of the total annual costs in running a collective investment scheme. The ongoing charges figure consists principally of the ACD's periodic charge and the Investment Adviser's fee which are included in the annual management charge, but also includes the costs for other services paid.

The sub-fund has invested in collective investment schemes and the expenses incurred by these schemes in relation to the sub-fund are included in the ongoing charges calculation. This is known as 'Synthetic OCF'.

A class income	30.11.13	30.11.12
Annual management charge	1.50%	1.50%
Other expenses	0.07%	0.04%
Synthetic OCF	0.08%	0.09%
Ongoing charges figure	1.65%	1.63%

B class income	30.11.13	30.11.12^
Annual management charge	0.75%	0.75%
Other expenses	0.07%	0.03%
Synthetic OCF	0.08%	0.09%
Ongoing charges figure	0.90%	0.87%

^ Annualised based on the expenses incurred during the period 31 August 2012 to 30 November 2012.

Please note the ongoing charges figure is indicative of the charges which the sub-fund may incur in a year as it is calculated on historical data.

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

Financial statements - Smith & Williamson MM Global Investment Fund

Statement of total return

for the year ended 30 November 2013

	Notes	2013 £	2013 £	2012 £	2012 £
Income:					
Net capital gains	2		5,072,073		2,488,939
Revenue	3	581,297		580,562	
Expenses	4	(416,046)		(435,857)	
Net revenue before taxation		165,251		144,705	
Taxation	5	-		-	
Net revenue after taxation			165,251		144,705
Total return before distributions			5,237,324		2,633,644
Finance costs: Distributions	6		(373,264)		(362,636)
Change in net assets attributable to shareholders from investment activities			4,864,060		2,271,008

Statement of change in net assets attributable to shareholders

for the year ended 30 November 2013

	2013 £	2013 £	2012 £	2012 £
Opening net assets attributable to shareholders		25,938,372		29,008,305
Amounts receivable on issue of shares	574,751		98,237	
Amounts payable on cancellation of shares	(3,888,112)		(5,462,389)	
		(3,313,361)		(5,364,152)
Dilution levy		-		23,922
Stamp duty reserve tax		(3,354)		(711)
Change in net assets attributable to shareholders from investment activities		4,864,060		2,271,008
Closing net assets attributable to shareholders		27,485,717		25,938,372

Balance sheet
as at 30 November 2013

	Notes	2013 £	2013 £	2012 £	2012 £
ASSETS:					
Investment assets			27,415,323		25,937,537
Debtors	7	142,788		321,463	
Cash and bank balances	8	160,756		134,122	
Total other assets			303,544		455,585
Total assets			27,718,867		26,393,122
LIABILITIES:					
Creditors	9	(10,207)		(233,660)	
Distribution payable on income shares	6	(222,943)		(221,090)	
Total liabilities			(233,150)		(454,750)
Net assets attributable to shareholders			27,485,717		25,938,372

Notes to the financial statements
as at 30 November 2013

1. Accounting policies
The accounting policies are disclosed in the Notes to the aggregated financial statements.

2. Net capital gains

	2013	2012
	£	£
Non-derivative securities	5,085,131	2,491,355
Currency losses	(10,972)	(1,807)
Transaction charges	(2,086)	(609)
Total net capital gains	5,072,073	2,488,939

3. Revenue

	2013	2012
	£	£
Franked revenue	394,551	422,546
Overseas revenue	103,853	90,685
Interest on debt securities	82,199	66,992
Bank and deposit interest	694	339
Total revenue	581,297	580,562

4. Expenses

	2013	2012
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	398,318	415,156
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	9,812	9,964
Other expenses:		
Audit fee	6,761	6,761
Safe custody fees	1,114	958
FCA fee	91	138
Publication fee	(50)	2,880
	7,916	10,737
Total expenses	416,046	435,857

5. Taxation

	2013	2012
	£	£
a. Analysis of the tax charge for the year		
Total taxation (note 5b)	-	-

b. Factors affecting the tax charge for the year
The tax assessed for the year is lower (2012: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2012: 20%). The differences are explained below:

	2013	2012
	£	£
Net revenue before taxation	165,251	144,705
Corporation tax @ 20%	33,050	28,941
Effects of:		
Franked revenue	(78,911)	(84,509)
Overseas revenue	(20,770)	(18,137)
Excess management expenses	66,631	73,705
Current tax charge (note 5a)	-	-

c. Deferred taxation
At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of asset not recognised is £733,370 (2012: £666,739).

Notes to the financial statements (continued)
as at 30 November 2013

6. Finance costs

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

	2013	2012
	£	£
Interim income distribution	145,504	124,815
Final income distribution	222,943	221,090
	368,447	345,905
Equalisation:		
Amounts deducted on cancellation of shares	11,949	16,951
Amounts added on issue of shares	(7,132)	(220)
Finance costs: Distributions	373,264	362,636
Total finance costs	373,264	362,636

Reconciliation between net revenue and distributions:	2013	2012
	£	£
Net revenue after taxation per Statement of total return	165,251	144,705
Undistributed revenue brought forward	4	5
Expenses paid from capital	208,022	217,930
Undistributed revenue carried forward	(13)	(4)
Finance costs: Distributions	373,264	362,636

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

7. Debtors

	2013	2012
	£	£
Sales awaiting settlement	69,299	255,536
Accrued revenue	73,394	65,927
Prepaid expenses	95	-
Total debtors	142,788	321,463

8. Cash and bank balances

	2013	2012
	£	£
Cash and bank balances	160,709	106,368
Cash on deposit	47	27,754
Total cash and bank balances	160,756	134,122

9. Creditors

	2013	2012
	£	£
Amounts payable on cancellation of shares	1,959	25,642
Purchases awaiting settlement	-	200,300
Accrued expenses:		
Payable to the ACD and associates of the ACD		
ACD's periodic charge	1,105	-
Payable to the Depositary and associates of the Depositary		
Depositary fees	27	-
Other expenses:		
Safe custody fees	188	229
Audit fee	6,762	6,761
Publication fee	-	600
Transaction charges	166	128
Total accrued expenses	8,248	7,718
Total creditors	10,207	233,660

Notes to the financial statements (continued)

as at 30 November 2013

10. Purchases, sales and transaction costs

	2013	2012
	£	£
Purchases excluding transaction costs	4,225,886	3,268,351
Commissions	5,983	6,241
Taxes	7,438	8,186
Total purchase transaction costs *	13,421	14,427
Purchases including transaction costs	4,239,307	3,282,778
Sales excluding transaction costs	7,909,667	7,098,512
Commissions	(11,283)	(12,343)
Taxes	(89)	(83)
Total sales transaction costs *	(11,372)	(12,426)
Sales including transaction costs	7,898,295	7,086,086

* These amounts have been deducted in determining net capital gains.

11. Share classes

The sub-fund currently has two share classes; A class income and B class income. The current annual management charge on each share class is as follows:

A class income:	1.50%
B class income:	0.75%

The annual management charge includes the ACD's periodic charge and the Investment Adviser's fee.

The net asset value of each share class, the net asset value per share, and the number of shares in each class are disclosed in the Comparative table.

On the winding up of a sub-fund all the assets of the sub-fund will be realised and apportioned to the share classes in relation to the net asset value on the closure date. Shareholders will receive their respective share of the proceeds, net of liabilities and the expenses incurred in the termination in accordance with the FCA regulations. Each class has the same rights on winding up.

12. Related party transactions

The related party transactions are disclosed in the Notes to the aggregated financial statements.

There are no related party securities in the portfolio of investments at the balance sheet date (2012: nil).

13. Post balance sheet events

Subsequent to the year end, the net asset value per A class income share has increased from 2,076p to 2,128p and the B class income share has increased from 124.6p to 127.9p as at 6 March 2014. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Financial instruments

In accordance with the investment objective, the sub-fund holds certain financial instruments. These comprise:

- Securities held in accordance with the investment objective and policies

- Cash and short term debtors and creditors arising directly from operations

- There were no derivative transactions in the year

a *Currency exposure*

The foreign currency risk profile of the sub-fund's net assets and liabilities at the balance sheet date is as follows:

	2013	2012
	£	£
Non-monetary exposure:		
US dollar	1,887,251	1,090,266
Singapore dollar	1,374,167	1,277,614
Total non-monetary exposure	3,261,418	2,367,880
Total foreign currency exposure	3,261,418	2,367,880
UK sterling	24,224,299	23,570,492
Total net assets	27,485,717	25,938,372

Notes to the financial statements (continued)

as at 30 November 2013

14. Financial instruments (continued)

b Interest rate risk

The interest rate risk profile of financial assets and liabilities at the balance sheet date is as follows:

	2013	2012
	£	£
Financial assets not carrying interest		
UK sterling	23,523,809	22,621,425
US dollar	1,887,251	1,090,266
Singapore dollar	1,374,167	1,277,614
	26,785,227	24,989,305
Fixed rate financial assets		
UK sterling	772,788	1,269,695
Floating rate financial assets		
UK sterling	160,756	134,122
Financial liabilities not carrying interest		
UK sterling	(233,054)	(454,750)
Total net assets	27,485,717	25,838,372

	2013	2012
Weighted average period to maturity for fixed rate securities:	4.08 years	5.25 years
Weighted average interest rate for fixed rate securities	5.00%	4.51%

The interest rate on bank balances is determined by the following:

UK sterling Bank of England base rate

c Fair value of financial assets and liabilities

Securities held by the sub-fund are valued in accordance with the accounting policies in note 1 of the Notes to the aggregated financial statements. There is no material difference between the fair value and the market value. Other financial assets and liabilities of the Fund are included in the Balance sheet at fair value.

d Global exposure

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

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

Notes to the financial statements (continued)

as at 30 November 2013

15. Risk management policies

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

a Market risk

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

(i) Price risk

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

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

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

(ii) Currency risk

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

The ACD may seek to manage the portfolio exposure to currency movements by using forward currency contracts. There was no exposure to forward currency contracts in the year.

