

RIVER AND MERCANTILE
ASSET MANAGEMENT

River and Mercantile Funds ICVC
Interim Long Report for the Period Ended
30 September 2013

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

Company Information

Company	River and Mercantile Funds ICVC
Registered Office	30 Coleman Street, London, EC2R 5AL
Administrator and Registrar	The Bank of New York Mellon (International) Limited, BNY Mellon House, Ingrave Road, Brentwood, Essex CM15 8TG
Authorised Corporate Director ('ACD')	River and Mercantile Asset Management LLP
Designated Members of River and Mercantile Asset Management LLP	James Edward Ellis Barham Julian Christopher Cripps John Lionel Beckwith Mark Christopher Johnson
Depository	BNY Mellon Trust & Depository (UK) Limited, The Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA

The Authorised Corporate Director's Report

The Authorised Corporate Director presents its report and financial statements of the Company for the period ended 30 September 2013.

Incorporation

The Company is an investment company with variable capital incorporated under the OEIC Regulations. The Company is incorporated in England and Wales with registered number IC000489. The head office of the Company is 30 Coleman Street, London, EC2R 5AL. This is also the address for the service on the Company of notices or other documents required or authorised to be served on it.

The Company shall issue shares in the following Funds:

- River and Mercantile UK Equity High Alpha Fund
- River and Mercantile UK Equity Smaller Companies Fund
- River and Mercantile UK Equity Unconstrained Fund
- River and Mercantile UK Equity Long Term Recovery Fund
- River and Mercantile UK Equity Income Fund
- River and Mercantile World Recovery Fund
- River and Mercantile Global Equity Fund
- River and Mercantile Global Opportunities Fund
- River and Mercantile Global High Income Fund

Principal Activities

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

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

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

Director's Statement

The financial statements are set out in detail in the relevant sections of this report.

**With effect from 1 April 2013 the Financial Services Authority (FSA) ceased to exist and was replaced by the Financial Conduct Authority (FCA).



Mr James Barham
15 November 2013



Mr Julian Cripps

As I sit down to write this report I am drawn to recent news flow emanating from our proud, if not somewhat flawed, press corps. A large article featured in one of the leading broadsheets, espousing the recent conversion of an individual known as Tommy Robinson, the reviled former leader of the English Defence League (EDL), to an organisation known as Quilliam, a supposed anti-extremism think tank set up by a former member of Hizb ut-Tahir, the radical Islamic group, with the combined objectives of countering extremist views, not with violence, but with better democratic ideas. Whilst we would all applaud the reduction in extremism in all its forms, what struck me as somewhat extreme in itself was the extent of coverage this unlikely conversion received, especially when compared to the genuinely exciting news emanating from British science and the positive impact that this will have, not just for our society but for all those who inhabit this world regardless of race, religion or, we hope, wealth. Tucked away in an article a fraction of the size and prominence of that devoted to the erstwhile Tommy Robinson, was a short article highlighting three recent exciting scientific developments. The first statement was that a commonly used drug for Parkinson's disease reverses the symptoms of MS, this was followed by the announcement from the Medical Research Council toxicology unit of research evidencing the ability to arrest neurone degeneration, and finally the announcement from GSK that it was seeking regulatory approval for the world's first malaria vaccine. As I'm sure you can appreciate, all of these are very exciting and potentially life changing developments. The MS news emanates from the Scripps Research Institute in America, but the rest are British. It may come as a surprise to many that we produce 14% of the world's most influential science papers and we are second only to the US in terms of scientific research.

This is news that should be widely publicised and should force the less pleasant elements of our society into the darker corners from whence they crawled. Britain has much of which we should be proud; market leading companies, exceptional scientific expertise, leading engineering excellence and, whilst we have suffered alongside other global economies, we are beginning to see signs that the recovery is beginning to take effect. The British Chambers of Commerce (BCC) said the results of its quarterly survey mean that it was likely to revise up its GDP forecasts for 2014. The quarterly survey is based on responses from 7,400 companies, making it the UK's largest business survey. On the basis of the results, the BCC estimates that GDP growth will be in the region of 0.9% and 1% in the third quarter. The survey reported that employment prospects are brighter. A balance of 26% of services firms were planning to increase staffing in the next three months, the highest reading since 2007. For manufacturing, the reading was 29%, the highest since the survey began in 1989.

The UK stock market, upon which many of our great companies are traded, has continued to recover, reflecting the strength of the underlying corporate sector and the ability of these companies to trade competitively on a global basis. Whilst the UK economy has some well documented challenges there are clear signs that the Treasury prescribed medicine is beginning to work. As highlighted in the BCC survey, the combination of a strong corporate recovery aligned with fiscal and monetary prudence, the reduction of the crippling levels of sovereign and personal debt should ensure that those exceptional scientific discoveries buried behind more sensationalist copy soon become front page news in their own right.

The first six months of the financial year has seen a number of breakthroughs for River and Mercantile (R&M). We have seen healthy growth in our domestic market and the performance of our UK equity portfolios has been exceptionally strong. We have continued to develop our range of products and earlier this year we launched the next stage in the Recovery franchise with the debut of the World Recovery Fund. This fund has grown strongly over the last six months to almost £70m at 30 September 2013 and has delivered some very powerful performance in both relative and absolute terms. Our Global strategies have continued to deliver healthy returns over the year and we continue to strive to ensure that, in spite of some short-term performance volatility, our portfolios are well positioned to deliver longer-term growth. Assets invested in the OEIC have risen to £1.1bn and now represent 57% of R&M's total assets.

Our strategy to develop our distribution capabilities overseas has continued over the period. We have signed a strategic alliance with Challenger, the Australian listed financial services company, and we have launched a regulated Australian unit trust which has been seeded by Challenger, ultimately to the tune of AU\$50m. This is a significant development and ensures that we can target the broader wholesale market in Australia alongside the work we are undertaking with the institutional clients.

River View

In the US we established R&M LLC at the end of 2012 and we are beginning to see some positive interaction with US based consultants and investors and we hope that over the next year we will see some strong growth emanating from this market.

I would like to thank all those who have continued to invest in our funds and I look forward to writing to you again at the end of our financial year.



James Barham
CEO
River and Mercantile Asset Management LLP

Aggregated Financial Statements of the River and Mercantile Funds ICVC

Aggregated Statement of Total Return for the period ended 30 September 2013

	1 April 2013 to 30 September 2013		1 April 2012 to 30 September 2012	
	£	£	£	£
Income				
Net capital gains		94,474,241		4,002,823
Revenue	16,144,555		12,484,628	
Expenses	(3,331,475)		(1,912,895)	
Finance costs: Interest	(4,411)		(1,379)	
Net revenue before taxation for the period	12,808,669		10,570,354	
Taxation	(434,434)		(400,831)	
Net revenue after taxation for the period		12,374,235		10,169,523
Total return before distributions		106,848,476		14,172,346
Finance costs: Distributions		(12,296,383)		(10,357,930)
Change in net assets attributable to Shareholders from investment activities		94,552,093		3,814,416

Aggregated Statement of Change in Net Assets attributable to Shareholders for the period ended 30 September 2013

	1 April 2013 to 30 September 2013		1 April 2012 to 30 September 2012	
	£	£	£	£
Opening net assets attributable to Shareholders		1,001,523,872		759,011,668
Amounts received on creation of shares	133,547,128		96,630,506	
Amounts paid on cancellation of shares	(119,745,224)		(42,888,941)	
		13,801,904		53,741,565
Stamp Duty Reserve Tax		(127,803)		(56,011)
Change in net assets attributable to Shareholders from investment activities		94,552,093		3,814,416
Retained distribution on accumulation shares		9,406,125		8,923,006
Closing net assets attributable to Shareholders		1,119,156,191		825,434,644

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

Aggregated Financial Statements of the River and Mercantile Funds ICVC

Aggregated Balance Sheet as at 30 September 2013

	30 September 2013		31 March 2013	
	£	£	£	£
ASSETS				
Investment assets		1,112,998,007		990,625,880
Debtors	29,150,029		22,670,938	
Cash and bank balances	9,840,555		12,015,272	
Total other assets		<u>38,990,584</u>		<u>34,686,210</u>
Total assets		<u>1,151,988,591</u>		<u>1,025,312,090</u>
LIABILITIES				
Investment liabilities		(13,020)		(225,786)
Creditors	(28,910,978)		(21,831,191)	
Bank overdrafts	(583,958)		(88,603)	
Distribution payable on distribution shares	(3,324,444)		(1,642,638)	
Total other liabilities		<u>(32,819,380)</u>		<u>(23,562,432)</u>
Total liabilities		<u>(32,832,400)</u>		<u>(23,788,218)</u>
Net assets attributable to Shareholders		<u>1,119,156,191</u>		<u>1,001,523,872</u>

The aggregated financial statements represent the sum of the individual sub-funds within the umbrella Company. Further analysis of the distribution and the net asset position can be found within the financial statements of the individual sub-funds.

Notes to the Financial Statements

1 Accounting policies

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

The accounting policies are consistent with those of the financial statements for the year ended 31 March 2013 and are described in those annual financial statements.

River and Mercantile UK Equity High Alpha Fund

Investment Objective and Policy

The investment objective of the sub-fund is to achieve capital growth by investing in a focused portfolio of investments which shall primarily consist of UK equities which offer the prospect of superior long term growth.

Investment Manager's Review

Portfolio Review & Activity

The River and Mercantile UK High Alpha Z share class returned 14.00% over the six months to 30 September 2013, compared with the FTSE All-Share Index which returned 3.84%.

The start of the six month period saw increased market volatility as investors were caught off guard by the prospect of the US Federal Reserve dialling back its \$85 billion per month quantitative easing programme. The resulting rise in government bond yields was not a particular surprise, more the speed of the rise and the associated volatility. The reaction of equity markets was mixed, with a positive response to robust economic data emanating from the USA, rising to new post credit-crunch peaks during June. But, as bond prices became more volatile, and yields backed-up more aggressively, so the equity market reacted more nervously. However, investor appetite for risk returned towards the end the six month period as equity markets gradually got used to the idea of "tapering", allowing equities to perform strongly, particularly in the eurozone which took its first tentative step towards recovery.

Smaller companies stock picking contributed largely to the outperformance with Blinkx, Optimal Payments, STV, ISG, RM and Pendragon being the portfolio's strongest performers over the period. Our overweight UK Financials positioning also contributed to over 2% of the outperformance, with Lloyds Bank, Royal Bank of Scotland and Standard Chartered being among the portfolio's top performers.

During the six month period we continued to increase our position in recovery banking stocks, in particular we added to our position in UK Financial Services company Lloyds Bank, making the holding the portfolio's third largest position accounting for 3.4% of capital. We remain high conviction that there is significant value in Financial Services stocks and have increased our positions in quality specialist financials such as Close Brothers and Jupiter Asset Management to maintain our overweight position. We reduced our position in lower scoring, lower conviction, Quality and Growth stocks over the period, including Royal Dutch Shell, where we were concerned about falling return on capital and falling cash generation

Outlook

The UK equity market is still good value and the outlook for the UK economy is gradually improving. As a result, UK equities should continue to generate annualised returns at least in line with the starting earnings yield (8%).

Meanwhile, depressed ROE (Return on Equity), value and recovery type stocks have started to outperform. Peak ROE, global growth and bond proxies have started to underperform. The reversal in performance between these two types of stocks has only just begun.

Our stock selection is positioned to benefit from this. We have a lowly valued portfolio, which is growing shareholder value faster than the market, and which is delivering more positive surprises than the market. We have performed well, and should continue to do so.

River and Mercantile UK Equity High Alpha Fund

Portfolio Statement as at 30 September 2013

Holding	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM (88.33%)	380,083,876	89.98
	Oil & Gas Producers (4.54%)	15,338,608	3.63
3,223,882	BP	13,959,409	3.30
2,206,718	JKX Oil & Gas	1,379,199	0.33
	Chemicals (1.32%)	4,583,843	1.09
2,654,929	Scapa	2,442,535	0.58
901,983	Synthomer	2,141,308	0.51
	Industrial Metals & Mining (0.29%)	—	—
	Mining (6.20%)	21,501,096	5.09
437,348	Anglo American	6,636,756	1.57
1,051,919	Lonmin	3,354,570	0.79
380,740	Rio Tinto	11,509,770	2.73
	Construction & Materials (0.80%)	7,857,377	1.86
868,900	Balfour Beatty	2,466,807	0.58
2,025,000	Superglass	850,500	0.20
2,201,246	Tyman	4,540,070	1.08
	Aerospace & Defence (1.20%)	5,178,783	1.23
402,600	Chemring	1,221,488	0.29
686,400	Cobham	1,969,282	0.47
1,040,300	QinetiQ	1,988,013	0.47
	Electronic & Electrical Equipment (1.04%)	1,899,001	0.45
1,287,458	e2v technologies	1,899,001	0.45
	Industrial Transportation (0.00%)	279,700	0.07
55,940	Braemar Seascope	279,700	0.07
	Support Services (7.99%)	44,317,898	10.49
103,135	De La Rue	1,020,521	0.24
2,974,599	Fiberweb	3,011,781	0.71
3,027,161	Harvey Nash	2,694,173	0.64
3,554,157	Hays	4,201,014	0.99
3,595,000	Hogg Robinson	2,714,225	0.64
1,594,981	ISG	3,827,954	0.90
228,118	Interserve	1,280,883	0.30
1,054,799	Lavendon	2,067,406	0.49
657,900	Northgate	2,809,233	0.67
639,396	Premier Farnell	1,384,932	0.33
3,430,200	Rentokil Initial	3,735,488	0.88
298,900	Serco	1,633,488	0.39
1,340,000	Shanks	1,246,200	0.30
1,958,937	SIG	3,637,746	0.86
4,205,144	Speedy Hire	2,733,344	0.65
849,407	Tribal	1,673,332	0.40
1,270,000	Utilitywise	1,917,700	0.45
2,156,900	Xchanging	2,728,478	0.65

River and Mercantile UK Equity High Alpha Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Automobiles & Parts (0.63%)	3,049,724	0.72
891,993	GKN	3,049,724	0.72
	Food Producers (1.23%)	2,551,292	0.60
104,604	Unilever	2,551,292	0.60
	Household Goods & Home Construction (1.64%)	6,713,343	1.59
2,744,455	AGA Rangemaster	3,526,625	0.84
700,600	Redrow	1,623,290	0.38
1,028,571	Walker Greenbank	1,563,428	0.37
	Tobacco (0.31%)	1,600,900	0.38
70,000	Imperial Tobacco	1,600,900	0.38
	Health Care Equipment & Services (0.31%)	1,159,620	0.27
150,600	Smith & Nephew	1,159,620	0.27
	Pharmaceuticals & Biotechnology (5.58%)	23,215,610	5.50
107,200	AstraZeneca	3,447,016	0.82
1,154,700	GlaxoSmithKline	17,984,452	4.26
1,497,369	GW Pharmaceuticals	1,280,250	0.30
498,903	SkyePharma	503,892	0.12
	Food & Drug Retailers (0.31%)	—	—
	General Retailers (4.51%)	19,558,077	4.63
1,313,205	CVS	3,125,428	0.74
1,800,755	Flying Brands	40,517	0.01
2,623,476	Home Retail	4,410,063	1.04
670,200	Kingfisher	2,586,302	0.61
1,701,550	Lookers	2,105,668	0.50
10,411,707	Pendragon	3,487,922	0.83
4,296,245	Topps Tiles	3,802,177	0.90
	Media (6.44%)	30,686,282	7.26
412,700	BSkyB	3,590,490	0.85
7,653,308	Centaur Media	3,826,654	0.90
417,857	Daily Mail & General Trust 'A'	3,169,445	0.75
118,100	Euromoney Institutional Investor	1,352,245	0.32
9,554,580	Future	1,242,095	0.29
2,050,368	ITV	3,594,295	0.85
1,867,865	Moneysupermarket.com	2,818,608	0.67
1,821,464	Next Fifteen Communications	1,675,747	0.40
210,264	Reed Elsevier	1,750,448	0.41
1,277,370	STV	3,244,520	0.77
3,573,119	Trinity Mirror	4,421,735	1.05
	Travel & Leisure (5.22%)	26,057,912	6.17
1,901,139	888	3,165,396	0.75
171,840	Betfair	1,764,797	0.42
1,024,474	Enterprise Inns	1,475,243	0.35
1,558,125	Goals Soccer Centres	2,617,650	0.62
1,337,314	International Consolidated Airlines	4,517,447	1.07
1,890,600	Ladbrokes	3,198,895	0.76
462,094	Playtech	3,391,770	0.80

River and Mercantile UK Equity High Alpha Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Travel & Leisure (continued)		
646,199	Rank	995,146	0.23
1,917,750	Thomas Cook	2,939,911	0.69
541,800	Tui Travel	1,991,657	0.48
	Fixed Line Telecommunications (0.82%)	1,864,218	0.44
4,710,000	Cable & Wireless	1,864,218	0.44
	Mobile Telecommunications (3.63%)	15,840,191	3.75
236,300	Inmarsat	1,675,367	0.40
3,220,062	Monitise	1,827,385	0.43
5,713,100	Vodafone	12,337,439	2.92
	Banks (14.19%)	56,916,754	13.47
3,648,370	Barclays	9,686,422	2.29
912,092	Barclays (Rights Issue 17/10/2013)	734,234	0.17
3,868,365	HSBC	25,887,099	6.13
19,561,658	Lloyds Bank	14,393,468	3.41
1,727,016	Royal Bank of Scotland	6,215,531	1.47
	Nonlife Insurance (0.53%)	2,417,527	0.57
596,773	Amlin	2,417,527	0.57
	Life Insurance (3.57%)	15,741,329	3.73
2,091,561	Aviva	8,299,314	1.96
266,200	Prudential	3,063,962	0.74
748,600	Resolution	2,376,805	0.56
579,400	Standard Life	2,001,248	0.47
	Real Estate Investment & Services (1.22%)	5,527,355	1.31
1,260,304	Grainger Trust	2,196,710	0.52
2,265,745	Songbird Estates	3,330,645	0.79
	Real Estate Investment Trusts (0.53%)	3,432,826	0.81
569,721	SEGRO	1,765,565	0.42
367,400	Workspace	1,667,261	0.39
	Financial Services (5.00%)	30,614,650	7.25
561,548	3i	2,042,912	0.48
35,681,000	ADVFN	1,213,154	0.29
1,268,334	Ashcourt Rowan	2,409,835	0.57
867,722	Brewin Dolphin	2,348,056	0.56
297,995	Close Brothers	3,480,582	0.83
2,317,022	F&C Asset Management	2,239,402	0.53
1,615,500	Henderson	3,050,064	0.72
748,416	Intermediate Capital	3,334,942	0.79
440,019	International Personal Finance	2,673,115	0.63
570,115	Jupiter Fund Management	2,082,630	0.49
2,069,000	Man	1,734,857	0.41
837,813	Paragon	2,613,139	0.62
403,000	Tullett Prebon	1,391,962	0.33
	Equity Investment Instruments (0.60%)	3,318,969	0.79
480,900	Candover Investments	1,933,218	0.46
10,659,623	SPARK Ventures	1,385,751	0.33