(iii) Interest rate risk profile of financial assets and liabilities

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

The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

During the year the sub-fund's direct exposure to interest rates consisted of cash and bank balances and interest bearing securities.

The value of interest bearing securities may be affected by changes in the interest rate environment, either globally or locally.

Changes in the rate of return in one asset class may influence the valuation basis of other asset classes.

Possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account by the Investment Adviser when making investment decisions. The sub-fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

b Liquidity risk

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

Notes to the financial statements (continued)

as at 30 November 2013

15. Risk management policies (continued)

b Liquidity risk (continued)

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

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

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

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the sub-fund’s assets consist of readily realisable securities.

c Credit risk

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

Transactions in securities entered into by the sub-fund give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. This risk is mitigated by the sub-fund only transacting with brokers who are subject to frequent reviews/limits set, which may be transacted with any one broker.

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

In addition to the interest rate risk, bond investments are exposed to issuer risk which reflects the ability for the bond issuer to meet its obligations to pay interest and return the capital on the redemption date. Change in issuer risk will change the value of the investments and are dealt with further in note 15a.

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

The sub-fund may hold short-term debtors in the form of unsettled subscription amounts, reclaimable tax, outstanding coupon and dividend amounts. The risk from these is deemed to be low.

d Fair value of financial assets and financial liabilities

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

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

e Derivatives

The ACD may employ derivatives with the aim of reducing the risk profile, reducing costs or generating additional capital or revenue, in accordance with efficient portfolio management.

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

During the year no derivative transactions were entered into for the purposes of efficient portfolio management.

f Collective investment schemes

The sub-fund invests in collective investment schemes. Such investments may involve risks not present in direct investments, including, for example, the possibility that an investee collective investment scheme may at any time have economic or business interests or goals which are not fully consistent with those of the sub-fund. Moreover, many alternative investment strategies give themselves significant discretion in valuing securities.

Distribution table

for the year ended 30 November 2013

Distributions on A class income shares in pence per share

Distribution number 17
Group 1 : Shares purchased prior to 1 December 2012
Group 2 : Shares purchased 1 December 2012 to 31 May 2013

Payment date	Distribution type	Net revenue	Equalisation	Distribution 2013	Distribution 2012
Group 1					
31.07.13	interim	10.463	-	10.463	7.879
Group 2					
31.07.13	interim	6.793	3.670	10.463	7.879

Distribution number 18
Group 1 : Shares purchased prior to 1 June 2013
Group 2 : Shares purchased 1 June 2013 to 30 November 2013

Payment date	Distribution type	Net revenue	Equalisation	Distribution 2013	Distribution 2012
Group 1					
31.03.14	final	16.561	-	16.561	14.796
Group 2					
31.03.14	final	10.807	5.754	16.561	14.796

Distributions on B class income shares in pence per share

Distribution number 2
Group 1 : Shares purchased prior to 1 December 2012
Group 2 : Shares purchased 1 December 2012 to 31 May 2013

Payment date	Distribution type	Net revenue	Equalisation	Distribution 2013	Distribution 2012
Group 1					
31.07.13	interim	0.870	-	0.870	-
Group 2					
31.07.13	interim	0.494	0.376	0.870	-

Distribution number 3
Group 1 : Shares purchased prior to 1 June 2013
Group 2 : Shares purchased 1 June 2013 to 30 November 2013

Payment date	Distribution type	Net revenue	Equalisation	Distribution 2013	Distribution 2012
Group 1					
31.03.14	final	1.224	-	1.224	0.511
Group 2					
31.03.14	final	0.457	0.767	1.224	0.511

Equalisation

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

S&W Opportunities Fund
Investment Adviser's report

Investment objective and policy

The investment objective of the sub-fund is to achieve long-term capital growth, together with the generation of income, primarily from a portfolio of equity securities listed on any recognised market in the United Kingdom. The sub-fund may also invest in equities listed on global exchanges in recognised markets. The sub-fund may also invest in other transferable securities, money market instruments, deposits, collective investment schemes and warrants.

The investment policy of the sub-fund is to invest in a spread of equities, principally within the United Kingdom, where there is the expectation of growth. The portfolio of the assets of the sub-fund is expected to include equities which the Investment Adviser believes have “recovery potential”. “Recovery potential” will be interpreted under a wide definition to include not only companies such a cyclicals (companies whose profits and performance historically have been related to the degree of growth in the national economy at any particular time) and industrials (manufacturing rather than service companies) which have significant growth potential from an undervalued position, but also large capitalisation and growth stocks which may have become oversold. The sub-fund may also invest in shares expected to have strong stocks which may have become oversold. The sub-fund may also invest in shares expected to have strong growth in the short term and new issues. It is anticipated that over 50% of the net asset value of the sub-fund will be invested in FTSE 350 companies, the top 350 capitalised quoted companies in the United Kingdom.

At times, depending on market conditions, the sub-fund may also look to invest in transferable securities, money market instruments, deposits, collective investment schemes and warrants. Generally the Investment Adviser will seek to hold ancillary liquid assets and/or fixed income securities such as convertibles, gilts or corporate debt issued by issuers in the United Kingdom and rated at least BBB by Standard and Poors.

Derivative and forward transactions may be used by the sub-fund solely for the purposes of efficient portfolio management.

Investment performance (source: Morningstar Direct)

	1 December 2012 to 4 November 2013
S&W Opportunities Fund	24.40%
FTSE All Share Index	21.10%

The economic picture was dominated by the US Federal Reserve's (Fed) stimulus package and speculation over when tapering may begin. Meanwhile, UK data showed positive signs in the second half of the period suggesting that a gentle recovery was underway.

Consumer stocks generally performed well and International Consolidated Airlines Group was the strongest in the portfolio as significant upgrades led to a share price that more than doubled. SuperGroup appreciated 86% as the clothing brand continues to grow into new markets and Lloyds Banking Group rose 67% as it successfully sold off non-core assets. BT Group was one of the Fund’s largest holdings which made its 62% rise the biggest contributor and this performance was driven by strong cash flow generation and an excellent start to its TV strategy.

The main disappointments came from the Resource sector as worries over Emerging Markets adversely affected Mining shares and Oil & Gas companies remained out of favour.

Investment activity

Activity included increasing exposure to the housing recovery through purchases of Ashtead Group and Crest Nicholson Holdings. ITV and easyJet were added in the consumer space and St James Place was purchased as a beneficiary of the recent regulatory changes in the advice market.

Much of the selling activity was focused on consolidating the number of small cap positions especially in the resource sector. Other sales included; Standard Chartered, Tullow Oil, Reckitt Benckiser Group, Domino’s Pizza Group and Restaurant Group.

S&W Opportunities Fund ceased trading on 4 November 2013 when shareholders received units in Smith & Williamson UK Equity Growth Trust as part of a Scheme of Arrangement and the portfolio of investments were transferred in-specie to Smith & Williamson UK Equity Growth Trust.

Smith & Williamson Investment Management LLP
January 2014

Risk and reward profile

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

Typically lower rewards, lower risk ← → Typically higher rewards, higher risk

1	2	3	4	5	6	7

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

The price of the sub-fund and any income from it can go down as well as up and is not guaranteed. Investors may not get back the amount invested. Past performance is not a guide to the future.

Where the sub-fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. This is usually a greater risk for bonds that produce a higher level of income. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond's market value.

The sub-fund ceased trading on 4 November 2013.

Comparative table

Number of shares in issue	30.11.13	30.11.12	30.11.11
Income shares*	-	1,436,338	1,646,350

* All shares in the sub-fund were cancelled on 4 November 2013 as a result of a Scheme of Arrangement. Participating shareholders received units in Smith & Williamson UK Equity Growth Trust.

Net Asset Value (NAV)	£	£	£
NAV attributable to income shareholders	18,200	15,922,764	16,294,183

Net asset value per share (based on bid value)	p	p	p
Income shares	-	1,109	989.7

Quoted prices (based on mid value)	p	p	p
Income shares	-	1,120	1,005

Shares were issued at 921.1p on 30 September 2004.

Performance record

Calendar year		Distribution per share p	Highest price p	Lowest price p
2008	Income shares	20.657	1,210	689.2
2009	Income shares	16.612	997.6	660.2
2010	Income shares	14.731	1,148	917.8
2011	Income shares	19.717	1,173	936.1
2012	Income shares	20.809	1,124	999.2
2013*	Income shares	19.919	1,378	1,117

* to 4 November 2013

Distributions in the current and prior year:

Payment date	p	Payment date	p
31.07.13	11.517	31.07.12	11.659
24.12.13	8.402	31.03.13	9.150

Ongoing charges figure (OCF)

The ongoing charges figure provides investors with a clearer picture of the total annual costs in running a collective investment scheme. The ongoing charges figure consists principally of the ACD's periodic charge and Investment Adviser's fee which are included in the annual management charge, but also includes the costs for other services paid.

	2013	2012
Annual management charge	0.95%	0.95%
Other expenses	0.16%	0.10%
Ongoing charges figure	1.11%	1.05%

Please note the OCF is indicative of the charges which the sub-fund may incur in a year as it is calculated on historical data.

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

Financial statements - S&W Opportunities Fund

Statement of total return

for the year ended 30 November 2013

	Notes	2013 £	2013 £	2012 £	2012 £
Income:					
Net capital gains	2		3,339,017		1,930,481
Revenue	3	416,942		479,056	
Expenses	4	(157,993)		(168,192)	
Net revenue before taxation		258,949		310,864	
Taxation	5	(358)		(1,041)	
Net revenue after taxation			258,591		309,823
Total return before distributions			3,597,608		2,240,304
Finance costs: Distributions	6		(258,591)		(309,815)
Change in net assets attributable to shareholders from investment activities			3,339,017		1,930,489

Statement of change in net assets attributable to shareholders

for the year ended 30 November 2013

	2013 £	2013 £	2012 £	2012 £
Opening net assets attributable to shareholders		15,922,764		16,294,183
Share exchange issues on inspecie transfers*	(17,147,917)		-	
Amounts payable on cancellation of shares	(2,095,664)		(2,310,732)	
		(19,243,581)		(2,310,732)
Dilution levy		-		8,824
Change in net assets attributable to shareholders from investment activities		3,339,017		1,930,489
Closing net assets attributable to shareholders		18,200		15,922,764

* On 4 November 2013 all shares in the sub-fund were cancelled as part of a Scheme of Arrangement, Whereby all participating shareholders were allocated units in Smith & Williamson UK Equity Income Trust. The portfolio of investments were also transferred in-specie to Smith & Williamson UK Equity Growth Trust on 4 November 2013.

Balance sheet
as at 30 November 2013

	Notes	2013		2012	
		£	£	£	£
ASSETS:					
Investment assets			-		15,167,330
Debtors	7	4,449		37,045	
Cash and bank balances	8	130,256		859,972	
Total other assets			134,705		897,017
Total assets			134,705		16,064,347
LIABILITIES:					
Creditors	9	(10,502)		(10,158)	
Distribution payable on income shares		(106,003)		(131,425)	
Total liabilities			(116,505)		(141,583)
Net assets attributable to shareholders			18,200		15,922,764

Notes to the financial statements

as at 30 November 2013

1. Accounting policies

The accounting policies are disclosed in the Notes to the aggregated financial statements.

2. Net capital gains

	2013	2012
	£	£
Non-derivative securities	3,341,216	1,931,369
Currency gains / (losses)	82	(410)
Transaction charges	(2,281)	(478)
Total net capital gains	3,339,017	1,930,481

3. Revenue

	2013	2012
	£	£
Franked revenue	368,623	445,772
Unfranked revenue	9,153	12,260
Overseas revenue	37,264	20,045
Bank and deposit interest	1,902	979
Total revenue	416,942	479,056

4. Expenses

	2013	2012
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	142,622	152,226
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	5,405	5,769
Other expenses:		
Audit fee	9,760	6,761
Safe custody fees	370	376
FCA fee	136	180
Publication fee	(300)	2,880
	9,966	10,197
Total expenses	157,993	168,192

5. Taxation

	2013	2012
	£	£
a. Analysis of the tax charge for the year		
Overseas tax withheld	358	1,041
Total taxation (note 5b)	358	1,041

b. Factors affecting the tax charge for the year

The tax assessed for the period is lower (2012: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2012: 20%). The differences are explained below:

	2013	2012
	£	£
Net revenue before taxation	258,949	310,864
Corporation tax @ 20%	51,790	62,173
Effects of:		
Franked revenue	(73,725)	(89,155)
Overseas revenue	(7,453)	(4,009)
Overseas tax withheld	358	1,041
Excess management expenses	29,388	30,991
Current tax charge (note 5a)	358	1,041

Notes to the financial statements (continued)
as at 30 November 2013

5. Taxation (continued)

c. Provision for deferred taxation

At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £397,583 (2012: £368,195).

6. Finance costs

Distributions

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

	2013	2012
	£	£
Interim income distribution	147,187	168,079
Final income distribution	106,003	131,425
	253,190	299,504
Equalisation:		
Amounts deducted on cancellation of shares	5,401	10,311
Total finance costs	258,591	309,815

Reconciliation between net revenue and distributions:	2013	2012
	£	£
Net revenue after taxation per Statement of total return	258,591	309,823
Undistributed revenue brought forward	11	3
Undistributed revenue carried forward	(11)	(11)
Finance costs: Distributions	258,591	309,815

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

7. Debtors	2013	2012
	£	£
Accrued revenue	4,271	37,045
Recoverable overseas withholding tax	178	-
Total debtors	4,449	37,045

8. Cash and bank balances	2013	2012
	£	£
Cash and bank balances	130,256	191,024
Cash on deposit	-	668,948
Total cash and bank balances	130,256	859,972

9. Creditors	2013	2012
	£	£
Amounts payable on cancellation of shares	-	2,484
Accrued expenses:		
Safe custody fees	38	90
Audit fee	9,761	6,761
Publication fee	-	600
Transaction charges	703	223
Total accrued expenses	10,502	7,674
Total creditors	10,502	10,158

Notes to the financial statements (continued)

as at 30 November 2013

10. Purchases, sales and transaction costs

	2013	2012
	£	£
Purchases excluding transaction costs	8,718,652	3,914,291
Commissions	16,101	7,701
Taxes	34,459	16,493
Total purchase transaction costs *	50,560	24,194
Purchases including transaction costs	8,769,212	3,938,485
Sales excluding transaction costs	27,284,339	5,945,441
Commissions	(19,574)	(11,265)
Taxes	(72)	(85)
Total sales transaction costs *	(19,646)	(11,350)
Sales including transaction costs	27,264,693	5,934,091

* These amounts have been deducted in determining net capital gains.

11. Share classes
Shares are no longer available for subscription in the sub-fund.

12. Related party transactions
The related party transactions are disclosed in the Notes to the aggregated financial statements.

13. Post balance sheet events
An authorisation order dated 24 January 2014, permits the commencement of termination of the sub-fund.

14. Financial instruments

In accordance with the investment objective, the sub-fund held certain financial instruments. These comprised:

- Securities held in accordance with the investment objective and policies
- Cash and short term debtors and creditors arising directly from operations
- The sub-fund entered into forward currency contracts during the year for the purpose of efficient portfolio management.

a *Currency exposure*

The sub-fund has no exposure to foreign currency at the balance sheet date.

b *Interest rate risk*

The sub-fund has no exposure to interest bearing securities at the balance sheet date.

The interest rate on bank balances is determined by the following:
UK sterling Bank of England base rate

c *Fair value of financial assets and liabilities*

There are no securities held by the sub-fund at the balance sheet date.

d *Global exposure*

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

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

Notes to the financial statements (continued)

as at 30 November 2013

15. Risk management policies

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

a Market risk

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

(i) Price risk

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

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

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

(ii) Currency risk

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

The ACD may seek to manage the portfolio exposure to currency movements by using forward currency contracts.

(iii) Interest rate risk profile of financial assets and liabilities

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

The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

During the year the sub-fund's direct exposure to interest rates consisted of cash and bank balances.

Possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account by the Investment Adviser when making investment decisions. The sub-fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

b Liquidity risk

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

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

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

Notes to the financial statements (continued)

as at 30 November 2013

15 Risk management policies (continued)

b Liquidity risk (continued)

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

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the sub-fund's assets consist of readily realisable securities.

c Credit risk

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

Transactions in securities entered into by the sub-fund give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. This risk is mitigated by the sub-fund only transacting with a large number of brokers who are subject to limits set that may be transacted with any one broker.