River and Mercantile UK Equity High Alpha Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Software & Computer Services (7.03%)	25,639,644	6.07
3,468,622	Blinkx	5,228,948	1.24
268,020	Computacenter	1,421,846	0.34
113,500	Fidessa	2,241,625	0.53
2,697,284	GB	3,155,822	0.75
9,529,752	Innovation	2,763,628	0.65
140,000	InternetQ	449,750	0.10
1,393,741	iomart	4,045,333	0.96
4,547,904	RM	4,820,778	1.14
484,200	SDL	1,511,914	0.36
	Technology Hardware & Equipment (1.65%)	3,221,347	0.76
991,757	Laird	2,181,865	0.52
607,884	Wolfson Microelectronics	1,039,482	0.24
	CHANNEL ISLANDS (1.14%)	3,355,161	0.79
	Support Services (0.84%)	3,355,161	0.79
104,980	Wolseley	3,355,161	0.79
	Financial Services (0.30%)	—	—
	ISLE OF MAN (0.91%)	5,146,731	1.22
	Support Services (0.91%)	5,146,731	1.22
1,846,361	Optimal Payments	5,146,731	1.22
	NORTH AMERICA (0.24%)	—	—
	UNITED STATES (0.24%)	—	—
	Industrial Engineering (0.24%)	—	—
	CONTINENTAL EUROPE (7.17%)	23,311,039	5.52
	Gibraltar (1.19%)	4,300,187	1.02
	Travel & Leisure (1.19%)	4,300,187	1.02
3,521,857	BWIN.Party Digital Entertainment	4,300,187	1.02
	IRELAND (1.61%)	7,826,072	1.85
	Construction & Materials (0.62%)	3,369,840	0.80
228,000	CRH	3,369,840	0.80
	Food & Drug Retailers (0.27%)	—	—
	Travel & Leisure (0.44%)	1,966,681	0.46
372,800	Ryanair	1,966,681	0.46
	Banks (0.28%)	2,489,551	0.59
14,250,000	Bank of Ireland	2,489,551	0.59

River and Mercantile UK Equity High Alpha Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	NETHERLANDS (3.46%)	11,184,780	2.65
	Oil & Gas Producers (3.46%)	11,184,780	2.65
524,000	Royal Dutch Shell 'B'	11,184,780	2.65
	MIDDLE EAST (0.63%)	1,944,538	0.46
	ISRAEL (0.48%)	1,944,538	0.46
	Technology Hardware & Equipment (0.48%)	1,944,538	0.46
12,346,275	BATM Advanced Communications	1,944,538	0.46
	UNITED ARAB EMIRATES (0.15%)	–	–
	Oil Equipment, Services & Distribution (0.15%)	–	–
	ASIA (1.68%)	5,244,444	1.24
	INDIA (1.47%)	5,244,444	1.24
	Oil & Gas Producers (0.85%)	2,756,124	0.65
2,124,999	Essar	2,756,124	0.65
	Mining (0.62%)	2,488,320	0.59
230,400	Vedanta Resources	2,488,320	0.59
	SINGAPORE (0.21%)	–	–
	Oil Equipment, Services & Distribution (0.21%)	–	–
	Portfolio of investments	419,085,789	99.21
	Net other assets	3,326,465	0.79
	Net assets	422,412,254	100.00

All investments are in ordinary shares unless otherwise stated.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2013.

Total purchases for the period: £87,115,912.

Total sales for the period: £82,038,434.

River and Mercantile UK Equity High Alpha Fund

Statement of Total Return for the period ended 30 September 2013

	1 April 2013 to 30 September 2013		1 April 2012 to 30 September 2012	
	£	£	£	£
Income				
Net capital gains		45,411,127		1,566,466
Revenue	6,554,019		5,218,752	
Expenses	(308,229)		(211,972)	
Finance costs: Interest	(413)		(224)	
Net revenue before taxation for the period	6,245,377		5,006,556	
Taxation	3,576		(1,366)	
Net revenue after taxation for the period		6,248,953		5,005,190
Total return before distributions		51,660,080		6,571,656
Finance costs: Distributions		(6,248,953)		(5,005,190)
Change in net assets attributable to Shareholders from investment activities		45,411,127		1,566,466

Statement of Change in Net Assets attributable to Shareholders for the period ended 30 September 2013

	1 April 2013 to 30 September 2013		1 April 2012 to 30 September 2012	
	£	£	£	£
Opening net assets attributable to Shareholders		371,613,485		312,644,079
Amounts received on creation of shares	5,818,377		5,586,081	
Amounts paid on cancellation of shares	(6,618,011)		(5,422,275)	
		(799,634)		163,806
Stamp Duty Reserve Tax		(16,209)		(9,992)
Change in net assets attributable to Shareholders from investment activities		45,411,127		1,566,466
Retained distributions on accumulation shares		6,203,485		4,995,772
Closing net assets attributable to Shareholders		422,412,254		319,360,131

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

River and Mercantile UK Equity High Alpha Fund

Balance Sheet as at 30 September 2013

	30 September 2013		31 March 2013	
	£	£	£	£
ASSETS				
Investment assets		419,085,789		368,607,339
Debtors	8,371,039		1,952,379	
Cash and bank balances	1,904,346		1,287,026	
Total other assets		10,275,385		3,239,405
Total assets		429,361,174		371,846,744
LIABILITIES				
Creditors	(6,901,632)		(208,684)	
Distribution payable on distribution shares	(47,288)		(24,575)	
Total other liabilities		(6,948,920)		(233,259)
Total liabilities		(6,948,920)		(233,259)
Net assets attributable to Shareholders		422,412,254		371,613,485

Notes to the Financial Statements

1 Accounting policies

The accounting policies for the sub-fund are the same as those disclosed in the aggregated financial statements on page 6.

River and Mercantile UK Equity High Alpha Fund

Fund Facts

Distribution Information

A-Class Distribution shares

The distribution payable on 30 November 2013 is 1.1135p net per share for distribution shares.

B-Class Accumulation shares

The distribution payable on 30 November 2013 is 7.1956p net per share for accumulation shares.

Z-Class Accumulation shares

The distribution payable on 30 November 2013 is 12.6112p net per share for accumulation shares.

Performance records

Net asset values

	Net asset value of sub-fund £	Net asset value per share p	Shares in issue
31 March 2011			
A-Class Distribution shares	2,551,353	105.33	2,422,154
B-Class Accumulation shares	21,636,400	454.24	4,763,200
Z-Class Accumulation shares	131,936,768	601.58	21,931,679
31 March 2012			
A-Class Distribution shares	3,038,725	100.74	3,016,255
B-Class Accumulation shares	23,568,855	444.45	5,302,922
Z-Class Accumulation shares	286,036,499	593.05	48,231,168
31 March 2013			
A-Class Distribution shares	4,050,313	120.27	3,367,662
B-Class Accumulation shares	28,578,137	542.65	5,266,448
Z-Class Accumulation shares	338,985,035	729.56	46,464,553
30 September 2013			
A-Class Distribution shares	5,732,150	134.98	4,246,539
B-Class Accumulation shares	32,903,522	616.29	5,339,001
Z-Class Accumulation shares	383,776,582	831.70	46,143,815

River and Mercantile UK Equity High Alpha Fund

Fund Facts continued

Share price range & net revenue

Year	Highest share price	Lowest share price	Net revenue
A-Class Distribution shares			
2008	99.17p	55.48p	2.1272p
2009	92.63p	50.06p	1.6745p
2010	106.03p	80.64p	0.8265p
2011	110.83p	81.19p	0.9468p
2012	110.49p	89.19p	1.6186p
2013 ⁽²⁾	139.62p	111.77p	1.8432p
B-Class Accumulation shares			
2008 ⁽¹⁾	314.78p	226.97p	–
2009	390.10p	205.46p	8.3810p
2010	455.34p	343.28p	6.7198p
2011	476.41p	354.40p	7.3462p
2012	494.53p	393.98p	10.2638p
2013 ⁽²⁾	632.14p	500.35p	12.3397p
Z-Class Accumulation shares			
2008	508.39p	295.35p	17.5332p
2009	511.09p	267.99p	14.2170p
2010	601.91p	452.10p	12.5944p
2011	630.40p	471.16p	14.0992p
2012	663.59p	526.40p	17.9305p
2013 ⁽²⁾	852.87p	671.48p	22.0355p

⁽¹⁾ From 21 November 2008.

⁽²⁾ The above table shows highest and lowest share prices to 30 September 2013. This table also shows net revenue payable to 30 November 2013.

The value of investments and any revenue generated may go down as well as up and is not guaranteed.

An investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.

Changes in exchange rates may have an adverse effect on the value, price or income of investments.

River and Mercantile UK Equity Smaller Companies Fund

Investment Objective and Policy

The investment objective of the sub-fund is to achieve capital growth by investing in a portfolio of investments which shall primarily consist of UK equities which reside in the bottom 10% of the UK stock market in terms of market capitalisation.

Investment Manager's Review

Portfolio Review

The River and Mercantile UK Equity Smaller Companies Fund B share class returned 19.49% over the six months to 30 September 2013, compared with the benchmark Numis Smaller Companies (ex IT) Index which returned 12.46%.

The start of the six month period saw increased market volatility as investors were caught off guard by the prospect of the US Federal Reserve dialling back its \$85 billion per month quantitative easing programme. The resulting rise in government bond yields was not a particular surprise, more the speed of the rise and the associated volatility. The reaction of equity markets was mixed, with a positive response to robust economic data emanating from the USA, rising to new post credit-crunch peaks during June. But, as bond prices became more volatile, and yields backed-up more aggressively, so the equity market reacted more nervously. However, investor appetite for risk returned towards the end the six month period as equity markets gradually got used to the idea of "tapering", allowing equities to perform strongly, particularly in the eurozone which took its first tentative step towards recovery.

Optimal Payments, W S Atkins and St Ives, three Support Services companies with significant exposure to the UK market, benefited from a revival in the UK economy and counted among the portfolio's top contributors over the period. The fund's overweight position in the Technology sector also added to performance with Software and Computer Services stocks Blinkx, GB and Quindell contributing over 1% of the outperformance. Other stock selection gains came from Scottish digital media company, STV, the portfolio's second largest position and greatest contributor to performance over the six month period; Topps Tiles, which benefited from the revival of the UK economy, driving shares up 26%; and GW Pharmaceuticals, following strong results in June announcing a net profit tax of £0.1m against a loss of £3.2m.

Growth stock Utilitywise was purchased during the period. This energy and water consultancy business provides energy procurement and an advance software platform to help lower energy consumption for a range of UK corporates. Utilitywise is one of the sweet spots for a pick-up in future corporate spending as it assists corporate customers in reducing their energy consumption as well as lowering their carbon footprint. The company has a strong market position with rising gross margins and a robust balance sheet. Kentz, a global engineering and construction contractor, was purchased towards the end of the period. This Growth stock has 85% revenue visibility in any one year and a very strong order backlog which is growing rapidly. We sold Cineworld during August following a period of good performance on the back of the improving UK economy. Higher risk E&P (Exploration & Production) stocks Salamander Energy and Cape were sold.

Outlook

Our view, consistent with previous periods, is that rather than trying to second guess the decision making of central banks and governments who, like investors, are prone to errors, we continue to apply our bottom-up PVT stock selection investment process to plot a sensible course to make money for our clients. We hold a concentrated portfolio of best investment ideas, which are exposed to multiple geographies, styles and themes, all of which have strong potential for shareholder value creation, are attractively priced and where we believe the timing offers a strong chance of operational improvement and share price appreciation in future. It is tempting to build an entertaining 'story' around bond yields, slowdowns, recoveries and sector rotation but we stay focused on the enormous opportunity for stock selection in a UK smaller companies universe rich with opportunity.

River and Mercantile UK Equity Smaller Companies Fund

Portfolio Statement as at 30 September 2013

Holding	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM (84.25%)	45,837,908	91.61
	Oil & Gas Producers (5.13%)	737,445	1.48
165,000	Afren	228,195	0.46
1,050,000	Amerisur Resources	509,250	1.02
	Oil Equipment, Services & Distribution (1.01%)	500,220	1.00
63,000	Hunting	500,220	1.00
	Chemicals (0.90%)	–	–
	Mining (0.89%)	–	–
	Construction & Materials (3.41%)	980,138	1.96
60,000	Keller	619,200	1.24
175,000	Tyman	360,938	0.72
	Aerospace & Defence (1.91%)	1,751,760	3.50
140,000	Avon Rubber	770,000	1.54
52,000	Ultra Electronics	981,760	1.96
	General Industrials (1.18%)	523,250	1.05
115,000	RPC	523,250	1.05
	Electronic & Electrical Equipment (1.61%)	715,000	1.43
130,000	Gooch & Housego	715,000	1.43
	Industrial Engineering (0.00%)	892,831	1.78
215,140	Castings	892,831	1.78
	Industrial Transportation (0.00%)	800,000	1.60
160,000	Braemar Seascope	800,000	1.60
	Support Services (19.90%)	10,043,052	20.07
30,000	De La Rue	296,850	0.59
1,100,000	Fiberweb	1,113,750	2.23
100,000	Hargreaves Services	839,500	1.68
1,175,000	Hogg Robinson	887,125	1.77
200,000	HomeServe	512,800	1.02
150,000	Interserve	842,250	1.68
160,000	Lavendon	313,600	0.63
163,168	Northgate	696,727	1.39
180,000	Premier Farnell	389,880	0.78
100,000	RWS	750,000	1.50
500,000	Shanks	465,000	0.93
300,000	SIG	557,100	1.11
950,000	Speedy Hire	617,500	1.23
400,000	St. Ives	693,000	1.39
320,510	Utilitywise	483,970	0.97
50,000	WS Atkins	584,000	1.17
	Food Producers (1.52%)	772,480	1.54
170,000	Dairy Crest	772,480	1.54

River and Mercantile UK Equity Smaller Companies Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Household Goods & Home Construction (0.95%)	257,000	0.51
200,000	AGA Rangemaster	257,000	0.51
	Health Care Equipment & Services (1.76%)	905,000	1.81
1,000,000	Advanced Medical Solutions	905,000	1.81
	Pharmaceuticals & Biotechnology (1.27%)	1,631,250	3.26
180,000	Abcam	904,500	1.81
850,000	GW Pharmaceuticals	726,750	1.45
	General Retailers (7.43%)	3,763,000	7.52
450,000	CVS	1,071,000	2.14
120,000	Halfords	471,600	0.94
400,000	Home Retail	672,400	1.34
500,000	Lookers	618,750	1.24
1,050,000	Topps Tiles	929,250	1.86
	Media (8.02%)	6,046,314	12.08
100,000	4imprint	548,500	1.10
115,000	Centaur Media	57,500	0.11
440,000	Entertainment One	963,600	1.93
233,418	ITE	633,730	1.27
410,000	Next Fifteen Communications	377,200	0.75
180,000	Perform	1,006,200	2.01
479,167	STV	1,217,084	2.43
300,000	Trinity Mirror	371,250	0.74
425,000	Wilmington	871,250	1.74
	Travel & Leisure (5.46%)	2,361,000	4.72
600,000	888	999,000	2.00
20,000	Go-Ahead	334,400	0.67
140,000	Playtech	1,027,600	2.05
	Fixed Line Telecommunications (1.95%)	907,500	1.81
1,000,000	KCOM	907,500	1.81
	Banks (0.00%)	386,000	0.77
20,000	Bank of Georgia	386,000	0.77
	Nonlife Insurance (2.82%)	1,716,650	3.43
400,000	Beazley	836,400	1.67
175,000	Novae	880,250	1.76
	Real Estate Investment & Services (1.48%)	528,000	1.06
400,000	Conygar Investment Company	528,000	1.06
	Real Estate Investment Trusts (0.00%)	247,805	0.50
251,579	Hansteen	247,805	0.50
	Financial Services (6.99%)	3,614,564	7.23
65,000	Close Brothers	759,200	1.52
800,000	F&C Asset Management	773,200	1.55
164,422	Intermediate Capital	732,664	1.46
80,000	International Personal Finance	486,000	0.97
250,000	Tullett Prebon	863,500	1.73

River and Mercantile UK Equity Smaller Companies Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Software & Computer Services (7.09%)	5,166,249	10.32
858,658	Advanced Computer Software	744,886	1.49
415,000	Blinkx	625,613	1.25
750,000	GB	877,500	1.75
550,000	Incadea	594,000	1.19
3,000,000	Innovation	870,000	1.74
220,000	InternetQ	706,750	1.41
4,600,000	Quindell	747,500	1.49
	Technology Hardware & Equipment (2.59%)	591,400	1.18
160,000	Laird	352,000	0.70
140,000	Wolfson Microelectronics	239,400	0.48
	CHANNEL ISLANDS (0.00%)		
	Oil Equipment, Services & Distribution (0.00%)	238,850	0.48
50,000	Kentz	238,850	0.48
	ISLE OF MAN (2.35%)	1,324,063	2.65
	Support Services (2.35%)	1,324,063	2.65
475,000	Optimal Payments	1,324,063	2.65
	CONTINENTAL EUROPE (3.25%)	610,500	1.22
	Gibraltar (1.01%)		
	Travel & Leisure (1.01%)	610,500	1.22
500,000	BWIN.Party Digital Entertainment	610,500	1.22
	IRELAND (2.24%)	508,984	1.02
341,600	Petroceltic International	508,984	1.02
	Oil & Gas Producers (2.24%)	–	–
	PACIFIC BASIN (0.19%)	–	–
	AUSTRALIA (0.19%)	–	–
	Industrial Metals & Mining (0.19%)	–	–
	ASIA (0.00%)	110,880	0.22
	Hong Kong (0.00%)	110,880	0.22
	Food Producers (0.00%)	110,880	0.22
528,000	Asian Citrus	110,880	0.22

River and Mercantile UK Equity Smaller Companies Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	AFRICA (0.87%)	–	–
	SOUTH AFRICA (0.87%)	–	–
	Mining (0.87%)	–	–
	Portfolio of investments	48,631,185	97.20
	Net other assets	1,398,764	2.80
	Net assets	50,029,949	100.00

All investments are in ordinary shares unless otherwise stated.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2013.