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

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

The sub-fund may hold short-term debtors in the form of unsettled subscription amounts, reclaimable tax, outstanding coupon and dividend amounts. The risk from these is deemed to be low.

The sub-fund may transact in derivative contracts which potentially exposes the sub-fund to counterparty risk from the counterparty not settling their side of the contract. Transactions involving derivatives are entered into only with investment banks and brokers with appropriate and approved credit ratings.

d Fair value of financial assets and financial liabilities

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

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

e Derivatives

Derivatives may be used for the purpose of efficient portfolio management with the intention of reducing certain risks which are outlined above.

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

During the year no derivative transactions were entered into for the purposes of efficient portfolio management.

Distribution table

for the year ended 30 November 2013

Distributions on income shares in pence per share

Distribution number 17
Group 1 : Shares purchased prior to 1 December 2012
Group 2 : Shares purchased 1 December 2012 to 31 May 2013

Payment date	Distribution type	Net revenue	Equalisation	Distribution 2013	Distribution 2012
Group 1					
31.07.13	interim	11.517	-	11.517	11.659
Group 2					
31.07.13	interim	11.517	-	11.517	11.659

Distribution number 18*
Group 1 : Shares purchased prior to 1 June 2013
Group 2 : Shares purchased 1 June 2013 to 4 November 2013

Payment date	Distribution type	Net revenue	Equalisation	Distribution 2013	Distribution 2012
Group 1					
24.12.13	final	8.402	-	8.402	9.150
Group 2					
24.12.13	final	8.402	-	8.402	9.150

* The final distribution was paid to shareholders on 24 December 2013 as a result of the Scheme of Arrangement.

S&W UK Growth Fund
Investment Adviser's report

Investment objective and policy

The investment objective of the sub-fund is to achieve long-term capital growth, together with the generation of some income, primarily but not exclusively from a portfolio of equities of FTSE 100 companies, the top 100 capitalised quoted companies in the United Kingdom. The sub-fund may also invest in other transferable securities, money market instruments, deposits, collective investment schemes and warrants.

The sub-fund may also invest in equities listed on global exchanges in Recognised Markets. The sub-fund will typically be fully invested in a spread of equities principally within the United Kingdom. From time to time, depending on market conditions, the sub-fund may invest in transferable securities, money market instruments, deposits, collective investment schemes and warrants. The Investment Adviser will look to invest particularly in fixed income securities (such as certificates of deposit, commercial paper, floating rate notes, variable rate securities, medium term notes, government bills and bonds issued by governments, corporations, financial institutions and multi-government institutions, all of which will be listed or traded on Recognised Markets) which will, principally, be those issued by issuers in the United Kingdom and rated at least BBB by Standard and Poors.

Derivative and forward transactions may be used by the sub-fund solely for the purposes of efficient portfolio management.

Investment performance (source: Morningstar Direct)

	1 December 2012 to 4 November 2013
S&W UK Growth Fund	22.10%
FTSE 100	19.10%

The economic picture was dominated by the US Federal Reserve's (Fed) stimulus package and speculation over when tapering may begin. Meanwhile UK data showed positive signs in the second half of the period suggesting that a gentle recovery was underway.

Consumer stocks generally performed well and International Consolidated Airlines Group was the strongest in the portfolio as significant upgrades led to a share price that more than doubled. Taylor Wimpey appreciated 82% as government initiatives stimulated a recovery in the housing market and Lloyds Banking Group rose 67% as it successfully sold off non-core assets. BT Group was one of the Fund’s largest holdings which made its 62% rise the biggest contributor and this performance was driven by strong cash flow generation and an excellent start to its TV strategy.

The main disappointments came from the Resource sector as worries over Emerging Markets adversely affected Mining shares and Oil & Gas companies remained out of favour.

Investment activity

Activity included increasing exposure to the housing recovery through purchases of Ashtead Group and Crest Nicholson Holdings. ITV and easyjet were added in the consumer space and St James Place was purchased as a beneficiary of the recent regulatory changes in the advice market. Prudential was added as our preferred play on Emerging Markets.

Positions that were sold over the period include; RSA Insurance Group, Standard Chartered, Tullow Oil, Carnival, Diageo, Whitbread and Barclays.

S&W UK Growth Fund ceased trading on 4 November 2013 when shareholders received units in Smith & Williamson UK Equity Growth Trust as part of a Scheme of Arrangement and the portfolio of investments were transferred in-specie to Smith & Williamson UK Equity Growth Trust.

Smith & Williamson Investment Management LLP
January 2014

Risk and reward profile

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

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

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

The price of the sub-fund and any income from it can go down as well as up and is not guaranteed. Investors may not get back the amount invested. Past performance is not a guide to the future.

Where the sub-fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. This is usually a greater risk for bonds that produce a higher level of income. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond's market value.

The sub-fund ceased trading on 4 November 2013.

Comparative table

Number of shares in issue	30.11.13	30.11.12	30.11.11
Income shares*	-	2,590,320	2,814,994

* All shares in the sub-fund were cancelled on 4 November 2013 as a result of a Scheme of Arrangement. Participating shareholders received units in Smith & Williamson UK Equity Growth Trust.

Net Asset Value (NAV)	£	£	£
Total NAV of sub-fund	16,487	20,788,872	21,326,429

Net asset value per share (based on bid value)	p	p	p
Income shares	-	802.6	757.6

Quoted prices (based on mid value)	p	p	p
Income shares	-	811.7	757.8

Shares were issued at 641.0p on 30 September 2004.

Performance record

Calendar year		Distribution per share p	Highest price p	Lowest price p
2008	Income shares	23.919	890.2	470.1
2009	Income shares	17.254	743.1	463.8
2010	Income shares	16.536	833.1	663.5
2011	Income shares	21.097	867.8	694.2
2012	Income shares	19.062	820.8	728.4
2013*	Income shares	13.528	975.9	806.9

* to 4 November 2013

Distributions in the current and prior year:

Income shares

Payment date	p	Payment date	p
31.07.13	8.756	31.07.12	10.223
24.12.13	4.772	31.03.13	8.839

Ongoing charges figure (OCF)

The ongoing charges figure provides investors with a clearer picture of the total annual costs in running a collective investment scheme. The ongoing charges figure consists principally of the ACD's periodic charge and the Investment Adviser's fee which are included in the annual management charge, but also includes the costs for other services paid.

	30.11.13	30.11.12
Annual management charge	0.95%	0.95%
Other expenses	0.11%	0.08%
Ongoing charges figure	1.06%	1.03%

Please note the ongoing charges figure is indicative of the charges which the sub-fund may incur in a year as it is calculated on historical data.

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

Financial statements - S&W UK Growth Fund

Statement of total return

for the year ended 30 November 2013

	Notes	2013 £	2013 £	2012 £	2012 £
Income:					
Net capital gains	2		3,055,065		1,255,624
Revenue	3	361,089		719,462	
Expenses	4	(152,578)		(216,063)	
Net revenue before taxation		208,511		503,399	
Taxation	5	-		(141)	
Net revenue after taxation			208,511		503,258
Total return before distributions			3,263,576		1,758,882
Finance costs: Distributions	6		(208,521)		(503,251)
Change in net assets attributable to shareholders from investment activities			3,055,055		1,255,631

Statement of change in net assets attributable to shareholders

for the year ended 30 November 2013

	2013 £	2013 £	2012 £	2012 £
Opening net assets attributable to shareholders		20,788,872		21,326,429
Share exchange issues on inspecie transfers*	(14,130,138)			
Amounts payable on cancellation of shares	(9,710,717)		(1,797,027)	
		(23,840,855)		(1,797,027)
Dilution levy		13,415		3,839
Change in net assets attributable to shareholders from investment activities		3,055,055		1,255,631
Closing net assets attributable to shareholders		16,487		20,788,872

* On 4 November 2013 all shares in the sub-fund were cancelled as part of a Scheme of Arrangement, Whereby all participating shareholders were allocated units in Smith & Williamson UK Equity Income Trust. The portfolio of investments were also transferred in-specie to Smith & Williamson UK Equity Growth Trust on 4 November 2013.

Balance sheet
as at 30 November 2013

	Notes	2013 £	2013 £	2012 £	2012 £
ASSETS:					
Investment assets			-		19,991,110
Debtors	7	6,712		97,659	
Cash and bank balances	8	90,009		936,628	
Total other assets			96,721		1,034,287
Total assets			96,721		21,025,397
LIABILITIES:					
Creditors	9	(10,327)		(7,567)	
Distribution payable on income shares		(69,907)		(228,958)	
Total liabilities			(80,234)		(236,525)
Net assets attributable to shareholders			16,487		20,788,872

Notes to the financial statements
as at 30 November 2013

1. Accounting policies
The accounting policies are disclosed in the Notes to the aggregated financial statements.

2. Net capital gains

	2013	2012
	£	£
Non-derivative securities	3,057,236	1,255,740
Transaction charges	(2,171)	(116)
Total net capital gains	3,055,065	1,255,624

3. Revenue

	2013	2012
	£	£
Franked revenue	313,223	693,505
Unfranked revenue	5,829	9,880
Overseas revenue	40,057	14,998
Bank and deposit interest	1,980	1,079
Total revenue	361,089	719,462

4. Expenses

	2013	2012
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	137,446	198,238
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	5,208	7,512
Other expenses:		
Audit fee	9,761	6,761
Safe custody fees	327	492
FCA fee	136	180
Publication fee	(300)	2,880
	9,924	10,313
Total expenses	152,578	216,063

5. Taxation

	2013	2012
	£	£
a. Analysis of the tax charge for the year		
Recoverable overseas tax written off	-	141
Total current taxation (note 5b)	-	141

b. Factors affecting the tax charge for the year
The tax assessed for the period is lower (2012: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2012: 20%). The differences are explained below:

	2013	2012
	£	£
Net revenue before taxation	208,511	503,399
Corporation tax @ 20%	41,702	100,680
Effects of:		
Franked revenue	(62,645)	(138,701)
Overseas revenue	(8,011)	(3,000)
Reclaimable overseas tax written off	-	141
Excess management expenses	28,954	41,021
Current tax charge (note 5a)	-	141

Notes to the financial statements (continued)

as at 30 November 2013

5. Taxation (continued)

c. Provision for deferred taxation

At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £441,348 (2012: £412,394).

6. Finance costs

Distributions

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

	2013	2012
	£	£
Interim income distribution	129,851	265,647
Final income distribution	69,907	228,958
	199,758	494,605
Equalisation:		
Amounts deducted on cancellation of shares	8,763	8,646
Total finance costs	208,521	503,251

Reconciliation between net revenue and distributions:	2013	2012
	£	£
Net revenue after taxation per Statement of total return	208,511	503,258
Undistributed revenue brought forward	10	3
Undistributed revenue carried forward	-	(10)
Finance costs: Distributions	208,521	503,251

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

7. Debtors	2013	2012
	£	£
Accrued revenue	6,712	97,659
Total debtors	6,712	97,659

8. Cash and bank balances	2013	2012
	£	£
Cash and bank balances	90,009	189,406
Cash on deposit	-	747,222
Total cash and bank balances	90,009	936,628

9. Creditors	2013	2012
	£	£
Accrued expenses:		
Safe custody fees	19	122
Audit fee	9,761	6,761
Publication fee	-	600
Transaction charges	547	84
Total accrued expenses	10,327	7,567
Total creditors	10,327	7,567

Notes to the financial statements (continued)
as at 30 November 2013

10. Purchases, sales and transaction costs

	2013	2012
	£	£
Purchases excluding transaction costs	6,799,089	2,528,049
Commissions	12,566	5,056
Taxes	27,693	10,071
Total purchase transaction costs *	40,259	15,127
Purchases including transaction costs	6,839,348	2,543,176
Sales excluding transaction costs	29,907,947	3,607,680
Commissions	(31,576)	(7,040)
Taxes	-	(27)
Total sales transaction costs *	(31,576)	(7,067)
Sales including transaction costs	29,876,371	3,600,613

* These amounts have been deducted in determining net capital gains.

11. Share classes
Shares are no longer available for subscription in the sub-fund.

12. Related party transactions

The related party transactions are disclosed in the Notes to the aggregated financial statements.

13. Post balance sheet events
An authorisation order dated 24 January 2014, permits the commencement of termination of the sub-fund.

14. Financial instruments

In accordance with the investment objective, the sub-fund held certain financial instruments. These comprised:

- Securities held in accordance with the investment objective and policies
- Cash and short term debtors and creditors arising directly from operations
- There were no derivative transactions in the year

a *Currency exposure*
The sub-fund has no exposure to foreign currency at the balance sheet date.

b *Interest rate risk*
The sub-fund has no exposure to interest bearing securities at the balance sheet date.

The interest rate on bank balances is determined by the following:
UK sterling Bank of England base rate

c *Fair value of financial assets and liabilities*
There are no securities held by the sub-fund at the balance sheet date.

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

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

Notes to the financial statements (continued)

as at 30 November 2013

15. Risk management policies

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

a Market risk

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

(i) Price risk

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

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

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

(ii) Currency risk

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

The ACD may seek to manage the portfolio exposure to currency movements by using forward currency contracts.

(iii) Interest rate risk profile of financial assets and liabilities

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

The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

During the year the sub-fund's direct exposure to interest rates consisted of cash and bank balances.

Possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account by the Investment Adviser when making investment decisions. The sub-fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

b Liquidity risk

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

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

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

Notes to the financial statements (continued)

as at 30 November 2013

15 Risk management policies (continued)

b Liquidity risk (continued)

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

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the sub-fund's assets consist of readily realisable securities.

c Credit risk

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

Transactions in securities entered into by the sub-fund give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. This risk is mitigated by the sub-fund only transacting with a large number of brokers who are subject to limits set that may be transacted with any one broker.

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

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

The sub-fund may hold short-term debtors in the form of unsettled subscription amounts, reclaimable tax, outstanding coupon and dividend amounts. The risk from these is deemed to be low.

The sub-fund may transact in derivative contracts which potentially exposes the sub-fund to counterparty risk from the counterparty not settling their side of the contract. Transactions involving derivatives are entered into only with investment banks and brokers with appropriate and approved credit ratings.

d Fair value of financial assets and financial liabilities

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

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

e Derivatives

Derivatives may be used for the purpose of efficient portfolio management with the intention of reducing certain risks which are outlined above.

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

During the year no derivative transactions were entered into for the purposes of efficient portfolio management.

Distribution table

for the year ended 30 November 2013

Distributions on income shares in pence per share

Distribution number 17
Group 1 : Shares purchased prior to 1 December 2012
Group 2 : Share purchased 1 December 2012 to 31 May 2013

Payment date	Distribution type	Net revenue	Equalisation	Distribution 2013	Distribution 2012
Group 1					
31.07.13	interim	8.756	-	8.756	10.223
Group 2					
31.07.13	interim	8.756	-	8.756	10.223

Distribution number 18*
Group 1 : Shares purchased prior to 1 June 2013
Group 2 : Shares purchased 1 June 2013 to 4 November 2013

Payment date	Distribution type	Net revenue	Equalisation	Distribution 2013	Distribution 2012
Group 1					
24.12.13	final	4.772	-	4.772	8.839
Group 2					
24.12.13	final	4.772	-	4.772	8.839

* The final distribution was paid to shareholders on 24 December 2013 as a result of the Scheme of Arrangement.

Smith & Williamson Oriental Growth Fund
Investment Adviser's report

Investment objective and policy

The sub-fund aims to achieve long-term capital growth through investment in the markets of the Asia and Pacific region, excluding Japan but including Australasia. The sub-fund will invest in companies quoted on the stock exchanges of the Asia and Pacific Basin region, that the investment manager believes will become market leaders of the future. From time to time, depending on market conditions, the sub-fund may invest in other transferable securities, money market instruments, deposits, collective investment schemes and warrants. Derivative and forward transactions may be used by the sub-fund solely for the purposes of hedging.

Investment performance (source: Morningstar Direct)

Over the last year the price of the shares rose by 5.02%, compared to an increase of 5.54% in the benchmark FTSE AW Asia Pacific Ex Japan TR GBP. Markets have been volatile with the smaller markets of South East Asia performing well until the Federal Reserve started preparing the markets for the gradual exit form quantitative easing during May. Liquidity flows have since reversed and the markets have been weak. Domestic Australian companies have performed well as they should benefit from lower interest rates and a weak Australian dollar.

	1 year to 30 November 2013	3 years to 30 November 2013	5 Years to 30 November 2013
Smith & Williamson Oriental Growth Fund	5.02%	-3.67%	n/a
FTSE AW Asia Pacific ex Japan TR GBP	5.54%	10.24%	133.06%

Investment activity

The main change to the geographic allocation over the last year was the decrease in the weighting to the emerging Association of South East Asian Nations (ASEAN) markets. A year ago the weighting was 20.99% and is currently 4.29%. Indonesia is no longer represented as they are running a current account deficit. In Thailand politics have been the issue, so only two exporters remain in the sub-fund because they are beneficiaries of a weaker Thai Baht and external demand. Both the Australian and Korean weightings have increased to 18.67% and 14.99% respectively from 14.77% and 9.67% a year ago.

Investment strategy and outlook

The rate of Chinese economic growth has slowed but remains within expectations for growth of around 7.5% for this year. The authorities introduced a number of measures to speed up project approvals for select industries such as, telecommunications, health care, oil & gas and technology. However, over the medium term the overall pace of growth is likely to trend lower as the new leaders attempt to rebalance the economy away from fixed asset investment in favour of domestic consumption. It is important to note there are still sectors that should grow above trend such as internet, communications and travel. The sub-fund owns Samsonite International and Haier Electronics Group in these sectors.