Total purchases for the period: £26,947,235.

Total sales for the period: £17,776,372.

River and Mercantile UK Equity Smaller Companies Fund

Statement of Total Return for the period ended 30 September 2013

	1 April 2013 to 30 September 2013		1 April 2012 to 30 September 2012	
	£	£	£	£
Income				
Net capital gains		6,981,536		1,212,332
Revenue	593,494		399,337	
Expenses	(299,094)		(198,698)	
Finance costs: Interest	–		–	
Net revenue before taxation for the period	294,400		200,639	
Taxation	2,333		(1,188)	
Net revenue after taxation for the period		296,733		199,451
Total return before distributions		7,278,269		1,411,783
Finance costs: Distributions		(138,387)		(132,810)
Change in net assets attributable to Shareholders from investment activities		7,139,882		1,278,973

Statement of Change in Net Assets attributable to Shareholders for the period ended 30 September 2013

	1 April 2013 to 30 September 2013		1 April 2012 to 30 September 2012	
	£	£	£	£
Opening net assets attributable to Shareholders		35,316,974		29,276,055
Amounts received on creation of shares	10,317,471		2,866,005	
Amounts paid on cancellation of shares	(2,798,767)		(12,267,468)	
		7,518,704		(9,401,463)
Stamp Duty Reserve Tax		(25,293)		(3,446)
Change in net assets attributable to Shareholders from investment activities		7,139,882		1,278,973
Retained distribution on accumulation shares		79,682		17,194
Closing net assets attributable to Shareholders		50,029,949		21,167,313

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

River and Mercantile UK Equity Smaller Companies Fund

Balance Sheet as at 30 September 2013

	30 September 2013		31 March 2013	
	£	£	£	£
ASSETS				
Investment assets		48,631,185		32,467,605
Debtors	1,572,398		1,636,479	
Cash and bank balances	3,205,092		1,399,911	
Total other assets		4,777,490		3,036,390
Total assets		53,408,675		35,503,995
LIABILITIES				
Investment liabilities		–		–
Creditors	(3,264,750)		(100,765)	
Distribution payable on distribution shares	(113,976)		(86,256)	
Total other liabilities		(3,378,726)		(187,021)
Total liabilities		(3,378,726)		(187,021)
Net assets attributable to Shareholders		50,029,949		35,316,974

Notes to the Financial Statements

1 Accounting policies

The accounting policies for the sub-fund are the same as those disclosed in the aggregated financial statements on page 6.

River and Mercantile UK Equity Smaller Companies Fund

Fund Facts

Distribution Information

A-Class Distribution shares

The distribution payable on 30 November 2013 is 0.5892p net per share for distribution shares.

B-Class Accumulation shares

The distribution payable on 30 November 2013 is 5.4168p net per share for accumulation shares.

B-Class Distribution shares**

The distribution payable on 30 November 2013 is 0.9398p net per share for distribution shares.

Performance records

Net asset values

	Net asset value of sub-fund £	Net asset value per share p	Shares in issue
31 March 2011			
A-Class Distribution shares	34,582,485	111.52	31,011,292
Z-Class Accumulation shares	673,327	619.97	108,606
31 March 2012			
A-Class Distribution shares	28,989,060	110.80	26,162,650
Z-Class Accumulation shares	286,995	632.41	45,381
31 March 2013			
A-Class Distribution shares	25,672,638	150.87	17,016,336
B-Class Accumulation shares*	9,644,336	875.44	1,101,658
30 September 2013			
A-Class Distribution shares	34,626,130	179.08	19,335,517
B-Class Accumulation shares	15,393,409	1,046.45	1,471,010
B-Class Distribution shares**	10,410	260.25	4,000

* On 16 July 2012 the Z-Class Accumulation share class was renamed B-Class Accumulation.

** B-Class Distribution shares were launched on 2 September 2013.

River and Mercantile UK Equity Smaller Companies Fund

Fund Facts continued

Share price range & net revenue

Year	Highest share price	Lowest share price	Net revenue
A-Class Distribution shares			
2008	96.48p	59.40p	0.2579p
2009	93.05p	57.52p	1.2423p
2010	110.42p	87.16p	0.9207p
2011	115.54p	93.35p	0.4927p
2012	134.05p	99.46p	1.1000p
2013 ⁽²⁾	181.40p	135.96p	1.0961p
B-Class Accumulation shares*			
2008	492.05p	311.33p	4.7589p
2009	502.09p	302.69p	8.2004p
2010	611.64p	475.61p	7.4159p
2011	645.00p	526.58p	13.9134p
2012	773.84p	562.23p	10.4576p
2013 ⁽²⁾	1,056.28p	784.86p	12.9973p
B-Class Distribution shares**			
2013 ⁽¹⁾⁽²⁾	263.65p	250.00p	0.9398p

⁽¹⁾ From 2 September 2013.

⁽²⁾ The above table shows highest and lowest share prices to 30 September 2013. This table also shows net revenue payable to 30 November 2013.

* On 16 July 2012 the Z-Class Accumulation share class was renamed B-Class Accumulation.

** B Class distribution shares were launched on 2 September 2013.

The value of investments and any revenue generated may go down as well as up and is not guaranteed.

An investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.

Changes in exchange rates may have an adverse effect on the value, price or income of investments.

River and Mercantile UK Equity Smaller Companies Fund

Fund Facts continued

Ongoing Charge Figures

	30 September 2013
A-Class Distribution shares	1.74%
B-Class Accumulation shares	0.99%
B-Class Distribution shares*	0.99%

The OCF has been calculated in accordance with the COLL sourcebook and is designed to be indicative of future costs to investors, as such there will be no comparative figure.

* B-Class Distribution shares were launched on 2 September 2013.

Synthetic Risk Return Indicator (SRRI)

◀ Lower Risk Higher Risk ▶

Typically Lower Rewards

Typically Higher Rewards



The Synthetic Risk & Reward Indicator is based on how much the returns of the shares have varied over the last five years, or since launch (whichever is the shorter period). The higher the rank the greater the potential reward but also the greater the risk of losing money.

The shaded area in the Indicator shows the sub-fund's ranking on the Synthetic Risk & Reward Indicator. The Indicator uses a standard calculation method that is used by all EU companies who offer such funds to allow you to compare funds. Historical data is used to calculate the ranking and this may not be a reliable indication for the future ranking and might change.

The sub-fund may not achieve its investment objective and/or you could lose money on your investment in the sub-fund. The following risks are materially relevant to the sub-fund but may not be adequately captured by the Risk and Reward Indicator, and may cause additional loss:

- Liquidity risk: securities in the sub-fund may be sold below their valuation due to insufficient liquidity in the market.

River and Mercantile UK Equity Unconstrained Fund

Investment Objective and Policy

The investment objective of the sub-fund is to achieve capital growth through investing in a concentrated portfolio which will primarily consist of UK equities. The sub-fund will not be restricted by reference to a benchmark, sector constraints or company size.

Investment Manager's Review

Portfolio Review & Activity

The River and Mercantile UK Equity Unconstrained Z share class returned 11.64% over the six months to 30 September 2013, compared with the FTSE All-Share Index which returned 3.84%.

The start of the six month period saw increased market volatility as investors were caught off guard by the prospect of the US Federal Reserve dialling back its \$85 billion per month quantitative easing programme. The resulting rise in government bond yields was not a particular surprise, more the speed of the rise and the associated volatility. The reaction of equity markets was mixed, with a positive response to robust economic data emanating from the USA, rising to new post credit-crunch peaks during June. But, as bond prices became more volatile, and yields backed-up more aggressively, so the equity market reacted more nervously. However, investor appetite for risk returned towards the end the six month period as equity markets gradually got used to the idea of "tapering", allowing equities to perform strongly, particularly in the eurozone which took its first tentative step towards recovery.

The portfolio's largest position, Utilitywise, was the greatest contributor to performance over the period, accounting for almost 1.5% of the outperformance. Other Support Services companies Optimal Payments, Fiberweb and Northgate, all with significant exposure to the UK market, benefited well from a revival in the UK economy and counted among the portfolio's top contributors over the period. The sub-fund's overweight position in the Technology sector also added to performance with Software and Computer services stocks Blinkx, iomart and Quindell all contributing. Other stock selection gains came from two of the portfolio's new positions; electricity generating equipment manufacturer Melrose Industries whose management team continued in their strategy of turning round underperforming industrial businesses in Europe and America; and kitchen appliance manufacturer AGA Rangemaster, as it started to catch up with the improved housing market sentiment.

Over the six month period we have been using any weakness in stocks to add to our overseas exposed quality basket whilst taking profits in some of the strongly performing domestic cyclicals. Our largest purchase during the period was energy and water consultancy business Utilitywise. This company has strong trading relationships with the larger UK energy suppliers and they assist customers in reducing their consumption as well as lowering their carbon footprint. The company has a strong market position with rising gross margins, a robust balance sheet and we bought the stock at £1 on a paltry 10 times multiple. Other additions to the portfolio include emerging markets manager Ashmore, which was trading on a cheap valuation following a loss of confidence on emerging markets over the summer, and European industrial leader in cardboard packaging, DS Smith, which is positioned well to take advantage of a current positive operating momentum. We exited our position in car dealership network provider, Pendragon, as the share price reached the upper end of our valuation. We also sold Eastern European and Russian events company ITE after a strong return and with the valuation becoming increasingly expensive.

Outlook

Our view, consistent with previous periods, is that rather than trying to second guess the decision making of central banks and governments who, like investors, are prone to errors, we continue to apply our bottom-up PVT stock selection investment process to plot a sensible course to make money for our clients. We hold a concentrated portfolio of best investment ideas, which are exposed to multiple geographies, styles and themes, all of which have strong Potential for shareholder Value creation, are attractively priced and where we believe the timing offers a strong chance of operational improvement and share price appreciation in future.

River and Mercantile UK Equity Unconstrained Fund

Portfolio Statement as at 30 September 2013

Holding	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM (91.44%)	14,323,967	90.72
	Oil & Gas Producers (9.62%)	1,320,925	8.37
350,000	Amerisur Resources	169,750	1.07
35,000	BG	413,175	2.62
110,000	BP	476,300	3.02
100,000	Cairn Energy	261,700	1.66
	Oil Equipment, Services & Distribution (0.76%)	–	–
	Chemicals (1.96%)	–	–
	Mining (2.20%)	544,140	3.45
18,000	Rio Tinto	544,140	3.45
	Aerospace & Defence (4.20%)	688,720	4.36
60,000	Avon Rubber	330,000	2.09
19,000	Ultra Electronics	358,720	2.27
	General Industrials (0.00%)	336,540	2.13
116,976	DS Smith	336,540	2.13
	Electronic & Electrical Equipment (2.13%)	–	–
	Industrial Engineering (0.00%)	612,646	3.88
46,522	Castings	193,066	1.22
140,000	Melrose Industries	419,580	2.66
	Industrial Transportation (0.00%)	175,000	1.11
35,000	Braemar Seascope	175,000	1.11
	Support Services (2.54%)	1,903,672	12.06
210,000	Fiberweb	212,625	1.35
105,000	Hays	124,110	0.79
57,209	Northgate	244,282	1.55
100,000	Premier Farnell	216,600	1.37
67,000	Serco	366,155	2.32
490,000	Utilitywise	739,900	4.68
	Automobiles & Parts (1.97%)	102,570	0.65
30,000	GKN	102,570	0.65
	Food Producers (6.21%)	632,805	4.01
23,000	Tate & Lyle	169,395	1.07
19,000	Unilever	463,410	2.94
	Household Goods & Home Construction (0.00%)	257,000	1.63
200,000	AGA Rangemaster	257,000	1.63
	Tobacco (0.00%)	452,826	2.87
19,800	Imperial Tobacco	452,826	2.87
	Health Care Equipment & Services (1.97%)	–	–
	Pharmaceuticals & Biotechnology (7.11%)	636,488	4.03
40,866	GlaxoSmithKline	636,488	4.03

River and Mercantile UK Equity Unconstrained Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Food & Drug Retailers (2.08%)	333,870	2.11
93,000	Tesco	333,870	2.11
	General Retailers (3.31%)	171,171	1.08
75,000	Home Retail	126,075	0.80
134,614	Pendragon	45,096	0.28
	Media (9.99%)	839,276	5.32
37,000	BSkyB	321,900	2.04
50,000	ITV	87,650	0.56
76,874	Perform	429,726	2.72
	Travel & Leisure (3.27%)	344,980	2.18
47,000	Playtech	344,980	2.18
	Fixed Line Telecommunications (1.80%)	312,682	1.98
790,000	Cable & Wireless	312,682	1.98
	Mobile Telecommunications (2.09%)	819,443	5.19
44,000	Inmarsat	311,960	1.98
235,000	Vodafone	507,483	3.21
	Gas, Water & Multiutilities (1.50%)	—	—
	Banks (5.13%)	754,059	4.77
118,500	Barclays	314,618	1.99
29,625	Barclays (Rights Issue 17/10/2013)	23,848	0.15
62,103	HSBC	415,593	2.63
	Nonlife Insurance (7.22%)	688,423	4.36
56,529	Hiscox	366,308	2.32
34,213	Jardine Lloyd Thompson	322,115	2.04
	Life Insurance (2.75%)	178,405	1.13
15,500	Prudential	178,405	1.13
	Real Estate Investment Trusts (0.00%)	290,575	1.84
295,000	Hansteen	290,575	1.84
	Financial Services (1.91%)	741,450	4.70
110,000	Ashmore	429,330	2.72
54,000	IG	312,120	1.98
	Software & Computer Services (8.97%)	1,186,301	7.51
122,500	Blinkx	184,669	1.17
850,000	Innovation	246,500	1.56
58,485	iomart	169,753	1.07
1,400,000	Quindell	227,500	1.44
108,580	Sage	357,879	2.27
	Technology Hardware & Equipment (0.75%)	—	—
	ISLE OF MAN (0.69%)	145,446	0.92
	Support Services (0.69%)	145,446	0.92
52,178	Optimal Payments	145,446	0.92

River and Mercantile UK Equity Unconstrained Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	CONTINENTAL EUROPE (3.04%)	722,060	4.57
	IRELAND (3.04%)	483,210	3.06
19,500	Pharmaceuticals & Biotechnology (3.04%) Shire	483,210 483,210	3.06 3.06
	CHANNEL ISLANDS (0.00%)	238,850	1.51
50,000	Oil Equipment, Services & Distribution (0.00%) Kentz	238,850 238,850	1.51 1.51
Portfolio of investments		15,191,473	96.21
Net other assets		598,356	3.79
Net assets		15,789,829	100.00

All investments are in ordinary shares unless otherwise stated.

The percentages in brackets show the equivalent percentages of net assets as at 31 March 2013.

Total purchases for the period: £10,244,739.

Total sales for the period: £13,196,242.

River and Mercantile UK Equity Unconstrained Fund

Statement of Total Return for the period ended 30 September 2013

	1 April 2013 to 30 September 2013		1 April 2012 to 30 September 2012	
	£	£	£	£
Income				
Net capital gains		1,508,041		811,841
Revenue	376,288		296,525	
Expenses	(68,084)		(68,309)	
Finance costs: Interest	–		(131)	
Net expense before taxation for the period	308,204		228,085	
Taxation	764		–	
Net expense after taxation for the period		308,968		228,085
Total return before distributions		1,817,009		1,039,926
Finance costs: Distributions		(308,968)		(228,085)
Change in net assets attributable to Shareholders from investment activities		1,508,041		811,841

Statement of Change in Net Assets attributable to Shareholders for the period ended 30 September 2013

	1 April 2013 to 30 September 2013		1 April 2012 to 30 September 2012	
	£	£	£	£
Opening net assets attributable to Shareholders		17,435,259		13,858,101
Amounts received on creation of shares	821,707		1,433,059	
Amounts paid on cancellation of shares	(4,210,080)		(626,728)	
		(3,388,373)		806,331
Stamp Duty Reserve Tax		(3,218)		(1,487)
Change in net assets attributable to Shareholders from investment activities		1,508,041		811,841
Retained distribution on accumulation shares		238,120		167,207
Closing net assets attributable to Shareholders		15,789,829		15,641,993

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

River and Mercantile UK Equity Unconstrained Fund

Balance Sheet as at 30 September 2013

	30 September 2013		31 March 2013	
	£	£	£	£
ASSETS				
Investment assets		15,191,473		16,594,000
Debtors	522,174		446,622	
Cash and bank balances	292,456		1,474,864	
Total other assets		814,630		1,921,486
Total assets		16,006,103		18,515,486
LIABILITIES				
Investment liabilities		–		–
Creditors	(198,854)		(1,076,683)	
Distribution payable on distribution shares	(17,420)		(3,544)	
Total other liabilities		(216,274)		(1,080,227)
Total liabilities		(216,274)		(1,080,227)
Net assets attributable to Shareholders		15,789,829		17,435,259

Notes to the Financial Statements

1 Accounting policies

The accounting policies for the sub-fund are the same as those disclosed in the aggregated financial statements on page 6.

River and Mercantile UK Equity Unconstrained Fund

Fund Facts

Distribution Information

A-Class Distribution shares

The distribution payable on 30 November 2013 is 1.3009p net per share for distribution shares.

B-Class Accumulation shares

The distribution payable on 30 November 2013 is 4.6623p net per share for accumulation shares.

Z-Class Accumulation shares

The distribution payable on 30 November 2013 is 13.8263p net per share for accumulation shares.

Performance records

Net asset values

	Net asset value of sub-fund £	Net asset value per share p	Shares in issue
31 March 2011			
A-Class Distribution shares	5,268,711	84.06	6,268,163
Z-Class Accumulation shares	8,408,649	475.49	1,768,413
31 March 2012			
A-Class Distribution shares	5,936,602	86.39	6,871,680
Z-Class Accumulation shares	7,921,499	504.83	1,569,146
31 March 2013			
A-Class Distribution shares	1,604,353	107.22	1,496,349
B-Class Accumulation shares	6,685,231	289.52	2,309,042
Z-Class Accumulation shares	9,145,675	645.60	1,416,610
30 September 2013			
A-Class Distribution shares	1,570,572	117.30	1,338,952
B-Class Accumulation shares	7,422,535	321.46	2,309,042
Z-Class Accumulation shares	6,796,722	720.30	943,594

River and Mercantile UK Equity Unconstrained Fund

Fund Facts continued

Share price range & net revenue

Year	Highest share price	Lowest share price	Net revenue
A-Class Distribution shares			
2008	102.09p	57.76p	0.4905p
2009	78.67p	56.45p	1.3098p
2010	84.16p	71.84p	1.0410p
2011	87.87p	76.52p	0.8714p
2012	97.56p	80.12p	1.4980p
2013 ⁽²⁾	121.11p	98.51p	1.5377p
B-Class Accumulation shares			
2012 ⁽¹⁾	262.34p	250.00p	0.0000p
2013 ⁽²⁾	328.16p	264.92p	6.0796p
Z-Class Accumulation shares			
2008	525.92p	302.40p	6.7145p
2009	428.61p	297.39p	13.3096p
2010	472.75p	397.86p	13.2049p
2011	499.47p	435.63p	13.6047p
2012	583.49p	469.35p	17.5741p
2013 ⁽²⁾	735.11p	589.37p	20.5058p

⁽¹⁾ From 21 November 2012.

⁽²⁾ The above table shows highest and lowest share prices to 30 September 2013. This table also shows net revenue payable to 30 November 2013.

The value of investments and any revenue generated may go down as well as up and is not guaranteed.

An investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.

Changes in exchange rates may have an adverse effect on the value, price or income of investments.

River and Mercantile UK Equity Long Term Recovery Fund

Investment Objective and Policy

The investment objective of the sub-fund is to achieve capital growth by investing in a portfolio which will primarily consist of UK equities that meet the manager's recovery criteria of a turnaround in company profitability over the longer term.

Investment Manager's Review

Portfolio Review & Activity

The River and Mercantile UK Equity Long Term Recovery Z share class returned 24.58% over the six months to 30 September 2013, compared with the FTSE All-Share Index which returned 3.84%

The start of the six month period saw increased market volatility as investors were caught off guard by the prospect of the US Federal Reserve dialling back its \$85 billion per month quantitative easing programme. The resulting rise in government bond yields was not a particular surprise, more the speed of the rise and the associated volatility. The reaction of equity markets was mixed, with a positive response to robust economic data emanating from the USA, rising to new post credit-crunch peaks during June. But, as bond prices became more volatile, and yields backed-up more aggressively, so the equity market reacted more nervously. However, investor appetite for risk returned towards the end the six month period as equity markets gradually got used to the idea of "tapering", allowing equities to perform strongly, particularly in the eurozone which took its first tentative step towards recovery.

Our overweight position in Financials contributed largely to the outperformance, with the portfolio's largest position Lloyds Bank being the strongest performer, and the sector as a whole accounting for almost 4% of the outperformance. Smaller company stock selection also contributed with Blinkx, STV, Somero Enterprises and Findel all performing well over the half year period.

We continued to add to our position in Lloyds Bank during the period and the holding now accounts for almost 3.7% of the capital, justified by its top decile MoneyPenny Recovery score. We remain high conviction that there is significant value in financial services stocks and have continued to increase the portfolio's overweight position through the addition of Spanish Banco Popular Español. With its focus on retail and SME banking, and traditionally high ROE (Return on Equity), it is one of the best banks and is well positioned as the Spanish equity market continues to recover. Sales over the period included profit taking from Invensys following a bid by Schneider Electric to acquire the company for £3.3 billion; and a reduction in Vodafone following the Verizon buy-out.

Outlook

The UK equity market is still good value and the outlook for the UK economy is gradually improving. As a result, UK equities should continue to generate annualised returns at least in line with the starting earnings yield (8%).

Meanwhile, depressed ROE, value and recovery type stocks have started to outperform. Peak ROE, global growth and bond proxies have started to underperform. The reversal in performance between these two types of stocks has only just begun.

Our stock selection is positioned to benefit from this. We have a lowly valued portfolio, which is growing shareholder value faster than the market, and which is delivering more positive surprises than the market. We have performed well, and should continue to do so.

River and Mercantile UK Equity Long Term Recovery Fund

Portfolio Statement as at 30 September 2013

Holding	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM (69.84%)	116,618,705	74.95
	Oil & Gas Producers (0.84%)	–	–
	Chemicals (0.67%)	688,160	0.44
748,000	Scapa	688,160	0.44
	Mining (5.66%)	7,167,987	4.61
149,500	Anglo American	2,268,663	1.46
420,502	Lonmin	1,340,981	0.86
117,709	Rio Tinto	3,558,343	2.29
	Construction & Materials (1.57%)	6,262,104	4.03
8,250,000	Aukett Fitzroy Robinson	391,875	0.25
518,215	Lupus Capital	1,068,818	0.69
534,167	Marshalls	952,153	0.61
3,997,371	Michelmersh Brick	1,798,817	1.16
7,185,080	Norcros	1,472,941	0.95
1,375,000	Superglass	577,500	0.37
	Aerospace & Defence (0.80%)	563,745	0.36
295,000	QinetiQ	563,745	0.36
	Electronic & Electrical Equipment (0.54%)	852,790	0.55
107,472	Xaar	852,790	0.55
	Industrial Engineering (0.57%)	1,040,625	0.67
2,775,000	Renold	1,040,625	0.67
	Industrial Transportation (0.89%)	1,807,670	1.16
29,000	Clarkson	651,920	0.42
1,150,000	Wincanton	1,155,750	0.74
	Support Services (8.99%)	14,125,385	9.08
164,999	Falkland Islands	560,997	0.36
816,766	Fiberweb	826,976	0.53
900,000	Hays	1,063,800	0.68
1,325,000	Hogg Robinson	1,000,375	0.64
325,000	Lavendon	637,000	0.41
370,000	Regeneris	943,500	0.61
950,000	Rentokil Initial	1,034,550	0.67
572,769	SIG	1,063,632	0.68
1,516,000	Speedy Hire	985,400	0.63
683,701	St. Ives	1,184,512	0.76
542,893	Tribal	1,069,499	0.69
604,728	Utilitywise	913,139	0.59
1,983,000	Wyg	2,101,980	1.35
585,000	Xchanging	740,025	0.48
	Automobiles & Parts (0.49%)	–	–
	Food Producers (0.00%)	1,047,938	0.67
675,000	Premier Foods	1,047,938	0.67

River and Mercantile UK Equity Long Term Recovery Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Household Goods & Home Construction (2.02%)	2,335,904	1.50
895,622	AGA Rangemaster	1,150,874	0.74
418,000	Telford Homes	1,185,030	0.76
	Leisure Goods (0.44%)	896,076	0.58
109,078	Games Workshop	896,076	0.58
	Pharmaceuticals & Biotechnology (2.14%)	2,829,801	1.82
42,100	GlaxoSmithKline	655,707	0.42
1,519,276	SkyePharma	1,534,469	0.99
2,150,000	Vernalis	639,625	0.41
	General Retailers (4.23%)	7,224,040	4.65
3,900,000	Dixons	1,815,060	1.17
644,389	Findel	1,588,419	1.02
820,000	Home Retail	1,378,420	0.89
3,476,656	Pendragon	1,164,680	0.75
1,443,459	Topps Tiles	1,277,461	0.82
	Media (8.00%)	13,733,800	8.83
2,179,052	Centaur Media	1,089,526	0.70
103,622	Daily Mail & General Trust 'A'	785,973	0.51
6,210,000	dotDigital	1,117,800	0.72
373,000	Ebiquity	440,140	0.28
58,000	Euromoney Institutional Investor	664,100	0.43
444,844	ITV	779,811	0.50
4,000,000	Johnston Press	560,000	0.36
2,800,000	Mecom	1,120,000	0.72
414,677	Moneysupermarket.com	625,748	0.40
267,540	Progressive	575,211	0.37
1,978,500	Rangers International Football	949,680	0.61
818,764	STV	2,079,661	1.34
896,667	Trinity Mirror	1,109,625	0.71
375,000	UTV Media	693,750	0.45
387,500	Wilmington	794,375	0.51
520,000	YouGov	348,400	0.22
	Travel & Leisure (3.72%)	8,143,293	5.24
506,250	888	842,906	0.54
58,302	Betfair	598,762	0.39
783,971	Enterprise Inns	1,128,918	0.73
550,000	Goals Soccer Centres	924,000	0.59
361,400	International Consolidated Airlines	1,220,809	0.79
400,000	Ladbrokes	676,800	0.44
138,397	Playtech	1,015,834	0.65
425,497	Rank	655,265	0.42
704,500	Thomas Cook	1,079,999	0.69
	Fixed Line Telecommunications (0.96%)	1,751,975	1.12
1,627,000	Cable & Wireless	643,967	0.41
953,535	Colt Telecom	1,108,008	0.71

River and Mercantile UK Equity Long Term Recovery Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Mobile Telecommunications (1.02%)	645,213	0.42
1,136,940	Monitise	645,213	0.42
	Banks (12.49%)	17,013,668	10.93
1,196,216	Barclays Bank	3,175,953	2.04
299,054	Barclays (Rights Issue 17/10/2013)	240,738	0.15
763,300	HSBC	5,108,004	3.28
7,805,151	Lloyds Bank	5,743,030	3.69
762,974	Royal Bank Of Scotland	2,745,943	1.77
	Nonlife Insurance (0.84%)	767,075	0.49
152,500	Novae	767,075	0.49
	Life Insurance (1.72%)	2,960,251	1.90
582,000	Aviva	2,309,376	1.48
205,000	Resolution	650,875	0.42
	Real Estate Investment & Services (1.21%)	4,028,997	2.59
1,312,833	Capital & Regional	531,697	0.34
450,000	Development Securities Capital	885,375	0.57
1,050,000	Quintain Estates & Development	884,625	0.57
731,432	Songbird Estates	1,075,205	0.69
215,000	St. Modwen Properties	652,095	0.42
	Financial Services (3.67%)	8,972,977	5.76
741,333	Ashcourt Rowan	1,408,533	0.91
676,700	F&C Asset Management	654,030	0.42
366,000	Henderson	691,008	0.44
179,300	Intermediate Capital	798,961	0.51
121,167	International Personal Finance	736,090	0.47
450,000	Liontrust	1,084,500	0.70
4,914,600	MAM Funds	1,990,413	1.28
972,000	Man	815,022	0.52
230,000	Tullett Prebon	794,420	0.51
	Software & Computer Services (5.72%)	11,239,231	7.22
903,125	Advanced Computer Software	783,461	0.50
1,188,201	Blinkx	1,791,213	1.15
100,000	First Derivatives	780,000	0.50
904,196	GB	1,057,909	0.68
2,200,000	Globo	1,595,000	1.03
3,435,861	Innovation	996,400	0.64
389,500	InternetQ	1,251,269	0.80
386,001	iomart	1,120,368	0.72
1,758,124	RM	1,863,611	1.20
	Technology Hardware & Equipment (0.64%)	520,000	0.33
800,000	Filtronic	520,000	0.33
	CHANNEL ISLANDS (0.72%)	1,106,231	0.71

River and Mercantile UK Equity Long Term Recovery Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
34,613	Support Services (0.72%) Wolseley	1,106,231 1,106,231	0.71 0.71
	ISLE OF MAN (0.96%)	1,672,835	1.08
600,120	Support Services (0.96%) Optimal Payments	1,672,835 1,672,835	1.08 1.08
	NORTH AMERICA (0.92%)	925,299	0.60
	CANADA (0.48%)	—	—
	Financial Services (0.48%)	—	—
	CAYMAN ISLANDS (0.44%)	925,299	0.60
29,000	Media (0.44%) SouFun	925,299 925,299	0.60 0.60
	UNITED STATES (7.24%)	11,801,240	7.59
78,000	Construction & Materials (0.51%) US Concrete	963,320 963,320	0.62 0.62
25,000	Electronic & Electrical Equipment (0.37%) First Solar	620,755 620,755	0.40 0.40
4,386,931	Industrial Engineering (1.02%) Somero Enterprises	3,202,460 3,202,460	2.06 2.06
25,100	Automobiles & Parts (0.36%) General Motors	557,209 557,209	0.36 0.36
57,500	Household Goods & Home Construction (0.77%) Beazer Homes	638,771 638,771	0.41 0.41
16,250	General Retailers (0.45%) eBay	559,729 559,729	0.36 0.36
32,000	Travel & Leisure (0.42%) Avis Budget	569,890 569,890	0.37 0.37
97,900	Banks (1.66%) Bank of America	2,228,146 834,272	1.44 0.54
26,520	Citigroup	794,257	0.51
23,500	Wells Fargo	599,617	0.39
86,000	Life Insurance (0.44%) Genworth Financial	679,227 679,227	0.43 0.43
	Financial Services (0.39%)	—	—
34,000	Software & Computer Services (0.85%) Facebook	1,781,733 1,054,810	1.14 0.68
35,500	Yahoo!	726,923	0.46

River and Mercantile UK Equity Long Term Recovery Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	SOUTH AMERICA (0.44%)	623,859	0.40
	BRITISH VIRGIN ISLANDS (0.44%)	623,859	0.40
534,538	Software & Computer Services (0.44%) Camelot Information Systems	623,859 623,859	0.40 0.40
	CONTINENTAL EUROPE (11.06%)	14,422,227	9.27
	BELGIUM (0.43%)	612,961	0.39
24,500	Life Insurance (0.43%) Ageas	612,961 612,961	0.39 0.39
	DENMARK (0.42%)	676,289	0.44
26,500	Personal Goods (0.42%) Pandora	676,289 676,289	0.44 0.44
	FRANCE (1.40%)	1,772,957	1.14
13,000	Construction & Materials (0.36%) Lafarge	559,425 559,425	0.36 0.36
11,450	Automobiles & Parts (0.37%) Renault	564,029 564,029	0.36 0.36
	Food & Drug Retailers (0.26%)	–	–
15,540	Banks (0.41%) BNP Paribas	649,503 649,503	0.42 0.42
	GERMANY (1.65%)	3,018,097	1.94
136,767	Oil & Gas Producers (0.00%) Centrotherm Phtotv	548,760 548,760	0.35 0.35
50,000	Travel & Leisure (0.36%) Deutsche Lufthansa	602,274 602,274	0.39 0.39
43,949	Electricity (0.64%) SMA Solar Technology	934,049 934,049	0.60 0.60
	Real Estate Investment & Services (0.32%)	–	–
209,666	Software & Computer Services (0.33%) SQS Software Quality Systems	933,014 933,014	0.60 0.60
	GIBRALTAR (1.38%)	1,326,861	0.85
1,086,700	Travel & Leisure (1.38%) BWIN.Party Digital Entertainment	1,326,861 1,326,861	0.85 0.85
	GREECE (1.13%)	2,117,553	1.36

River and Mercantile UK Equity Long Term Recovery Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Leisure Goods (0.40%)	769,647	0.50
101,738	Jumbo	769,647	0.50
	Travel & Leisure (0.38%)	689,626	0.44
100,000	Greek Organisation of Football Prognostics	689,626	0.44
	Financial Services (0.35%)	658,280	0.42
126,000	Hellenic Exchange	658,280	0.42
	IRELAND (1.28%)	1,346,468	0.87
	Construction & Materials (0.39%)	—	—
	Support Services (0.44%)	647,647	0.42
111,000	Grafton	647,647	0.42
	Banks (0.45%)	698,821	0.45
4,000,000	Bank of Ireland	698,821	0.45
	ITALY (1.80%)	2,920,672	1.87
	Construction & Materials (0.48%)	689,526	0.44
76,733	Italmobiliare	689,526	0.44
	Media (0.51%)	840,090	0.54
335,000	Mediaset	840,090	0.54
	Banks (0.41%)	671,571	0.43
156,000	Mediobanca	671,571	0.43
	Nonlife Insurance (0.40%)	719,485	0.46
265,000	Unipol Gruppo Finanziario	719,485	0.46
	NETHERLANDS (0.65%)	—	—
	Life Insurance (0.32%)	—	—
	Technology Hardware & Equipment (0.33%)	—	—
	PORTUGAL (0.32%)	—	—
	Electricity (0.32%)	—	—
	SPAIN (0.60%)	630,369	0.41
	Gas, Water & Multiutilities (0.30%)	—	—
	Banks (0.30%)	630,369	0.41
190,000	Banco Popular Español	630,369	0.41
	MIDDLE EAST (1.18%)	593,733	0.38
	ISRAEL (0.55%)	593,733	0.38

River and Mercantile UK Equity Long Term Recovery Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
3,769,735	Technology Hardware & Equipment (0.55%) BATM Advanced Communications	593,733 593,733	0.38 0.38
	UNITED ARAB EMIRATES (0.63%)	—	—
	Oil Equipment, Services & Distribution (0.63%)	—	—
	ASIA (6.25%)	7,333,600	4.71
	CHINA (1.67%)	2,304,419	1.48
30,500	Pharmaceuticals & Biotechnology (0.27%) WuXi PharmaTech ADR	515,679 515,679	0.33 0.33
191,000	Travel & Leisure (0.20%) Country Style Cook ADR	1,090,990 1,090,990	0.70 0.70
	Nonlife Insurance (0.02%)	—	—
152,000	Life Insurance (0.36%) Ping An Insurance	697,750 697,750	0.45 0.45
	Real Estate Investment & Services (0.38%)	—	—
	Equity Investment Instruments (0.44%)	—	—
	HONG KONG (0.51%)	—	—
	Travel & Leisure (0.51%)	—	—
	INDIA (1.26%)	1,587,685	1.02
625,000	Oil & Gas Producers (0.70%) Essar	810,625 810,625	0.52 0.52
71,950	Mining (0.56%) Vedanta Resources	777,060 777,060	0.50 0.50
	JAPAN (2.00%)	3,441,496	2.21
70,000	Industrial Engineering (0.49%) Teikoku Electric	870,024 870,024	0.56 0.56
45,000	Leisure Goods (0.40%) Sony	594,134 594,134	0.38 0.38
49,000	Media (0.36%) Fuji Media	664,831 664,831	0.43 0.43
159,500	Banks (0.40%) Mitsubishi UFJ Financial	628,350 628,350	0.40 0.40
42,500	Nonlife Insurance (0.35%) MS&AD Insurance	684,157 684,157	0.44 0.44

River and Mercantile UK Equity Long Term Recovery Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	MACAU (0.26%)	–	–
	Travel & Leisure (0.26%)	–	–
	SINGAPORE (0.55%)	–	–
	Oil Equipment, Services & Distribution (0.55%)	–	–
	Portfolio of investments	155,097,729	99.69
	Net other assets	487,339	0.31
	Net assets	155,585,068	100.00

All investments are in ordinary shares unless otherwise stated.