In Australia, low interest rates coupled with the recently elected pro business Liberal government has led to an improvement in sentiment and a recovery of the East Coast property market. Countries with current account deficits notably Indonesia and India remain the most vulnerable to capital outflows and weakening currencies. The region is offering value trading on a forward price earnings multiple of 11.5 below the five year average of 12.1.

Smith & Williamson Investment Management Limited
December 2013

Major purchases and sales

for the year ended 30 November 2013

Purchases	Cost £	Sales	Proceeds £
AIA Group	244,368	Sino-Thai Engineering & Construction	385,959
Independence Group	215,571	Taiwan Mobile	311,933
Santos	213,714	Regis Resources	308,093
Bank of Queensland	193,878	Jasmine International	265,247
Geely Automobile Holdings	164,628	Samsung Electronics GDR	237,609
Dongsung Finetec	160,476	Tower Bersama Infrastructure	219,303
Everlight Electronics	155,597	Dongyue Group	204,845
Thanchart Capital	150,356	Tesco Lotus Retail Growth Freehold & Leasehold Property	184,787
HSBC Holdings	145,438	Taiwan Semiconductor Manufacturing ADR	182,072
Duet	143,900	Cambridge Industrial Trust	180,716
Total purchases in the year	8,368,862	Total sales in the year	11,468,712

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

Portfolio statement

as at 30 November 2013

Investment	Nominal value or holding	Market value £	% of total net assets
Equities 96.43% (102.06%)			
Equities - Hong Kong 32.31% (26.89%)			
AIA Group	85,000	263,655	2.91
BOC Hong Kong Holdings	100,000	206,394	2.28
Cheung Kong Holdings	13,000	125,691	1.39
China Communications Services	390,000	156,678	1.73
CIMC Enric Holdings	128,000	132,345	1.46
Citic Telecom International Holdings	893,750	179,879	1.98
Concord Medical Services Holdings	25,000	81,864	0.90
Geely Automobile Holdings	300,000	94,712	1.04
Ginko International	16,000	208,754	2.30
Haier Electronics Group	118,000	169,503	1.87
Hang Lung Properties	45,000	92,344	1.02
HSBC Holdings	21,200	144,820	1.60
Hutchison Whampoa	17,000	132,432	1.46
Kolao Holdings	5,400	92,273	1.02
KrisEnergy	200,000	120,890	1.33
Pacific Online	300,000	82,873	0.91
PetroChina	140,000	101,216	1.12
Phoenix New Media	13,000	75,272	0.83
Prada SpA	16,300	96,231	1.06
Skyworth Digital Holdings	280,000	102,542	1.13
Termbray Petro-King Oilfield Services	228,000	74,321	0.82
Trigiant Group	440,000	94,807	1.05
Wing Hang Bank	11,000	99,409	1.10
Total equities - Hong Kong		2,928,905	32.31
Equities - Australia 18.67% (14.77%)			
Ardent Leisure Group	80,000	88,852	0.98
Australia & New Zealand Banking Group	6,000	106,522	1.18
Bank of Queensland	24,000	162,605	1.79
Challenger	28,000	93,684	1.03
Clinuvel Pharmaceuticals	53,441	38,677	0.43
Coca-Cola Amatil	13,000	87,427	0.96
Computershare	16,000	97,002	1.07
Domino's Pizza Enterprises	17,196	145,993	1.61
Independence Group	40,000	65,693	0.72
IOOF Holdings	20,000	97,091	1.07
Lend Lease Group	24,000	147,507	1.63
Mesoblast	30,000	101,879	1.12
Oil Search	25,000	111,204	1.23
Peet	118,000	89,670	0.99
Santos	11,000	85,734	0.95
Suncorp Group	13,000	95,315	1.05
Transurban Group	20,000	77,940	0.86
Total equities - Australia		1,692,795	18.67
Equities - Singapore 8.04% (11.64%)			
CapitaLand	70,000	103,390	1.14
Courts Asia	240,000	74,289	0.82
Keppel	31,000	170,908	1.88
Keppel Real Estate Investment Trust	1,680	966	0.01
M1	100,000	159,400	1.76
Parkway Life Real Estate Investment Trust	80,000	86,573	0.95
Raffles Medical Group	88,000	133,837	1.48
Total equities - Singapore		729,363	8.04

Portfolio statement (continued)
as at 30 November 2013

Investment	Nominal value or holding	Market value £	% of total net assets
Equities - Thailand 2.43% (10.96%)			
Delta Electronics	135,000	120,400	1.33
SVI PCL	1,400,000	99,887	1.10
Total equities - Thailand		220,287	2.43
Equities - United States 2.22% (1.35%)			
Samsonite International	110,000	200,987	2.22
Total equities - United States		200,987	2.22
Equities - Korea 14.99% (9.67%)			
Dongsung Finetec	20,000	128,373	1.42
Hyundai Greenfood	10,000	99,461	1.10
Hyundai Motor	825	120,220	1.33
Korea Aerospace Industries	7,000	113,136	1.25
LG Household & Health Care	370	116,392	1.28
Medy-Tox	1,700	175,473	1.94
Samsung Electronics	280	241,735	2.67
Samsung Electronics GDR	235	101,045	1.11
Samsung Life Insurance	2,500	147,456	1.63
Silin Works	8,000	114,264	1.26
Total equities - Korea		1,357,555	14.99
Equities - Taiwan 9.25% (7.33%)			
Chipbond Technology	63,000	80,373	0.89
Everlight Electronics	151,000	172,659	1.90
Makalot Industrial	31,000	106,403	1.17
Taiwan Semiconductor Manufacturing ADR	25,000	268,852	2.96
Yungtay Engineering	60,000	114,137	1.26
Zeng Hsing Industrial	27,649	97,474	1.07
Total equities - Taiwan		839,898	9.25
Equities - Indonesia 0.00% (6.06%)		-	-
Equities - India 2.89% (6.38%)			
ICICI Bank ADR	5,000	105,552	1.16
Larsen & Toubro GDR	5,700	57,461	0.63
Tata Motors	5,000	100,135	1.10
Total equities - India		263,148	2.89
Equities - Phillipines 1.86% (3.97%)			
Ayala Land	200,000	78,061	0.86
Ayala Land preferred shares*	450,000	-	-
Universal Robina	54,000	90,966	1.00
Total equities - Phillipines		169,027	1.86
Equities - Malaysia 3.77% (3.04%)			
AEON Credit Service M Bhd	27,300	79,058	0.87
Axiata Group	115,000	146,219	1.61
Oldtown	240,000	116,596	1.29
Total equities - Malaysia		341,873	3.77
Total equities		8,480,690	96.43
Portfolio of investments		8,743,838	96.43
Other net assets		324,049	3.57
Total net assets		9,067,887	100.00

All investments are quoted securities unless otherwise stated.

The comparative percentage figures in brackets are as at 30 November 2012.

*Ayala Land preferred shares are valued at zero as the shares cannot be traded.

Risk and reward profile

The risk and reward profile relates to both share classes.

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

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

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

The price of the sub-fund and any income from it can go down as well as up and is not guaranteed. Investors may not get back the amount invested. Past performance is not a guide to the future.

Investments in emerging markets may involve greater risks due to political and economic instability and underdeveloped markets and systems. This means your money may be at greater risk of loss.

Where the sub-fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. This is usually a greater risk for bonds that produce a higher level of income. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond's market value.

Where the sub-fund invests in warrants, these may be hard to buy and sell and their prices may move up and down suddenly. This could significantly impact investment performance.

For further information please refer to the Key Investor Information Document (KIID).

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

Comparative table

Number of shares in issue	30.11.13	30.11.12	30.11.11
A accumulation	6,586,804	8,588,785	10,125,821
B accumulation	264,223	2,000	2,000
Net Asset Value (NAV)	£	£	£
Total NAV of sub-fund	9,067,887	10,915,081	11,593,162
NAV attributable to A accumulation shareholders	8,798,594	10,913,158	11,591,442
NAV attributable to B accumulation shareholders	269,293	1,923	1,720
Net asset value per share (based on bid value)	p	p	p
A accumulation	133.6	127.1	114.5
B accumulation	101.9	96.15	86.02
Quoted prices (based on mid value)	p	p	p
A accumulation	133.9	127.5	114.9
B accumulation	102.2	96.49	86.29

A accumulation shares were issued at 100.0p on 30 October 2009.
B accumulation shares were issued at 100.0p on 8 June 2011.