The percentages in brackets show the equivalent sector holdings at 31 March 2013.

Total purchases for the period: £39,974,260

Total sales for the period: £73,319,660

River and Mercantile UK Equity Long Term Recovery Fund

Statement of Total Return for the period ended 30 September 2013

	1 April 2013 to 30 September 2013		1 April 2012 to 30 September 2012	
	£	£	£	£
Income				
Net capital gains/(losses)		33,496,251		(2,044,662)
Revenue	1,933,807		1,274,015	
Expenses	(1,420,875)		(839,369)	
Finance costs: Interest	(664)		(310)	
Net revenue before taxation for the period	512,268		434,336	
Taxation	(56,490)		(32,143)	
Net revenue after taxation for the period		455,778		402,193
Total return before distributions		33,952,029		(1,642,469)
Finance costs: Distributions		(455,778)		(402,193)
Change in net assets attributable to Shareholders from investment activities		33,496,251		(2,044,662)

Statement of Change in Net Assets attributable to Shareholders for the period ended 30 September 2013

	1 April 2013 to 30 September 2013		1 April 2012 to 30 September 2012	
	£	£	£	£
Opening net assets attributable to Shareholders		157,071,899		90,371,705
Amounts received on creation of shares	8,847,178		52,619,159	
Amounts paid on cancellation of shares	(43,820,177)		(10,452,858)	
		(34,972,999)		42,166,301
Stamp Duty Reserve Tax		(27,455)		(25,422)
Change in net assets attributable to Shareholders from investment activities		33,496,251		(2,044,662)
Retained distribution on accumulation shares		17,372		14,442
Closing net assets attributable to Shareholders		155,585,068		130,482,364

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

River and Mercantile UK Equity Long Term Recovery Fund

Balance Sheet as at 30 September 2013

	30 September 2013		31 March 2013	
	£	£	£	£
ASSETS				
Investment assets		155,097,729		154,885,948
Debtors	2,745,064		2,970,779	
Cash and bank balances	196,768		25,874	
Total other assets		2,941,832		2,996,653
Total assets		158,039,561		157,882,601
LIABILITIES				
Creditors	(2,081,093)		(633,479)	
Bank overdrafts	–		(88,603)	
Distribution payable on distribution shares	(373,400)		(88,620)	
Total other liabilities		(2,454,493)		(810,702)
Total liabilities		(2,454,493)		(810,702)
Net assets attributable to Shareholders		155,585,068		157,071,899

Notes to the Financial Statements

1 Accounting policies

The accounting policies for the sub-fund are the same as those disclosed in the aggregated financial statements on page 6.

River and Mercantile UK Equity Long Term Recovery Fund

Fund Facts

Distribution Information

A-Class Distribution shares

The distribution payable on 30 November 2013 is 0.3700p net per share for distribution shares.

B-Class Distribution shares

The distribution payable on 30 November 2013 is 3.8356p net per share for distribution shares.

Z-Class Accumulation shares

The distribution payable on 30 November 2013 is 10.8209p net per share for accumulation shares.

Performance records

Net asset values

	Net asset value of sub-fund £	Net asset value per share p	Shares in issue
31 March 2011			
A-Class Distribution shares	67,722,408	142.13	47,647,988
B-Class Distribution shares	20,430,490	520.93	3,921,917
Z-Class Accumulation shares	775,163	758.57	102,188
31 March 2012			
A-Class Distribution shares	74,575,740	132.71	56,192,657
B-Class Distribution shares	14,678,462	486.15	3,019,329
Z-Class Accumulation shares	1,117,503	722.35	154,704
31 March 2013			
A-Class Distribution shares	137,617,670	160.94	85,511,122
B-Class Distribution shares	18,026,274	589.76	3,056,552
Z-Class Accumulation shares	1,427,955	894.70	159,601
30 September 2013			
A-Class Distribution shares	128,426,203	198.35	64,746,664
B-Class Distribution shares	25,370,014	727.15	3,488,956
Z-Class Accumulation shares	1,788,851	1,114.29	160,538

River and Mercantile UK Equity Long Term Recovery Fund

Fund Facts continued

Share price range & net revenue

Year	Highest share price	Lowest share price	Net revenue
A-Class Distribution shares			
2008 ⁽¹⁾	113.97p	64.95p	0.3115p
2009	124.34p	59.53p	1.0984p
2010	139.34p	106.41p	–
2011	148.55p	105.23p	0.1416p
2012	146.36p	115.17p	0.5825p
2013 ⁽³⁾	201.84p	148.56p	0.3976p
B-Class Distribution shares			
2009 ⁽²⁾	454.54p	250.00p	2.9173p
2010	509.90p	389.33p	1.0488p
2011	544.15p	385.38p	2.5254p
2012	537.18p	422.56p	5.4395p
2013 ⁽³⁾	742.29p	545.34p	5.9613p
Z-Class Accumulation shares			
2008 ⁽¹⁾	581.00p	327.70p	3.3663p
2009	642.49p	301.93p	12.8871p
2010	740.47p	559.63p	4.5656p
2011	791.26p	567.45p	10.9296p
2012	809.96p	623.73p	14.7884p
2013 ⁽³⁾	1,131.39p	822.40p	18.1090p

⁽¹⁾ From 17 July 2008.

⁽²⁾ From 1 April 2009.

⁽³⁾ The above table shows highest and lowest share prices to 30 September 2013. This table also shows net revenue payable to 30 November 2013.

The value of investments and any revenue generated may go down as well as up and is not guaranteed.

An investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.

Changes in exchange rates may have an adverse effect on the value, price or income of investments.

River and Mercantile UK Equity Long Term Recovery Fund

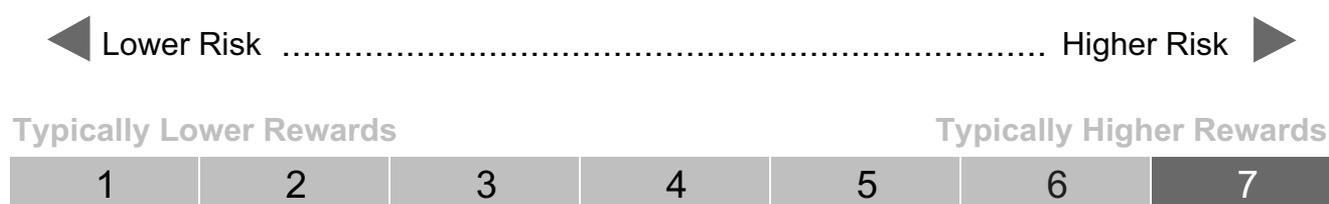
Fund Facts continued

Ongoing Charge Figures

30 September 2013	
A-Class Distribution shares	1.89%
B-Class Distribution shares	1.14%
Z-Class Accumulation shares	0.14%

The OCF has been calculated in accordance with the COLL sourcebook and is designed to be indicative of future costs to investors, as such there will be no comparative figure.

Synthetic Risk Return Indicator (SRRRI)



The Synthetic Risk & Reward Indicator is based on how much the returns of the shares have varied over the last five years, or since launch (whichever is the shorter period). The higher the rank the greater the potential reward but also the greater the risk of losing money.

The shaded area in the Indicator shows the sub-fund's ranking on the Synthetic Risk & Reward Indicator. The Indicator uses a standard calculation method that is used by all EU companies who offer such funds to allow you to compare funds. Historical data is used to calculate the ranking and this may not be a reliable indication for the future ranking and might change.

The sub-fund may not achieve its investment objective and/or you could lose money on your investment in the sub-fund. The following risks are materially relevant to the sub-fund but may not be adequately captured by the Risk and Reward Indicator, and may cause additional loss:

- Liquidity risk: securities in the sub-fund may be sold below their valuation due to insufficient liquidity in the market.
- Foreign exchange risk: the sub-fund invests in international securities which are denominated in foreign currencies whose fluctuations may increase the funds volatility and losses.

River and Mercantile UK Equity Income Fund

Investment Objective and Policy

The investment objective of the sub-fund is to generate a rising level of revenue combined with the potential for capital growth through investing in a portfolio which shall primarily consist of UK equities, however, it may also invest in other instruments such as government gilts, corporate fixed income securities and convertibles.

Investment Manager's Review

Portfolio Review

The River and Mercantile UK Equity Income Fund B share class returned 9.47% over the six months to 30 September 2013, compared with the FTSE All-Share Index which returned 3.84%.

The start of the six month period saw increased market volatility as investors were caught off guard by the prospect of the US Federal Reserve dialling back its \$85 billion per month quantitative easing programme. The resulting rise in government bond yields was not a particular surprise, more the speed of the rise and the associated volatility. The reaction of equity markets was mixed, with a positive response to robust economic data emanating from the USA, rising to new post credit-crunch peaks during June. But, as bond prices became more volatile, and yields backed-up more aggressively, so the equity market reacted more nervously. However, investor appetite for risk returned towards the end the six month period as equity markets gradually got used to the idea of "tapering", allowing equities to perform strongly, particularly in the eurozone which took its first tentative step towards recovery.

Our overweight position in the Industrials and Financials sectors contributed to outperformance over the six month period, both driven by the increased confidence in the UK economy. In particular international banking and financial services provider Standard Chartered and financial services company Lloyds Bank provided over 0.6% of outperformance. Other stock selection gains came from technology company Invensys, one of the sub-fund's top twenty holdings, and the greatest contributor to outperformance; home improvement retailer and B&Q owner Kingfisher which saw revenue and profit creep up as the company was boosted by sales in its new international territories such as Russia; and long-term insurance and savings company Aviva, which completed the sale of its US business for a higher amount than it first expected.

Rentokil, a top scoring Recovery and, indeed, Growth stock was purchased. This company has had several tough years but recently there have been signs of light following the hiring of a first class management team who has sold off the underperforming parcels part of the business, allowing the management to focus on the areas where they can make a real difference, which has laid the foundations for an improving business and share price. Other additions to the portfolio included emerging markets manager Ashmore, which was trading on a cheap valuation following a loss of confidence on emerging markets over the summer, and European industrial leader in cardboard packaging, DS Smith, which is positioned well to take advantage of a current positive operating momentum. As well as Salamander Energy we sold fellow oil exploration businesses Genel and Rockhopper, and Petroceltic and Sterling Energy were reduced because of their low yielding and risky nature. We also sold oil services recovery stock Cape due to its poor track record of shareholder value destruction. We took profits from Cineworld in August after good performance over the last six months, responding to perceptions of an improving UK economy.

Outlook

Our view, consistent with previous periods, is that rather than trying to second guess the decision making of central banks and governments who, like investors, are prone to errors, we continue to apply our bottom-up PVT stock selection investment process to plot a sensible course to make money for our clients. We hold a concentrated portfolio of best investment ideas, which are exposed to multiple geographies, styles and themes, all of which have strong Potential for shareholder value creation, are attractively priced and where we believe the timing offers a strong chance of operational improvement and share price appreciation in future. It is tempting to build an entertaining 'story' around bond yields, slowdowns, recoveries and sector rotation but we stay focused on the enormous opportunity for stock selection in a UK smaller companies universe rich with opportunity.

River and Mercantile UK Equity Income Fund

Portfolio Statement as at 30 September 2013

Holding	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM (88.28%)	115,549,191	93.66
	Oil & Gas Producers (9.02%)	7,214,805	5.85
425,000	Afren	587,775	0.48
1,325,000	BP	5,737,250	4.65
340,000	Cairn Energy	889,780	0.72
	Oil Equipment, Services & Distribution (0.59%)	547,158	0.44
1,621,209	Sterling Energy	547,158	0.44
	Mining (2.76%)	3,748,520	3.04
124,000	Rio Tinto	3,748,520	3.04
	Construction & Materials (0.65%)		
	Aerospace & Defence (3.05%)	4,738,478	3.84
470,000	BAE Systems	2,135,680	1.73
470,000	Cobham	1,348,430	1.09
66,439	Ultra Electronics	1,254,368	1.02
	General Industrials (0.68%)	2,349,855	1.91
500,471	DS Smith	1,439,855	1.17
200,000	RPC	910,000	0.74
	Electronic & Electrical Equipment (0.85%)	628,875	0.51
325,000	TT Electronics	628,875	0.51
	Industrial Transportation (0.00%)	1,000,000	0.81
200,000	Braemar Seascope	1,000,000	0.81
	Support Services (8.48%)	12,254,606	9.93
70,000	De La Rue	692,650	0.56
1,000,000	Fiberweb	1,012,500	0.82
110,000	Hargreaves Services	923,450	0.75
1,250,000	Hogg Robinson	943,750	0.77
300,000	HomeServe	769,200	0.62
150,000	Interserve	842,250	0.68
350,000	Premier Farnell	758,100	0.62
1,217,035	Rentokil Initial	1,325,351	1.08
170,000	Serco	929,050	0.75
800,000	Shanks	744,000	0.60
425,000	SIG	789,225	0.64
975,000	Speedy Hire	633,750	0.51
400,000	St. Ives	693,000	0.56
329,490	Utilitywise	497,530	0.40
60,000	WS Atkins	700,800	0.57
	Food Producers (3.44%)	5,093,155	4.13
215,000	Dairy Crest	976,960	0.79
135,000	Tate & Lyle	994,275	0.81
128,000	Unilever	3,121,920	2.53
	Household Goods & Home Construction (0.52%)	—	—

River and Mercantile UK Equity Income Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Tobacco (0.00%)	2,401,350	1.95
105,000	Imperial Tobacco	2,401,350	1.95
	Pharmaceuticals & Biotechnology (7.50%)	7,971,395	6.46
59,000	AstraZeneca	1,897,145	1.54
390,000	GlaxoSmithKline	6,074,250	4.92
	Food & Drug Retailers (1.64%)	3,975,650	3.22
250,000	Sainsbury (J)	978,000	0.79
835,000	Tesco	2,997,650	2.43
	General Retailers (1.68%)	3,437,390	2.79
160,000	Halfords	628,800	0.51
500,000	Home Retail	840,500	0.68
510,000	Kingfisher	1,968,090	1.60
	Media (7.52%)	6,998,475	5.67
110,000	4imprint	603,350	0.49
170,000	BSkyB	1,479,000	1.20
220,000	Informa	1,155,000	0.94
375,000	ITV	657,375	0.53
200,000	Reed Elsevier	1,665,000	1.35
500,000	Trinity Mirror	618,750	0.50
400,000	Wilmington	820,000	0.66
	Travel & Leisure (4.17%)	2,989,000	2.42
600,000	888	999,000	0.81
40,000	Go-Ahead	668,800	0.54
180,000	Playtech	1,321,200	1.07
	Fixed Line Telecommunications (1.20%)	2,780,828	2.26
3,300,000	Cable & Wireless	1,306,140	1.06
1,625,000	KCOM	1,474,688	1.20
	Mobile Telecommunications (5.14%)	8,220,617	6.66
165,000	Inmarsat	1,169,850	0.95
3,265,000	Vodafone	7,050,767	5.71
	Electricity (1.84%)	2,137,300	1.73
145,000	SSE	2,137,300	1.73
	Banks (11.88%)	14,248,811	11.55
38,000	Bank of Georgia	733,400	0.59
925,000	Barclays	2,455,875	1.99
231,250	Barclays (Rights Issue 17/10/2013)	186,156	0.15
1,240,000	HSBC	8,298,080	6.73
3,500,000	Lloyds Bank	2,575,300	2.09
	Nonlife Insurance (0.94%)	3,872,284	3.15
340,000	Amlin	1,377,340	1.12
153,786	Novae	773,544	0.63
1,425,000	RSA Insurance	1,721,400	1.40

River and Mercantile UK Equity Income Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Life Insurance (4.16%)	3,845,310	3.11
545,000	Aviva	2,162,560	1.75
530,000	Resolution	1,682,750	1.36
	Real Estate Investment Trusts (0.81%)	1,870,447	1.51
1,080,921	Hansteen	1,064,707	0.86
260,000	SEGRO	805,740	0.65
	Financial Services (4.60%)	6,935,090	5.62
320,000	Ashmore	1,248,960	1.01
95,000	Close Brothers	1,109,600	0.90
850,000	F&C Asset Management	821,525	0.67
250,000	IG	1,445,000	1.17
128,677	Intermediate Capital	573,385	0.46
240,000	3i	873,120	0.71
250,000	Tullett Prebon	863,500	0.70
	Software & Computer Services (3.65%)	4,725,792	3.84
4,150,000	Innovation	1,203,500	0.98
240,000	InternetQ	771,000	0.63
300,000	Invensys	1,492,800	1.21
381,824	Sage	1,258,492	1.02
	Technology Hardware & Equipment (1.51%)	1,564,000	1.26
400,000	Laird	880,000	0.71
400,000	Wolfson Microelectronics	684,000	0.55
	CHANNEL ISLANDS (1.67%)	1,289,790	1.05
	JERSEY (0.00%)	1,289,790	1.05
	Oil Equipment, Services & Distribution (0.00%)	1,289,790	1.05
270,000	Kentz	1,289,790	1.05
	Financial Services (1.67%)	–	–
	CONTINENTAL EUROPE (7.99%)	7,766,750	6.29
	IRELAND (0.95%)	583,483	0.47
	Oil & Gas Producers (0.95%)	583,483	0.47
391,599	Petroceltic International	583,483	0.47
	NETHERLANDS (5.64%)	6,222,067	5.04
	Oil & Gas Producers (5.64%)	6,222,067	5.04
291,500	Royal Dutch Shell 'B'	6,222,067	5.04
	SWITZERLAND (1.40%)	–	–
	Mining (1.40%)	–	–
	ASIA (0.82%)	961,200	0.78
	INDIA (0.00%)	961,200	0.78

River and Mercantile UK Equity Income Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Mining (0.00%)	961,200	0.78
89,000	Vedanta Resources	961,200	0.78
	SINGAPORE (0.82%)	–	–
	Oil Equipment, Services & Distribution (0.82%)	–	–
Portfolio of investments		124,605,731	101.00
Net other liabilities		(1,231,713)	(1.00)
Net assets		123,374,018	100.00

All investments are in ordinary shares unless otherwise stated.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2013.

Total purchases for the period: £79,989,358.

Total sales for the period: £33,598,463.

River and Mercantile UK Equity Income Fund

Statement of Total Return for the period ended 30 September 2013

	1 April 2013 to 30 September 2013		1 April 2012 to 30 September 2012	
	£	£	£	£
Income				
Net capital gains		6,504,232		1,018,316
Revenue	2,180,921		1,012,878	
Expenses	(510,201)		(235,235)	
Finance costs: Interest	(12)		(2)	
Net revenue before taxation for the period	1,670,708		777,641	
Taxation	–		–	
Net revenue after taxation for the period		1,670,708		777,641
Total return before distributions		8,174,940		1,795,957
Finance costs: Distributions		(1,738,666)		(975,392)
Change in net assets attributable to Shareholders from investment activities		6,436,274		820,565

Statement of Change in Net Assets attributable to Shareholders for the period ended 30 September 2013

	1 April 2013 to 30 September 2013		1 April 2012 to 30 September 2012	
	£	£	£	£
Opening net assets attributable to Shareholders		72,663,862		48,336,443
Amounts received on creation of shares	52,556,128		2,475,617	
Amounts paid on cancellation of shares	(8,227,276)		(10,258,591)	
		44,328,852		(7,782,974)
Stamp Duty Reserve Tax		(54,970)		(15,471)
Change in net assets attributable to Shareholders from investment activities		6,436,274		820,565
Closing net assets attributable to Shareholders		123,374,018		41,358,563

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

River and Mercantile UK Equity Income Fund

Balance Sheet as at 30 September 2013

	30 September 2013		31 March 2013	
	£	£	£	£
ASSETS				
Investment assets		124,605,731		71,763,005
Debtors	2,268,885		845,482	
Cash and bank balances	2,702,469		1,833,836	
Total other assets		4,971,354		2,679,318
Total assets		129,577,085		74,442,323
LIABILITIES				
Creditors	(3,905,643)		(541,463)	
Distribution payable on distribution shares	(2,297,424)		(1,236,998)	
Total other liabilities		(6,203,067)		(1,778,461)
Total liabilities		(6,203,067)		(1,778,461)
Net assets attributable to Shareholders		123,374,018		72,663,862

Notes to the Financial Statements

1 Accounting policies

The accounting policies for the sub-fund are the same as those disclosed in the aggregated financial statements on page 6.

River and Mercantile UK Equity Income Fund

Fund Facts

Distribution Information

A-Class Distribution shares

The distribution payable on 30 November 2013 is 3.3075p net per share for distribution shares.

B-Class Distribution shares

The distribution payable on 30 November 2013 is 8.4107p net per share for distribution shares.

Performance records

Net asset values

	Net asset value of sub-fund £	Net asset value per share p	Shares in issue
31 March 2011			
A-Class Distribution shares	7,475,414	148.41	5,037,132
B-Class Distribution shares	46,577,820	376.88	12,358,829
31 March 2012			
A-Class Distribution shares	9,660,534	139.90	6,905,237
B-Class Distribution shares	38,675,909	357.97	10,804,088
31 March 2013			
A-Class Distribution shares	13,342,864	163.57	8,157,419
B-Class Distribution shares	59,320,998	421.68	14,067,862
30 September 2013			
A-Class Distribution shares	14,207,442	174.85	8,125,452
B-Class Distribution shares	109,166,576	452.59	24,120,170

River and Mercantile UK Equity Income Fund

Fund Facts continued

Share price range & net revenue

Year	Highest share price	Lowest share price	Net revenue
A-Class Distribution shares			
2009 ⁽¹⁾	135.83p	88.25p	3.5688p
2010	151.39p	123.52p	5.6365p
2011	156.91p	122.64p	5.6921p
2012	154.15p	128.11p	6.5785p
2013 ⁽²⁾	184.06p	155.78p	6.0841p
B-Class Distribution shares			
2009 ⁽¹⁾	341.61p	220.78p	8.9193p
2010	383.69p	311.92p	14.2838p
2011	398.04p	312.65p	14.4461p
2012	396.65p	328.19p	16.7583p
2013 ⁽²⁾	476.13p	400.91p	15.5936p

⁽¹⁾ From 2 February 2009.

⁽²⁾ The above table shows highest and lowest share prices to 30 September 2013. This table also shows net revenue payable to 30 November 2013.

The value of investments and any revenue generated may go down as well as up and is not guaranteed.

An investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.

Changes in exchange rates may have an adverse effect on the value, price or income of investments.

River and Mercantile World Recovery Fund

Investment Objective and Policy

The investment objective of the sub-fund is to achieve capital growth through investing in a portfolio which will primarily consist of international equities that the investment manager believes will benefit from a recovery in company profitability over the medium and longer term. The sub-fund will not be restricted by reference to a benchmark, territory, sector constraints or company size.

Investment Manager's Review

Portfolio Review

The River and Mercantile World Recovery Z share class returned 21.96% over the six months to 30 September 2013, compared with the FTSE All-World Index which returned 0.83%.

The start of the six month period saw increased market volatility as investors were caught off guard by the prospect of the US Federal Reserve dialling back its \$85 billion per month quantitative easing programme. The resulting rise in government bond yields was not a particular surprise, more the speed of the rise and the associated volatility. The reaction of equity markets was mixed, with a positive response to robust economic data emanating from the USA, rising to new post credit-crunch peaks during June. But, as bond prices became more volatile, and yields backed-up more aggressively, so the equity market reacted more nervously. However, investor appetite for risk returned towards the end the six month period as equity markets gradually got used to the idea of "tapering", allowing equities to perform strongly, particularly in the eurozone which took its first tentative step towards recovery.

The portfolio's overweight position in Financials contributed over 6% of the outperformance over the six month period, with Lloyds Bank (UK), Mediobanca (Italy), holding company Hellenic Exchange (Greece), and investment services company Nomura (Japan) among the strongest performers. Smaller company recovery stock picking also contributed significantly to performance with Italian multinational media company Mediaset, American concrete manufacturer Somero Enterprises, and Spanish renewable energy services producer Gamesa ranking as the strongest performers.

Activity

Activity has continued to focus on adding to eurozone exposure, in particular to the peripheral countries such as Spain, Italy and Greece. We have also continued to add to France through the purchase of water management company Veolia, communications solutions and internet service provider Alcatel-Lucent and residential construction company Bouygues, all of which are stocks that are able to take advantage of continued growth in the eurozone following the sovereign debt crisis. We are also building up an exposure to market leading clean technology stocks SMA Solar (Germany), Wacker Chemie (Germany) and Vestas (Denmark). Clean technology is an area of robust long-term growth and equities in this sector are particularly compelling. We took profit by selling the portfolio's position in Financial Services company Wells Fargo (USA), which was up 20% since purchase.

Outlook

The cyclically adjusted PE (Price/Earnings Ratio) of the markets we are most exposed to (Europe, UK and Japan) remains attractive at an average of 12 times.

This supportive starting valuation, when combined with improving prospects for profit growth as developed world economies recover, should ensure annualised total equity returns at least in line with the starting earnings yield.

Meanwhile, depressed ROE (Return on Equity), value and recovery type stocks have started to outperform. Peak ROE, global growth and bond proxies have started to underperform. The charts below show that the reversal in performance between these two types of stocks has only just begun, with the value gap remaining very high but starting to close as the relative earnings momentum amongst recovery ROE stocks becomes higher than that of peak ROE stocks.

Our stock selection is positioned to benefit from this. We have a lowly valued portfolio, which is growing shareholder value faster than the market, and which is delivering more positive surprises than the market. We have performed well, and should continue to do so.

River and Mercantile World Recovery Fund

Portfolio Statement as at 30 September 2013

Holding	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM (24.37%)	8,823,266	13.13
	Mining (2.06%)	331,143	0.49
103,839	Lonmin	331,143	0.49
	Construction & Materials (0.48%)	389,179	0.58
218,333	Marshalls	389,179	0.58
	Aerospace & Defence (0.95%)	–	–
	Industrial Engineering (0.53%)	319,200	0.47
190,000	Molins	319,200	0.47
	Support Services (3.19%)	521,142	0.78
147,500	SIG	273,907	0.41
125,500	Tribal	247,235	0.37
	Automobiles & Parts (0.90%)	–	–
	Household Goods & Home Construction (0.99%)	273,577	0.41
96,500	Telford Homes	273,577	0.41
	Health Care Equipment & Services (0.00%)	333,000	0.50
74,000	Immunodiagnostic Systems	333,000	0.50
	Food & Drug Retailers (0.69%)	375,487	0.56
387,100	Thorntons	375,487	0.56
	General Retailers (1.71%)	1,042,273	1.55
665,900	Dixons Retail	309,910	0.46
223,000	Home Retail	374,863	0.56
520,000	Kesa Electricals	357,500	0.53
	Media (2.07%)	564,010	0.84
125,000	STV	317,500	0.47
199,200	Trinity Mirror	246,510	0.37
	Travel & Leisure (1.01%)	294,334	0.44
40,100	Playtech	294,334	0.44
	Fixed Line Telecommunications (0.74%)	–	–
	Banks (3.06%)	937,115	1.39
1,273,600	Lloyds Bank	937,115	1.39
	Real Estate Investment & Services (1.24%)	907,732	1.35
60,000	LSL Property Services	277,950	0.41
375,000	Quintain Estates & Development	315,937	0.47
213,500	Songbird Estates	313,845	0.47
	Financial Services (2.95%)	1,453,889	2.17
147,833	Ashcourt Rowan	280,883	0.42
1,650,000	Charlemagne Capital	239,250	0.36
69,400	Intermediate Capital	309,246	0.46
52,800	International Personal Finance	320,760	0.48
750,000	MAM Funds	303,750	0.45

River and Mercantile World Recovery Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Software & Computer Services (1.05%)	615,850	0.91
180,000	Blinkx	271,350	0.40
325,000	RM	344,500	0.51
	Technology Hardware & Equipment (0.75%)	465,335	0.69
715,900	Filtronic	465,335	0.69
	ISLE OF MAN (0.00%)	306,625	0.46
	Support Services (0.00%)	306,625	0.46
110,000	Optimal Payments	306,625	0.46
	NORTH AMERICA (25.30%)	13,952,300	20.76
	CANADA (0.79%)	408,504	0.61
	Financial Services (0.79%)	–	–
	Technology Hardware & Equipment (0.00%)	408,504	0.61
40,500	Sierra Wireless	408,504	0.61
	UNITED STATES (24.51%)	13,543,796	20.15
	Oil & Gas Producers (0.64%)	–	–
	Construction & Materials (0.44%)	308,756	0.46
25,000	US Concrete	308,756	0.46
	Electronic & Electrical Equipment (0.53%)	748,239	1.11
16,160	First Solar	401,256	0.60
46,400	Rubicon Technology	346,983	0.51
	Industrial Engineering (1.06%)	916,150	1.36
1,255,000	Somero Enterprises	916,150	1.36
	Automobiles & Parts (1.01%)	313,458	0.47
14,120	General Motors	313,458	0.47
	Household Goods & Home Construction (1.30%)	744,025	1.11
34,250	Beazer Homes	380,485	0.57
30,315	D.R. Horton	363,540	0.54
	Leisure Goods (0.62%)	–	–
	Health Care Equipment & Services (0.72%)	284,789	0.42
39,250	Boston Scientific	284,789	0.42
	Pharmaceuticals & Biotechnology (1.73%)	–	–
	General Retailers (2.91%)	1,127,523	1.67
14,000	Best Buy	324,108	0.48
13,725	eBay	472,756	0.70
19,500	VCA Antech	330,659	0.49
	Media (0.00%)	359,300	0.53
45,000	Digital Generation	359,300	0.53

River and Mercantile World Recovery Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Travel & Leisure (0.00%)	492,497	0.73
39,000	MGM Resorts International	492,497	0.73
	Banks (4.62%)	2,362,641	3.52
92,800	Bank of America	790,811	1.18
36,313	Citigroup	1,087,551	1.62
84,600	Regions Financial	484,279	0.72
	Life Insurance (0.47%)	574,081	0.85
35,085	Genworth Financial	277,101	0.41
10,250	MetLife	296,980	0.44
	Nonlife Insurance (0.95%)	754,814	1.13
10,424	American International	312,965	0.47
23,000	Hartford Financial Services	441,849	0.66
	Real Estate Investment & Services (1.07%)	313,079	0.47
18,626	Leucadia National	313,079	0.47
	Financial Services (2.81%)	2,230,606	3.32
18,689	Blackstone Group	287,017	0.43
22,846	Charles Schwab	298,378	0.44
43,500	E*TRADE	443,220	0.66
60,000	Fortress Investment	293,813	0.44
36,450	Investment Technology	353,831	0.53
14,000	Legg Mason	289,181	0.43
23,000	Western Union	265,166	0.39
	Software & Computer Services (3.63%)	1,749,123	2.61
18,500	AOL	394,813	0.59
14,000	Blucora	198,580	0.30
18,553	Facebook	575,585	0.86
25,500	VA Software	265,172	0.39
15,382	Yahoo!	314,973	0.47
	Technology Hardware & Equipment (0.00%)	264,715	0.39
28,000	OmniVision Technologies	264,715	0.39
	CONTINENTAL EUROPE (32.17%)	29,350,749	43.67
	AUSTRIA (0.84%)	257,837	0.38
	Construction & Materials (0.84%)	–	–
	Fixed Line Telecommunications (0.00%)	257,837	0.38
50,000	Telekom Austria	257,837	0.38
	BELGIUM (0.72%)	1,323,444	1.97
	Construction & Materials (0.00%)	319,527	0.48
275,000	Deceunk	319,527	0.48
	Electronic & Electrical Equipment (0.00%)	390,788	0.58
275,000	Agfa-Gevaert	390,788	0.58

River and Mercantile World Recovery Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Food & Drug Retailers (0.00%)	311,527	0.46
8,000	Delhaize le Lion	311,527	0.46
	Life Insurance (0.72%)	301,602	0.45
12,055	Ageas	301,602	0.45
	DENMARK (0.76%)	1,158,657	1.73
	Industrial Engineering (0.00%)	428,421	0.64
27,500	Vestas Wind Systems	428,421	0.64
	Industrial Transportation (0.00%)	320,635	0.48
60	AP Moller-Maersk	320,635	0.48
	Personal Goods (0.76%)	409,601	0.61
16,050	Pandora	409,601	0.61
	IRELAND (0.66%)	413,470	0.62
	Banks (0.66%)	413,470	0.62
2,355,400	Bank of Ireland	413,470	0.62
	FINLAND (0.66%)	406,085	0.60
	Technology Hardware & Equipment (0.66%)	406,085	0.60
100,000	Nokia	406,085	0.60
	FRANCE (6.61%)	5,197,983	7.74
	Construction & Materials (0.80%)	1,040,243	1.55
15,000	Bouygues	337,666	0.50
9,000	Cie de St-Gobain	275,349	0.41
9,928	Lafarge	427,228	0.64
	Automobiles & Parts (0.93%)	317,728	0.47
6,450	Renault	317,728	0.47
	Pharmaceuticals & Biotechnology (1.45%)	–	–
	Software & Computer Services (0.00%)	297,144	0.44
31,100	Ubisoft Entertainment	297,144	0.44
	Food & Drug Retailers (0.76%)	324,596	0.48
15,303	Carrefour	324,596	0.48
	Media (0.00%)	1,261,005	1.88
36,000	M6 Metropole Television	474,413	0.71
250,000	PagesJaunes	353,172	0.53
30,500	Vivendi	433,420	0.64
	Travel & Leisure (0.79%)	273,077	0.41
10,629	Accor	273,077	0.41
	Gas, Water & Multiutilities (0.00%)	358,530	0.53
34,000	Veolia	358,530	0.53

River and Mercantile World Recovery Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Banks (1.88%)	945,658	1.41
13,050	BNP Paribas	545,432	0.81
13,000	Société Générale	400,226	0.60
	Technology Hardware & Equipment (0.00%)	380,002	0.57
172,000	Alcatel-Lucent 'A' shares	380,002	0.57
	GERMANY (3.84%)	2,994,236	4.45
	Chemicals (0.00%)	442,406	0.66
7,300	Wacker Chemie	442,406	0.66
	Construction & Materials (1.01%)	330,496	0.49
6,923	HeidelbergCement	330,496	0.49
	Food & Drug Retailers (0.58%)	271,678	0.40
11,100	Metro	271,678	0.40
	Travel & Leisure (1.71%)	896,794	1.34
43,429	Deutsche Lufthansa	523,123	0.78
47,500	TUI	373,671	0.56
	Electricity (0.54%)	385,211	0.57
18,125	SMA Solar Technology	385,211	0.57
	Banks (0.00%)	283,842	0.42
40,000	Commerzbank	283,842	0.42
	Technology Hardware & Equipment (0.00%)	383,809	0.57
36,850	Aixtron	383,809	0.57
	GIBRALTAR (1.24%)	417,094	0.62
	Travel & Leisure (1.24%)	417,094	0.62
341,600	BWIN.Party Digital Entertainment	417,094	0.62
	GREECE (1.21%)	1,472,239	2.19
	Leisure Goods (0.67%)	292,765	0.44
38,700	Jumbo	292,765	0.44
	Banks (0.00%)	419,517	0.62
896,194	Alpha Bank	419,517	0.62
	Financial Services (0.54%)	759,957	1.13
63,546	Hellenic Exchange	331,992	0.49
97,094	Hellenic Finance	90,090	0.14
1,075,000	Marfin Financial Group	337,875	0.50
	ITALY (7.04%)	4,768,484	7.10
	Oil & Gas Producers (0.96%)	—	—
	Construction & Materials (0.77%)	700,127	1.04
148,900	Italcementi	700,127	1.04