Performance record

Calendar year		Distribution per share p	Highest price p	Lowest price p
2008	A accumulation	1.000	100.0	100.0
2009*	A accumulation	-	109.3	99.10
2010	A accumulation	0.915	145.1	99.81
2011	A accumulation	0.589	146.9	106.7
2011**	B accumulation	0.617	104.9	80.03
2012	A accumulation	1.341	131.1	113.1
2012	B accumulation	1.708	99.29	85.27
2013***	A accumulation	1.692	152.5	125.2
2013***	B accumulation	2.139	115.8	95.21

* from 30 October 2009 to 31 December 2009
** from 8 June 2011 to 31 December 2011
*** to 30 November 2013

Distributions in the current and prior year:

	Allocation date	p	Allocation date	p
A accumulation	31.07.13	1.278	31.07.12	0.406
	31.03.14	0.414	31.03.13	0.935
B accumulation	31.07.13	1.372	31.07.12	0.669
	31.03.14	0.767	31.03.13	1.039

Ongoing charges figure (OCF)

The ongoing charges figure provides investors with a clearer picture of the total annual costs in running a collective investment scheme. The ongoing charges figure consists principally of the ACD's periodic charge and the Investment Adviser's fee which are included in the annual management charge, but also includes the costs for other services paid.

A accumulation	2013	2012
Annual management charge	1.50%	1.50%
Other expenses	0.21%	0.22%
Ongoing charges figure	1.71%	1.72%

B accumulation	2013	2012
Annual management charge	0.75%	0.75%
Other expenses	0.21%	0.23%
Ongoing charges figure	0.96%	0.98%

Please note the ongoing charges figure is indicative of the charges which the share classes may incur in a year as it is calculated on historical data.

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

Financial statements - Smith & Williamson Oriental Growth Fund

Statement of total return

for the year ended 30 November 2013

	Notes	2013 £	2013 £	2012 £	2012 £
Income:					
Net capital gains	2		514,917		1,070,157
Revenue	3	335,286		341,613	
Expenses	4	(177,741)		(194,555)	
Finance costs: Interest	6	(4)		-	
Net revenue before taxation		157,541		147,058	
Taxation	5	(17,281)		(20,323)	
Net revenue after taxation			140,260		126,735
Total return before distributions			655,177		1,196,892
Finance costs: Distributions	6		(140,270)		(126,734)
Change in net assets attributable to shareholders from investment activities			514,907		1,070,158

Statement of change in net assets attributable to shareholders

for the year ended 30 November 2013

	2013 £	2013 £	2012 £	2012 £
Opening net assets attributable to shareholders		10,915,081		11,593,162
Amounts receivable on issue of shares	296,975		333,287	
Amounts payable on cancellation of shares	(2,799,760)		(2,201,856)	
		(2,502,785)		(1,868,569)
Dilution levy		6,616		-
Stamp duty reserve tax		-		(23)
Change in net assets attributable to shareholders from investment activities		514,907		1,070,158
Retained accumulation distributions		134,068		120,353
Closing net assets attributable to shareholders		9,067,887		10,915,081

Balance sheet
as at 30 November 2013

	Notes	2013 £	2013 £	2012 £	2012 £
ASSETS:					
Investment assets			8,743,838		11,140,388
Debtors	7	80,684		64,494	
Cash and bank balances	8	354,325		225,090	
Total other assets			435,009		289,584
Total assets			9,178,847		11,429,972
LIABILITIES:					
Creditors	9	(110,960)		(514,891)	
Total liabilities			(110,960)		(514,891)
Net assets attributable to shareholders			9,067,887		10,915,081

Notes to the financial statements

as at 30 November 2013

1. Accounting policies

The accounting policies are disclosed in the Notes to the aggregated financial statements.

2. Net capital gains

	2013	2012
	£	£
Non-derivative securities	571,563	1,073,297
Currency (losses) / gains	(40,156)	4,701
Forward currency contracts	(8,665)	-
Transaction charges	(7,825)	(7,841)
Total net capital gains	514,917	1,070,157

3. Revenue

	2013	2012
	£	£
Franked revenue	-	4,630
Overseas revenue	250,242	310,172
Interest on debt securities	10	-
Bank and deposit interest	163	433
Stock dividends	84,871	26,378
Total revenue	335,286	341,613

4. Expenses

	2013	2012
	£	£
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	163,252	176,584
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	3,939	4,238
Other expenses:		
Audit fee	6,761	6,761
Safe custody fees	3,748	3,915
FCA fee	91	177
Publication fee	(50)	2,880
	10,550	13,733
Total expenses	177,741	194,555

5. Taxation

	2013	2012
	£	£
a. Analysis of the tax charge for the year		
Overseas tax withheld	17,281	20,323
Total current taxation (note 5b)	17,281	20,323

b. Factors affecting the tax charge for the year

The tax assessed for the period is lower (2012: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2012: 20%). The differences are explained below:

	2013	2012
	£	£
Net revenue before taxation	157,541	147,058
Corporation tax @ 20%	31,508	29,412
Effects of:		
Franked revenue	-	(926)
Overseas revenue	(63,591)	(67,310)
Overseas tax withheld	17,281	20,323
Excess management expenses	32,083	38,824
Current tax charge (note 5a)	17,281	20,323

Notes to the financial statements (continued)

as at 30 November 2013

5. Taxation (continued)

c. Provision for deferred taxation

At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of asset not recognised is £145,399 (2012: £113,316).

The prior year excess management expense has been restated due to Singapore REITS dividends being re-classified as overseas taxable revenue.

6. Finance costs

Distributions and interest

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

	2013	2012
	£	£
Interim accumulation distribution	104,772	40,027
Final accumulation distribution	29,296	80,326
	134,068	120,353
Equalisation:		
Amounts deducted on cancellation of shares	6,733	6,674
Amounts added on issue of shares	(531)	(293)
Finance costs: Distributions	140,270	126,734
Finance costs: Interest	4	-
Total finance costs	140,274	126,734

Reconciliation between net revenue and distributions:	2013	2012
	£	£
Net revenue after taxation per Statement of total return	140,260	126,735
Undistributed revenue brought forward	17	16
Undistributed revenue carried forward	(7)	(17)
Finance costs: Distributions	140,270	126,734

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

7. Debtors

	2013	2012
	£	£
Sales awaiting settlement	68,824	53,119
Accrued revenue	11,765	11,375
Prepaid expenses	95	-
Total debtors	80,684	64,494

8. Cash and bank balances

	2013	2012
	£	£
Cash and bank balances	354,315	225,090
Cash on deposit	10	-
Total cash and bank balances	354,325	225,090

Notes to the financial statements (continued)
as at 30 November 2013

9. Creditors

	2013	2012
	£	£
Amounts payable on cancellation of shares	47,654	503,315
Purchases awaiting settlement	54,743	421
Accrued expenses:		
Payable to the ACD and associates of the ACD		
Annual management charge	368	-
Payable to the Depositary and associates of the Depositary		
Depositary fees	9	-
Safe custody fees	481	1,056
Audit fee	6,761	6,761
Publication fee	-	600
Transaction charges	944	2,738
Total accrued expenses	8,563	11,155
Total creditors	110,960	514,891

10. Purchases, sales and transaction costs

	2013	2012
	£	£
Purchases excluding transaction costs	8,338,650	11,638,096
Commissions	28,350	38,620
Taxes	1,862	3,967
Total purchase transaction costs *	30,212	42,587
Purchases including transaction costs	8,368,862	11,680,683
Sales excluding transaction costs	11,517,518	12,103,352
Commissions	(45,157)	(45,499)
Taxes	(3,649)	(7,353)
Total sales transaction costs *	(48,806)	(52,852)
Sales including transaction costs	11,468,712	12,050,500

* These amounts have been deducted in determining net capital gains.

11. Share classes

The sub-fund currently has two share classes; A accumulation and B accumulation. The current annual management charge on each share class is as follows:

A accumulation	1.50%
B accumulation	0.75%

The annual management charge includes the ACD's periodic charge and the Investment Adviser fee.

The net asset value of each share class, the net asset value per share, and the number of shares in each class are disclosed in the Comparative table.

On the winding up of a sub-fund all the assets of the sub-fund will be realised and apportioned to the share classes in relation to the net asset value on the closure date. Shareholders will receive their respective share of the proceeds, net of liabilities and the expenses incurred in the termination in accordance with the FCA regulations. Each class has the same rights on winding up.

12. Related party transactions

The related party transactions are disclosed in the Notes of the aggregated financial statements.

There are no related party securities held in the portfolio of investments at the balance sheet date (2012: nil).