River and Mercantile World Recovery Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Industrial Engineering (0.00%)	238,235	0.35
20,000	Danieli	238,235	0.35
	Media (1.85%)	1,522,625	2.27
575,000	Arnoldo Mondadori Editore	443,398	0.66
438,713	Gruppo Editoriale L'Espresso	396,063	0.59
272,423	Mediaset	683,164	1.02
	Fixed Line Telecommunications (0.00%)	286,015	0.43
700,000	Telecom Italia	286,015	0.43
	Electricity (0.00%)	270,835	0.40
450,000	AEM	270,835	0.40
	Banks (1.78%)	774,465	1.16
92,981	Mediobanca	400,278	0.60
95,000	UniCredit	374,187	0.56
	Nonlife Insurance (1.68%)	695,525	1.03
23,000	Assicurazioni Generali	283,583	0.42
151,726	Unipol Gruppo Finanziario	411,942	0.61
	Technology Hardware & Equipment (0.00%)	280,657	0.42
85,000	Esprinet	280,657	0.42
	LUXEMBOURG (0.00%)	314,236	0.47
	Industrial Metals & Mining (0.00%)	314,236	0.47
37,000	ArcelorMittal	314,236	0.47
	CHANNEL ISLANDS (0.63%)	–	–
	Support Services (0.63%)	–	–
	NETHERLANDS (2.08%)	1,417,126	2.11
	Industrial Transportation (0.00%)	267,241	0.40
100,000	PostNL	267,241	0.40
	Life Insurance (0.75%)	667,660	0.99
70,600	Aegon	322,814	0.48
49,400	ING Groep	344,846	0.51
	Financial Services (0.93%)	–	–
	Technology Hardware & Equipment (0.40%)	482,225	0.72
109,114	TomTom	482,225	0.72
	PORTUGAL (1.73%)	1,712,471	2.55
	Fixed Line Telecommunications (0.80%)	–	–
	Media (0.00%)	311,210	0.46
85,000	PT Multimedia	311,210	0.46
	Travel & Leisure (0.00%)	50,207	0.07
9,610	lbersol	50,207	0.07

River and Mercantile World Recovery Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
375,000	Food & Drug Retailers (0.00%) Sonae	288,389 288,389	0.43 0.43
121,750	Electricity (0.93%) Energias de Portugal	273,767 273,767	0.41 0.41
527,200	Banks (0.00%) Banco Espirito Santo	346,384 346,384	0.52 0.52
173,000	Software & Computer Services (0.00%) Novabase SGPS	442,514 442,514	0.66 0.66
	SPAIN (3.35%)	4,349,010	6.47
117,600	Construction & Materials (0.00%) Sacyr Vallehermoso	334,820 334,820	0.49 0.49
90,000	Industrial Engineering (0.00%) Gamesa	484,042 484,042	0.72 0.72
55,000	Media (0.96%) Mediaset España	846,747 391,018	1.26 0.58
1,698,407	Promotora de Informaciones	455,729	0.68
175,000	Food Producers (0.00%) Natra	239,175 239,175	0.36 0.36
80,305	Electricity (0.86%) Iberdrola	288,314 288,314	0.43 0.43
	Gas, Water & Multiutilities (0.62%)	–	–
127,000	Banks (0.91%) Banco Popular Español	1,544,863 421,352	2.30 0.63
138,000	Bankinter	458,654	0.68
44,195	BBVA	305,150	0.45
44,195	BBVA (Rights Issue 14/10/13)	3,694	0.01
131,288	Criteria Caixacorp	356,013	0.53
12,500	Financial Services (0.00%) Corporacion Financiera Alba	424,329 424,329	0.63 0.63
58,628	Travel & Leisure (0.00%) NH Hotels	186,720 186,720	0.28 0.28
	SWEDEN (0.80%)	621,834	0.91
175,000	Media (0.00%) Tradedoubler	351,630 351,630	0.52 0.52
	Technology Hardware & Equipment (0.80%)	–	–
117,106	Software & Computer Services (0.00%) Seamless Distribution	270,204 270,204	0.39 0.39
	SWITZERLAND (0.00%)	2,526,543	3.76

River and Mercantile World Recovery Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Health Care Equipment & Services (0.00%)	828,900	1.23
54,000	Nobel Biocare	492,300	0.73
3,000	Straumann	336,600	0.50
	Pharmaceuticals & Biotechnology (0.00%)	353,741	0.52
7,000	Lonza	353,741	0.52
	Industrial Engineering (0.00%)	449,239	0.67
68,454	Meyer Burger Technology	449,239	0.67
	Life Insurance (0.00%)	467,648	0.70
4,000	Swiss Life	467,648	0.70
	Banks (0.00%)	427,015	0.64
33,800	UBS	427,015	0.64
	ASIA (17.23%)	13,800,893	20.53
	CHINA (2.45%)	3,887,776	5.78
	Industrial Transportation (0.00%)	284,120	0.42
3,076,000	Tiajin Port Development	284,120	0.42
	General Retailers (0.00%)	272,083	0.40
850,000	New World Department Store	272,083	0.40
	Media (0.00%)	375,621	0.56
22,200	Youku Tudou	375,621	0.56
	Support Services (0.00%)	194,925	0.29
1,600,000	China Automation	194,925	0.29
	Travel & Leisure (0.62%)	860,195	1.29
37,200	Country Style Cook ADR	212,486	0.32
10,000	Ctrip.com ADS	360,689	0.54
14,000	Home Inns & Hotels Management ADR	287,020	0.43
	Life Insurance (1.07%)	394,780	0.59
86,000	Ping An Insurance	394,780	0.59
	Real Estate Investment & Services (0.76%)	–	–
	Software & Computer Services (0.00%)	1,506,052	2.23
5,000	Baidu ADR	478,819	0.71
8,000	NetEase ADR	358,355	0.53
7,250	Sina	363,395	0.54
30,000	21Vianet	305,483	0.45
	HONG KONG (0.00%)	1,548,996	2.31
	General Retailers (0.00%)	292,627	0.44
3,750,000	GOME Electrical Appliances	292,627	0.44
	Media (0.00%)	352,904	0.53
1,600,000	Phoenix Satellite	352,904	0.53

River and Mercantile World Recovery Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Travel & Leisure (0.00%)	556,111	0.83
900,000	Ajisen China	556,111	0.83
	Real Estate Investment & Services (0.00%)	347,354	0.51
37,000	Cheung Kong	347,354	0.51
	INDIA (0.61%)	571,312	0.85
	Oil & Gas Producers (0.61%)	270,262	0.40
208,375	Essar	270,262	0.40
	Banks (0.00%)	301,050	0.45
16,000	ICICI Bank ADR	301,050	0.45
	JAPAN (14.17%)	7,537,418	11.21
	Chemicals (0.63%)	233,314	0.35
96,800	Tokuyama	233,314	0.35
	General Industrials (1.46%)	—	—
	Construction & Materials (0.00%)	214,973	0.32
80,000	Taiheiyo Cement	214,973	0.32
	Electronic & Electrical Equipment (0.00%)	878,191	1.31
17,000	Hoya	248,094	0.37
105,000	Minebea	330,389	0.49
22,700	Sony	299,708	0.45
	Industrial Transportation (0.00%)	353,913	0.53
182,000	Nippon Yusen Katushiki Kaisha	353,913	0.53
	Beverages (0.00%)	209,580	0.31
17,000	Coca-Cola West Japan	209,580	0.31
	Household Goods & Home Construction (0.82%)	331,522	0.49
40,000	Sekisui House	331,522	0.49
	Leisure Goods (0.82%)	—	—
	General Retailers (2.15%)	659,815	0.98
62,000	H2O Retailing	316,431	0.47
7,000	Paris Miki	21,145	0.03
11,000	Point	322,239	0.48
	Media (1.05%)	812,933	1.21
36,000	Fuji Media	488,447	0.73
29,000	Gurunavi	324,486	0.48
	Travel & Leisure (0.00%)	299,049	0.44
8,000	Japan Airlines	299,049	0.44
	Life Insurance (0.00%)	352,163	0.52
40,000	Dai-Ichi Life Insurance	352,163	0.52

River and Mercantile World Recovery Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Banks (2.24%)	1,185,647	1.77
17,500	Sumitomo Mitsui Financial	522,565	0.78
114,000	Sumitomo Mitsui Trust	347,947	0.52
52,000	Yamaguchi Financial	315,135	0.47
	Nonlife Insurance (1.48%)	465,227	0.69
28,900	MS&AD Insurance	465,227	0.69
	Real Estate Investment & Services (1.18%)	795,702	1.18
60,000	Daibiru	431,582	0.64
20,000	Mitsubishi Estate	364,120	0.54
	Financial Services (1.47%)	447,724	0.67
93,000	Nomura	447,724	0.67
	Software & Computer Services (0.87%)	–	–
	Technology Hardware & Equipment (0.00%)	297,665	0.44
100,000	Micronics Japan	297,665	0.44
	MACAU (0.00%)	255,391	0.38
	Travel & Leisure (0.00%)	255,391	0.38
124,800	MGM China	255,391	0.38
	PACIFIC BASIN (0.00%)	809,873	1.21
	AUSTRALIA (0.00%)	809,873	1.21
	Mining (0.00%)	463,433	0.69
13,000	Rio Tinto	463,433	0.69
	Media (0.00%)	346,440	0.52
250,000	Seven West Media	346,440	0.52
	FORWARD CURRENCY CONTRACTS (0.00%)	(10,383)	(0.02)
¥(1,138,710,021)	Sold Japanese Yen	(10,784)	(0.02)
\$11,590,268	For US Dollar (Expiry 15/11/2013)		
\$(869,102)	Sold US Dollar	401	–
¥85,322,137	For Japanese Yen (Expiry 15/11/2013)		
Portfolio of investments		67,033,323	99.74
Net other assets		173,517	0.26
Net assets		67,206,840	100.00

All investments are in ordinary shares unless otherwise stated.

The percentages in brackets show the percentage of net assets at 31 March 2013.

Total purchases for the period: £74,338,776.

Total sales for the period: £21,948,846.

River and Mercantile World Recovery Fund

Statement of Total Return for the period ended 30 September 2013

	1 April 2013 to 30 September 2013	
	£	£
Income		
Net capital gains		4,759,513
Revenue	321,155	
Expenses	(256,998)	
Finance costs: Interest	(1,533)	
Net revenue before taxation for the period	62,624	
Taxation	(26,071)	
Net revenue after taxation for the period		36,553
Total return before distributions		4,796,066
Finance costs: Distributions		(36,553)
Change in net assets attributable to Shareholders from investment activities		4,759,513

Statement of Change in Net Assets attributable to Shareholders for the period ended 30 September 2013

	1 April 2013 to 30 September 2013	
	£	£
Opening net assets attributable to Shareholders		9,748,807
Amounts received on creation of shares	53,485,649	
Amounts paid on cancellation of shares	(793,610)	
		52,692,039
Stamp Duty Reserve Tax		(413)
Change in net assets attributable to Shareholders from investment activities		4,759,513
Retained distribution on accumulation shares		6,894
Closing net assets attributable to Shareholders		67,206,840

As the sub-fund launched on 4 March 2013, there are no prior period comparatives.

River and Mercantile World Recovery Fund

Balance Sheet as at 30 September 2013

	30 September 2013		31 March 2013	
	£	£	£	£
ASSETS				
Investment assets		67,044,107		9,657,785
Debtors	5,213,582		68,967	
Cash and bank balances	8,312		40,237	
Total other assets		5,221,894		109,204
Total assets		72,266,001		9,766,989
LIABILITIES				
Investment liabilities		(10,784)		–
Creditors	(4,172,030)		(8,422)	
Bank overdrafts	(583,958)		–	
Distribution payable on distribution shares	(292,389)		(9,760)	
Total other liabilities		(5,048,377)		(18,182)
Total liabilities		(5,059,161)		(18,182)
Net assets attributable to Shareholders		67,206,840		9,748,807

Notes to the Financial Statements

1 Accounting policies

The accounting policies for the sub-fund are the same as those disclosed in the aggregated financial statements on page 6.

River and Mercantile World Recovery Fund

Fund Facts

Distribution Information

B-Class Distribution shares

The distribution payable on 30 November 2013 is 1.3376p net per share for distribution shares.

Z-Class Accumulation shares

The distribution payable on 30 November 2013 is 5.4872p net per share for accumulation shares.

Performance records

Net asset values

	Net asset value of sub-fund £	Net asset value per share p	Shares in issue
31 March 2013			
B-Class Distribution shares	9,564,061	251.52	3,802,500
Z-Class Accumulation shares	184,746	503.90	36,663
30 September 2013			
B-Class Distribution shares	66,434,655	303.92	21,859,131
Z-Class Accumulation shares	772,185	614.62	125,637

Share price range & net revenue

Year	Highest share price	Lowest share price	Net revenue
B-Class Distribution shares 2013 ⁽¹⁾⁽²⁾	313.03p	250.00p	1.5942p
Z-Class Accumulation shares 2013 ⁽¹⁾⁽²⁾	630.05p	500.00p	6.3566p

⁽¹⁾ From 4 March 2013.

⁽²⁾ The above table shows highest and lowest share prices to 30 September 2013. This table also shows net revenue payable to 30 November 2013.

The value of investments and any revenue generated may go down as well as up and is not guaranteed.

An investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.

Changes in exchange rates may have an adverse effect on the value, price or income of investments.

River and Mercantile Global Equity Fund

Investment Objective and Policy

The investment objective of the sub-fund is to achieve capital growth by investing in a portfolio that has a balanced risk profile of global equities of established international companies which offer the prospect of long term capital growth.

Investment Manager's Review

Portfolio Review & Activity

The River and Mercantile Global Equity Z share class returned 0.04% over the six months to 30 September 2013, compared with the FTSE All-World Index which returned 0.83%.

The start of the six month period saw increased market volatility as investors were caught off guard by the prospect of the US Federal Reserve dialling back its \$85 billion per month quantitative easing programme. The resulting rise in government bond yields was not a particular surprise, more the speed of the rise and the associated volatility. The reaction of equity markets was mixed, with a positive response to robust economic data emanating from the USA, rising to new post credit-crunch peaks during June. But, as bond prices became more volatile, and yields backed-up more aggressively, so the equity market reacted more nervously. However, investor appetite for risk returned towards the end the six month period as equity markets gradually got used to the idea of "tapering", allowing equities to perform strongly, particularly in the eurozone which took its first tentative step towards recovery.

Although performance lagged the benchmark for most of the period we saw a strong rebound in September. Stock selection in both Europe and Japan provided strong returns with Unipol Gruppo Finanziario, Sky Deutschland and Sumitomo Mitsui Financial among the top contributors. Stocks benefiting from our theme, Some Developing Economies, which focuses on attractively valued companies benefiting from changing spending patterns in certain emerging countries, are amongst some of the top performers. Long-term portfolio holding Amadeus performed well as it continued to increase its roster of airline clients, and French hotelier Accor has seen an increase in demand for their rooms. Our overweight position in Japan, which witnessed great volatility during the period, dragged on our performance and was responsible for the majority of the underperformance. The largest detractor to performance was stock specific - Australian wine business Treasury Wine Estates suffered a share price fall following earnings downgrades and the sacking of its CEO.

We have continued to build the portfolio's Japanese exposure over the period through the purchase of Sumitomo Mitsui Trust holdings, a trust bank with attractive businesses in investment management, and mobile phone and table video subscription service provider Avex. In addition, we have added French testing company Eurofins scientific to the portfolio. These positions were funded by profit taking in companies which had benefited from the suppression of US interest rates, such as US bank First Niagara Financial; Thai Bank Kiatnakin, and German property company Deutsche Wohnen.

Outlook

The cyclically adjusted PE (Price/Earnings Ratio) of the markets we are most exposed to (Europe, UK and Japan) remains attractive at an average of 12 times.

The portfolio is positioned to take advantage of the global recovery, with its overweight position in Japan and underweight position in the US. We believe there will be a more sustained recovery in Japan than in the US given a better political outlook, greater passing of time since the onset of its balance sheet recession, lower asset values, lower leverage ratios and more radical policies to engender recovery. Furthermore, whilst valuations in Japan are below their long-run average, this is not the case in the US.

River and Mercantile Global Equity Fund

Portfolio Statement as at 30 September 2013

Holding	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM (4.51%)	9,143,117	8.35
	Mining (0.00%)	1,576,918	1.44
52,164	Rio Tinto	1,576,918	1.44
	Support Services (0.00%)	933,780	0.85
790,000	Hays	933,780	0.85
	Food Producers (1.08%)	—	—
	Pharmaceuticals & Biotechnology (0.00%)	778,750	0.71
50,000	GlaxoSmithKline	778,750	0.71
	Banks (0.72%)	1,003,842	0.92
1,364,286	Lloyds Bank	1,003,842	0.92
	Nonlife Insurance (1.57%)	2,110,325	1.93
224,145	Jardine Lloyd Thompson	2,110,325	1.93
	Financial Services (1.14%)	2,739,502	2.50
500,000	Brewin Dolphin	1,353,000	1.23
311,154	Intermediate Capital	1,386,502	1.27
	NORTH AMERICA (29.98%)	32,099,482	29.33
	UNITED STATES (29.98%)	32,099,482	29.33
	Oil & Gas Producers (0.00%)	3,241,880	2.96
20,000	Continental Resources	1,324,812	1.21
35,000	EQT	1,917,068	1.75
	Oil Equipment, Services & Distribution (0.59%)	—	—
	Chemicals (1.52%)	812,383	0.74
12,347	Air Products & Chemicals	812,383	0.74
	Industrial Metals & Mining (1.00%)	841,052	0.77
50,000	Southern Copper	841,052	0.77
	Aerospace & Defence (1.27%)	1,597,332	1.46
24,000	United Technologies	1,597,332	1.46
	Industrial Engineering (1.41%)	861,739	0.79
50,000	Xylem	861,739	0.79
	Industrial Transportation (1.03%)	1,483,578	1.35
15,245	Kirby	814,874	0.74
14,000	Norfolk Southern	668,704	0.61
	Food Producers (1.31%)	—	—
	Personal Goods (0.00%)	1,616,895	1.48
48,000	Coach	1,616,895	1.48

River and Mercantile Global Equity Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Health Care Equipment & Services (1.43%)	1,377,295	1.26
29,846	Varian Medical Systems	1,377,295	1.26
	Pharmaceuticals & Biotechnology (2.02%)	1,725,467	1.58
24,964	Amgen	1,725,467	1.58
	General Retailers (1.29%)	—	—
	Media (1.78%)	1,547,412	1.41
64,000	Interpublic	678,572	0.62
42,000	Twenty-First Century Fox	868,840	0.79
	Travel & Leisure (1.80%)	1,469,599	1.34
24,000	Hyatt Hotels	636,532	0.58
20,302	Starwood Hotels & Resorts	833,067	0.76
	Banks (1.55%)	793,658	0.73
26,500	Citigroup	793,658	0.73
	Life Insurance (0.62%)	1,297,088	1.18
21,963	MetLife	636,349	0.58
25,000	Principal Financial	660,739	0.60
	Nonlife Insurance (0.00%)	644,388	0.59
33,543	Hartford Financial Services	644,388	0.59
	Financial Services (1.73%)	5,080,093	4.64
35,000	American Express	1,632,426	1.49
35,000	Artisan Partners Asset Management 'A'	1,131,654	1.04
39,000	Capital One Financial	1,656,187	1.51
33,517	Invesco	659,826	0.60
	Software & Computer Services (3.94%)	2,371,879	2.17
3,000	Google 'A'	1,622,805	1.48
15,000	VMware	749,074	0.69
	Technology Hardware & Equipment (5.69%)	5,337,744	4.88
2,220	Apple	653,566	0.60
104,400	EMC	1,647,810	1.50
60,000	Intel	849,203	0.78
52,605	Qualcomm	2,187,165	2.00
	SOUTH AMERICA (6.14%)	1,816,105	1.66
	BRAZIL (0.90%)	—	—
	General Retailers (0.90%)	—	—
	CHILE (1.36%)	—	—
	General Retailers (0.66%)	—	—