Notes to the financial statements (continued)
as at 30 November 2013

13. Post balance sheet events

Subsequent to the year end, the net asset value per A accumulation share has increased from 133.6p to 133.9p and the B accumulation share has increased from 101.9p to 102.4p as at 6 March 2014. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Financial instruments

In accordance with the investment objective, the sub-fund holds certain financial instruments. These comprise:

- Securities held in accordance with the investment objective and policies
- Cash and short term debtors and creditors arising directly from operations
- There were no derivative transactions in the year

a *Currency exposure*

The foreign currency risk profile of the sub-fund's net assets and liabilities at the balance sheet date is as follows:

	2013	2012
	£	£
Monetary exposure:		
Australian dollar	77,995	547
Hong Kong dollar	1,308	5,028
Indonesian	1	-
Korean	9	-
Singapore dollar	17,985	58,020
Taiwan dollar	35,818	2,143
Thailand baht	-	1,318
US dollar	156,232	158,484
Total monetary exposure	289,348	225,540
Non-monetary exposure:		
Australian dollar	1,692,795	1,613,214
Hong Kong dollar	2,550,839	2,910,600
Indonesian rupiah	-	661,115
Korean won	1,348,782	811,164
Malaysian ringgit	341,873	331,670
Philippine peso	169,028	433,359
Singapore dollar	850,253	1,271,278
Taiwan dollar	779,800	971,904
Thailand baht	220,288	1,195,545
US dollar	790,180	940,539
Total non-monetary exposure	8,743,838	11,140,388
Total foreign currency exposure	9,033,186	11,365,928
UK sterling	34,701	(450,547)
Total net assets	9,067,887	10,915,381

b *Interest rate risk*

The sub-fund has no exposure to interest bearing securities at the balance sheet date.

The interest rate on bank balances is determined by the following:

UK sterling	Bank of England base rate
Indonesian rupiah	Bank of Indonesia
Korean won	Bank of Korea
Singapore dollar	Monetary Authority of Singapore
Taiwanese dollar	Central Bank of Republic of China
US dollar	US Federal Reserve

Notes to the financial statements (continued)

as at 30 November 2013

14. Financial instruments (continued)

c Fair value of financial assets and liabilities

Securities held by the sub-fund are valued in accordance with the accounting policies in note 1 of the Notes to the aggregated financial statements. There is no material difference between the fair value and the market value. Other financial assets and liabilities of the Fund are included in the Balance sheet at fair value.

d Global exposure

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

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

15. Risk management policies

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

a Market risk

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

(i) Price risk

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

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

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

(ii) Currency risk

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

The ACD may seek to manage the portfolio exposure to currency movements by using forward currency contracts.

Forward currency contracts are also used to help the sub-fund achieve its investment objective as stated in the Prospectus. The ACD monitors the exposure to these contracts to ensure they are in keeping with the investment objective.

(iii) Interest rate risk profile of financial assets and liabilities

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

During the year the Fund's direct exposure to interest rates consisted of cash and bank balances.

The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

Possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account by the Investment Adviser when making investment decisions. The sub-fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

Notes to the financial statements (continued)

as at 30 November 2013

15. Risk management policies (continued)

b Liquidity risk

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

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

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

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

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the Fund's assets consist of readily realisable securities.

c Credit risk

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

Transactions in securities entered into by the sub-fund give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. This risk is mitigated by the sub-fund only transacting with a large number of brokers who are subject to limits set that may be transacted with any one broker.

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

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

The sub-fund may hold short-term debtors in the form of unsettled subscription amounts, reclaimable tax, outstanding coupon and dividend amounts. The risk from these is deemed to below.

The sub-fund may transact in derivative contracts which potentially exposes the sub-fund to counterparty risk from the counterparty not settling their side of the contract. Transactions involving derivatives are entered into only with investment banks and brokers with appropriate and approved credit rating.

d Fair value of financial assets and financial liabilities

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

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

e Derivatives

The sub-fund may employ derivatives with the aim of reducing the risk profile, reducing costs or generating additional capital or revenue, in accordance with efficient portfolio management.

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

During the year no derivative transactions were entered into for the purposes of efficient portfolio management.

Distribution table

for the year ended 30 November 2013

Distributions on A accumulation shares in pence per share

Distribution number 7
Group 1 : Shares purchased prior to 1 December 2012
Group 2 : Shares purchased 1 December 2012 to 31 May 2013

Allocation date	Distribution type	Net revenue	Equalisation	Distribution allocated 2013	Distribution allocated 2012
Group 1					
31.07.13	interim	1.278	-	1.278	0.406
Group 2					
31.07.13	interim	1.096	0.182	1.278	0.406

Distribution number 8
Group 1 : Shares purchased prior to 1 June 2013
Group 2 : Shares purchased 1 June 2013 to 30 November 2013

Allocation date	Distribution type	Net revenue	Equalisation	Distribution allocated 2014	Distribution allocated 2013
Group 1					
31.03.14	final	0.414	-	0.414	0.935
Group 2					
31.03.14	final	0.134	0.280	0.414	0.935

Equalisation

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

Accumulation distributions

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

Distribution table (continued)

for the year ended 30 November 2013

Distributions on B accumulation shares in pence per share

Distribution number 4
Group 1 : Shares purchased prior to 1 December 2012
Group 2 : Shares purchased 1 December 2012 to 31 May 2013

Allocation date	Distribution type	Net revenue	Equalisation	Distribution allocated 2013	Distribution allocated 2012
Group 1					
31.07.13	interim	1.372	-	1.372	0.669
Group 2					
31.07.13	interim	1.372	-	1.372	0.669

Distribution number 5
Group 1 : Shares purchased prior to 1 June 2013
Group 2 : Shares purchased 1 June 2013 to 30 November 2013

Allocation date	Distribution type	Net revenue	Equalisation	Distribution allocated 2014	Distribution allocated 2013
Group 1					
31.03.14	final	0.767	-	0.767	1.039
Group 2					
31.03.14	final	0.740	0.027	0.767	1.039

Equalisation

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

Accumulation distributions

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

Further information

Distributions and reporting dates

Where net revenue is available it will be distributed/allocated semi-annually on 31 March (final) and 31 July (interim). In the event of a distribution, shareholders will receive a tax voucher.

XD dates:	1 December	final
	1 June	interim
Reporting dates:	30 November	annual
	31 May	interim

Shareholders will receive a short report within four months of the annual reporting date and within two months of the interim reporting date.

Buying and selling shares

The property of the sub-funds is valued at 12 noon on every business day and prices of shares are calculated as at that time. Share dealing is on a forward basis i.e. investors can buy and sell shares at the next valuation point following receipt of the order.

Prices of shares and the estimated yield of the sub-funds are published on the following website: www.fundlistings.com or may be obtained from the ACD by calling 0141 222 1150.

Management charges

	Minimum initial Investment	*Minimum subsequent investment*	*Minimum holding*	*Initial charge*	*Annual management charge*
Smith & Williamson Global Gold & Resources Fund:					
A class income shares	£1,000	£500	£1,000	5.00%	1.75%
B class income shares	£250,000	£500	£250,000	0.00%	1.00%
Smith & Williamson MM Global Investment Fund:					
A class income shares	£1,000	£500	£1,000	5.00%	1.50%
B class income shares	£250,000	£500	£250,000	0.00%	0.75%
Smith & Williamson Oriental Growth Fund:					
A accumulation shares	£1,000	£500	£1,000	5.00%	1.50%
B accumulation shares	£250,000	£500	£250,000	0.00%	0.75%

There is no minimum withdrawal from the sub-funds providing the minimum holding is maintained.

Capital Gains Tax

Authorised collective investment schemes, such as the Company are exempt from capital gains tax.

You may be liable to capital gains tax when you sell all or some of your shares if your total gains in the relevant tax year exceed the annual exemption. For the tax year 2013/2014 the first £10,900 of any gains is exempt for UK individuals and certain companies.

If investors are in any doubt as to their taxation position they should consult their professional adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.

Any references in this report to other investments held within the Fund should not be read as a recommendation to the investor to buy or sell, but are included as illustrations only. This is not an offer nor a solicitation to buy or sell any investment referred to in this document. The issuer and its affiliates and/or their officers, directors and employees may own or have positions in any investment mentioned herein or any investment related thereto and from time to time may add to or dispose of any such investment. The contents of this document are based upon sources of information believed to be reliable but no guarantee, warranty or representation, express or implied, is given to their accuracy or completeness.

Appointments

Authorised Corporate Director ("ACD") and Registered office
Smith & Williamson Fund Administration Limited
25 Moorgate
London EC2R 6AY
Telephone: 020 7131 4000
Authorised and regulated by the Financial Conduct Authority

Administrator and Registrar
Smith & Williamson Fund Administration Limited
206 St. Vincent Street
Glasgow G2 5SG
Telephone: 0141 222 1151 (Registration)
0141 222 1150 (Dealing)
Authorised and regulated by the Financial Conduct Authority

Directors of the ACD
Giles Murphy
Jeremy Boadle
Michael Lea
Gareth Pearce - resigned 26 September 2013
Kevin Stopps
Paul Wyse
Tim Lyford
Philip Moody
David Cobb - appointed 26 September 2013
Jocelyn Dalrymple

Investment Advisers
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Authorised and regulated by the Financial Conduct Authority

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