River and Mercantile Global Equity Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Banks (0.70%)	–	–
	COLOMBIA (0.63%)	–	–
	Banks (0.63%)	–	–
	MEXICO (1.63%)	1,328,094	1.21
346,700	Banks (0.74%) Grupo Financiero Banorte	1,328,094 1,328,094	1.21 1.21
	Real Estate Investment Trusts (0.89%)	–	–
	PERU (1.62%)	488,011	0.45
67,488	Construction & Materials (0.50%) Cementos Pacasmayo ADR	488,011 488,011	0.45 0.45
	Food Producers (1.12%)	–	–
	CONTINENTAL EUROPE (24.16%)	34,198,576	31.25
	FRANCE (3.87%)	5,280,240	4.82
	Oil & Gas Producers (1.18%)	–	–
9,000	Health Care Equipment & Services (0.00%) Eurofins Scientific	1,399,691 1,399,691	1.28 1.28
32,000	Pharmaceuticals & Biotechnology (1.50%) Sanofi	2,004,848 2,004,848	1.83 1.83
73,008	Travel & Leisure (1.19%) Accor	1,875,701 1,875,701	1.71 1.71
	GERMANY (7.32%)	6,941,978	6.34
11,600	Chemicals (1.20%) Bayer	843,795 843,795	0.77 0.77
29,745	Aerospace & Defence (1.07%) MTU Aero Engines	1,711,898 1,711,898	1.56 1.56
	Health Care Equipment & Services (0.81%)	–	–
75,000	General Retailers (0.96%) Tom Tailor	1,055,128 1,055,128	0.97 0.97
200,000	Media (0.93%) Sky Deutschland	1,132,492 1,132,492	1.03 1.03
107,000	Travel & Leisure (0.00%) TUI	841,743 841,743	0.77 0.77

River and Mercantile Global Equity Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
98,000	Mobile Telecommunications (0.00%) Deutsche Telekom	877,355 877,355	0.80 0.80
	Real Estate Investment & Services (2.35%)	—	—
144,111	Software & Computer Services (0.00%) QSC	479,567 479,567	0.44 0.44
	ITALY (3.00%)	5,369,150	4.91
150,000	Oil & Gas Producers (2.30%) Eni	2,124,049 2,124,049	1.94 1.94
2,676,207	Fixed Line Telecommunications (0.00%) Telecom Italia	1,093,480 1,093,480	1.00 1.00
250,000	Banks (0.00%) Unione di Banche Italiane	781,159 781,159	0.72 0.72
504,767	Nonlife Insurance (0.70%) Unipol Gruppo Finanziario	1,370,462 1,370,462	1.25 1.25
	FINLAND (0.00%)	690,345	0.63
170,000	Technology Hardware & Equipment (0.00%) Nokia	690,345 690,345	0.63 0.63
	LUXEMBOURG (0.58%)	—	—
	Mobile Telecommunications (0.58%)	—	—
	NETHERLANDS (1.49%)	2,969,928	2.71
123,000	Pharmaceuticals & Biotechnology (1.49%) QIAGEN	1,635,305 1,635,305	1.49 1.49
67,000	General Industrials (0.00%) Philips	1,334,623 1,334,623	1.22 1.22
	NORWAY (0.80%)	619,745	0.57
181,207	Nonlife Insurance (0.80%) Storebrand 'A'	619,745 619,745	0.57 0.57
	PORTUGAL (0.45%)	1,699,154	1.55
914,374	Banks (0.45%) Banco Espirito Santo	600,767 600,767	0.55 0.55
300,000	Media (0.00%) PT Multimedia	1,098,387 1,098,387	1.00 1.00
	RUSSIA (1.30%)	810,867	0.74

River and Mercantile Global Equity Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Banks (1.30%)	810,867	0.74
435,000	Sberbank	810,867	0.74
	SPAIN (1.01%)	2,744,584	2.51
	Support Services (1.01%)	1,150,582	1.05
52,566	Amadeus	1,150,582	1.05
	Banks (0.00%)	1,594,002	1.46
255,000	Bankinter	847,513	0.78
225,000	Banca Popular Español	746,489	0.68
	SWEDEN (1.04%)	—	—
	Mobile Telecommunications (1.04%)	—	—
	SWITZERLAND (3.30%)	7,072,585	6.47
	Industrial Engineering (1.32%)	2,603,107	2.38
130,122	ABB	1,898,936	1.74
107,300	Meyer Burger Technology	704,171	0.64
	Food Producers (0.00%)	1,122,136	1.03
26,000	Nestlé (Regd.)	1,122,136	1.03
	HealthCare Equipment & Services (0.00%)	1,015,522	0.93
9,051	Straumann	1,015,522	0.93
	Pharmaceuticals & Biotechnology (1.98%)	2,331,820	2.13
14,000	Roche	2,331,820	2.13
	ASIA (31.39%)	29,277,550	26.75
	CHINA (1.94%)	1,452,838	1.33
	Support Services (0.56%)	852,774	0.78
6,999,799	China Automation	852,774	0.78
	Personal Goods (0.75%)	600,064	0.55
1,600,000	Daphne International	600,064	0.55
	Life Insurance (0.63%)	—	—
	HONG KONG (4.33%)	2,089,327	1.91
	General Industrials (1.62%)	—	—
	Food Producers (1.11%)	1,095,246	1.00
1,608,750	First Pacific	1,095,246	1.00
	Travel & Leisure (0.99%)	994,081	0.91
1,003,000	Mandarin Oriental International	994,081	0.91
	Life Insurance (0.61%)	—	—

River and Mercantile Global Equity Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	JAPAN (13.12%)	21,107,912	19.29
	Chemicals (1.09%)	1,130,874	1.03
30,000	Shin-Etsu Chemical	1,130,874	1.03
	Construction & Materials (0.00%)	1,558,160	1.42
67,720	Aica Kogyo	832,311	0.76
292,000	Sumitomo Osaka Cement	725,849	0.66
	Electronic & Electrical Equipment (1.24%)	–	–
	Industrial Engineering (0.00%)	687,209	0.63
200,000	Nachi-Fujikoshi	687,209	0.63
	Support Services (1.22%)	–	–
	Automobiles & Parts (0.95%)	1,617,773	1.48
41,000	Toyota Motor	1,617,773	1.48
	Leisure Goods (0.99%)	–	–
	Pharmaceuticals & Biotechnology (1.21%)	1,898,280	1.73
146,500	Shionogi	1,898,280	1.73
	Food & Drug Retailers (1.65%)	1,707,702	1.56
64,000	FamilyMart	1,707,702	1.56
	Media (0.00%)	898,973	0.82
50,000	Avex	898,973	0.82
	Mobile Telecommunications (0.77%)	1,188,022	1.09
37,531	KDDI	1,188,022	1.09
	Banks (2.08%)	4,240,757	3.88
262,461	North Pacific Bank	678,849	0.62
60,000	Sumitomo Mitsui Financial	1,791,652	1.64
580,000	Sumitomo Mitsui Trust	1,770,256	1.62
	Real Estate Investment & Services (0.92%)	1,258,782	1.15
175,000	Daibiru	1,258,782	1.15
	Real Estate Investment Trusts (1.00%)	1,511,923	1.38
500	Kenedix Realty Investment	1,511,923	1.38
	Financial Services (0.00%)	1,949,452	1.78
30,000	Fuyo General Lease	694,761	0.63
125,000	Orix	1,254,691	1.15
	Software & Computer Services (0.00%)	775,313	0.71
40,000	Digital Garage	775,313	0.71
	Technology Hardware & Equipment (0.00%)	684,692	0.63
50,000	Tokyo Ohka Kogyo	684,692	0.63
	MALAYSIA (0.98%)	–	–

River and Mercantile Global Equity Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Real Estate Investment & Services (0.98%)	–	–
	PHILIPPINES (3.54%)	2,030,023	1.85
	Food & Drug Retailers (0.80%)	1,174,323	1.07
2,000,000	Puregold Price Club	1,174,323	1.07
	Mobile Telecommunications (1.06%)	855,700	0.78
20,260	Philippine Long Distance Telephone	855,700	0.78
	Banks (0.87%)	–	–
	Real Estate Investment & Services (0.81%)	–	–
	SINGAPORE (3.40%)	859,273	0.78
	Industrial Transportation (2.07%)	859,273	0.78
360,000	SIA Engineering	859,273	0.78
	Real Estate Investment Trusts (1.33%)	–	–
	SOUTH KOREA (0.77%)	1,738,177	1.59
	Tobacco (0.77%)	–	–
	Technology Hardware & Equipment (0.00%)	1,738,177	1.59
100,000	Hynix Semiconductor	1,738,177	1.59
	THAILAND (3.31%)	–	–
	Industrial Transportation (0.63%)	–	–
	Banks (2.02%)	–	–
	Technology Hardware & Equipment (0.66%)	–	–
	PACIFIC BASIN (3.43%)	1,973,558	1.80
	AUSTRALIA (2.43%)	1,257,619	1.15
	Beverages (0.89%)	1,257,619	1.15
492,776	Treasury Wine Estates	1,257,619	1.15
	Health Care Equipment & Services (1.54%)	–	–
	NEW ZEALAND (1.00%)	715,939	0.65
	Fixed Line Telecommunications (1.00%)	715,939	0.65
600,000	Telecom Corporation of New Zealand	715,939	0.65

River and Mercantile Global Equity Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	FORWARD CURRENCY CONTRACTS (-0.02%)	5,533	0.01
¥(878,598,313)	Sold Japanese Yen	5,533	0.01
\$8,965,170	For US Dollar (Expiry 15/11/2013)		
		<hr/>	<hr/>
Portfolio of investments		108,513,921	99.15
Net other assets		933,560	0.85
		<hr/>	<hr/>
Net assets		109,447,481	100.00
		<hr/>	<hr/>

All investments are in ordinary shares unless otherwise stated.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2013.

Total purchases for the period: £64,301,913.

Total sales for the period: £82,783,927.

River and Mercantile Global Equity Fund

Statement of Total Return for the period ended 30 September 2013

	1 April 2013 to 30 September 2013		1 April 2012 to 30 September 2012	
	£	£	£	£
Income				
Net capital (losses)/gains		(1,220,789)		571,093
Revenue	1,578,724		1,282,127	
Expenses	(88,428)		(59,518)	
Finance costs: Interest	(353)		(297)	
Net revenue before taxation for the period	1,489,943		1,222,312	
Taxation	(123,675)		(121,740)	
Net revenue after taxation for the period		1,366,268		1,100,572
Total return before distributions		145,479		1,671,665
Finance costs: Distributions		(1,366,268)		(1,100,572)
Change in net assets attributable to Shareholders from investment activities		(1,220,789)		571,093

Statement of Change in Net Assets attributable to Shareholders for the period ended 30 September 2013

	1 April 2013 to 30 September 2013		1 April 2012 to 30 September 2012	
	£	£	£	£
Opening net assets attributable to Shareholders		128,567,262		72,730,310
Amounts received on creation of shares	177,370		30,104,196	
Amounts paid on cancellation of shares	(19,323,783)		(2,574,048)	
		(19,146,413)		27,530,148
Stamp Duty Reserve Tax		(30)		–
Change in net assets attributable to Shareholders from investment activities		(1,220,789)		571,093
Retained distribution on accumulation shares		1,247,451		1,429,440
Closing net assets attributable to Shareholders		109,447,481		102,260,991

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

River and Mercantile Global Equity Fund

Balance Sheet as at 30 September 2013

	30 September 2013		31 March 2013	
	£	£	£	£
ASSETS				
Investment assets		108,513,921		128,125,924
Debtors	1,321,053		4,028,297	
Cash and bank balances	405,804		345,299	
Total other assets		<u>1,726,857</u>		<u>4,373,596</u>
Total assets		<u>110,240,778</u>		<u>132,499,520</u>
LIABILITIES				
Investment liabilities		–		(84,224)
Creditors	(793,047)		(3,847,896)	
Distribution payable on distribution shares	(250)		(138)	
Total other liabilities		<u>(793,297)</u>		<u>(3,848,034)</u>
Total liabilities		<u>(793,297)</u>		<u>(3,932,258)</u>
Net assets attributable to Shareholders		<u>109,447,481</u>		<u>128,567,262</u>

Notes to the Financial Statements

1 Accounting policies

The accounting policies for the sub-fund are the same as those disclosed in the aggregated financial statements on page 6.

River and Mercantile Global Equity Fund

Fund Facts

Distribution Information

A-Class Distribution shares

The distribution payable on 30 November 2013 is 0.5092p net per share for distribution shares.

B-Class Accumulation shares

The distribution payable on 30 November 2013 is 2.6562p net per share for accumulation shares.

Z-Class Accumulation shares

The distribution payable on 30 November 2013 is 8.1873p net per share for accumulation shares.

Performance records

Net asset values

	Net asset value of sub-fund £	Net asset value per share p	Shares in issue
31 March 2011			
A-Class Distribution shares	33,549	117.92	28,450
B-Class Accumulation shares	1,838,404	299.20	614,438
Z-Class Accumulation shares	1,429,550	604.96	236,303
31 March 2012			
A-Class Distribution shares	32,965	112.18	29,387
B-Class Accumulation shares	614,298	288.67	212,801
Z-Class Accumulation shares	72,083,047	588.11	12,256,824
31 March 2013			
A-Class Distribution shares	64,448	133.67	48,215
B-Class Accumulation shares	39,003	349.36	11,164
Z-Class Accumulation shares	128,463,811	717.41	17,906,609
30 September 2013			
A-Class Distribution shares	64,759	132.26	48,965
B-Class Accumulation shares	38,880	348.27	11,164
Z-Class Accumulation shares	109,343,842	717.82	15,232,796

River and Mercantile Global Equity Fund

Fund Facts continued

Share price range & net revenue

Year	Highest share price	Lowest share price	Net revenue
A-Class Distribution shares			
2009 ⁽¹⁾	102.71p	93.12p	0.0000p
2010	119.16p	97.36p	0.0759p
2011	120.22p	95.58p	0.6430p
2012	116.92p	103.17p	0.6788p
2013 ⁽²⁾	143.40p	117.06p	0.7950p
B-Class Accumulation shares			
2009 ⁽¹⁾	257.16p	232.88p	0.0000p
2010	301.78p	243.97p	0.9756p
2011	304.48p	245.06p	3.5529p
2012	304.31p	265.01p	3.8982p
2013 ⁽²⁾	375.14p	304.71p	3.0369p
Z-Class Accumulation shares			
2009 ⁽¹⁾	515.11p	465.88p	0.0000p
2010	609.02p	489.06p	3.6291p
2011	614.93p	497.41p	11.5778p
2012	623.72p	538.90p	12.2637p
2013 ⁽²⁾	771.01p	624.61p	14.4983p

⁽¹⁾ From 14 October 2009.

⁽²⁾ The above table shows highest and lowest share prices to 30 September 2013. This table also shows net revenue payable to 30 November 2013.

The value of investments and any revenue generated may go down as well as up and is not guaranteed.

An investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.

Changes in exchange rates may have an adverse effect on the value, price or income of investments.

River and Mercantile Global Opportunities Fund

Investment Objective and Policy

The investment objective of the sub-fund is to achieve capital growth by investing in a concentrated portfolio of global equities of companies which the Manager believes represent the most attractive opportunities to achieve above average returns. The sub-fund will not be restricted by reference to a benchmark, sector constraints or company size.

Investment Manager's Review

Portfolio Review & Activity

The River and Mercantile Global Opportunities Z share class returned -0.79% over the six months to 30 September 2013, compared with the FTSE All-World Index which returned 0.83%.

The start of the six month period saw increased market volatility as investors were caught off guard by the prospect of the US Federal Reserve dialling back its \$85 billion per month quantitative easing programme. The resulting rise in government bond yields was not a particular surprise, more the speed of the rise and the associated volatility. The reaction of equity markets was mixed, with a positive response to robust economic data emanating from the USA, rising to new post credit-crunch peaks during June. But, as bond prices became more volatile, and yields backed-up more aggressively, so the equity market reacted more nervously. However, investor appetite for risk returned towards the end the six month period as equity markets gradually got used to the idea of "tapering", allowing equities to perform strongly, particularly in the eurozone which took its first tentative step towards recovery.

Although performance lagged the benchmark for most of the period we saw a strong rebound in September. Stock selection in both Europe and Japan provided strong returns with Unipol, Sky Deutschland and Sumitomo Mutsui Financial among the top contributors. Stocks benefiting from our theme some developing economies, which focuses on attractively valued companies benefiting from changing spending patterns in certain emerging countries, are amongst some of the top performers. Long-term portfolio holding Amadeus performed well as it continued to increase its roster of airline clients, and French hotelier Accor benefited from an increased demand for their rooms. Our overweight position in Japan, which witnessed great volatility during the period, dragged on our performance and was responsible for the majority of the underperformance. The largest detractor to performance was stock specific - Australian wine business Treasury Wine Estates suffered a share price fall following earnings downgrades and the sacking of its CEO.

We have continued to build the portfolio's Japanese exposure over the period through the purchase of Sumitomo Mitsui Trust, a trust bank with attractive businesses in investment management, and mobile phone and table video subscription service provider Avex. Thai-telco holding company Shin Corp was purchased early on in the period to take advantage of a structural improvement in the telecommunications market in Thailand. These positions were funded by profit taking in companies which had benefited from the suppression of US interest rate, such as US bank First Niagara Financial, and German property company Deutsche Wohnen.

Outlook

The cyclically adjusted PE (Price/Earnings Ratio) of the markets we are most exposed to (Europe, UK and Japan) remains attractive at an average of 12 times.

The portfolio is positioned to take advantage of the global recovery, with its overweight position in Japan and underweight position in the US. We believe there will be a more sustained recovery in Japan than in the US given a better political outlook, greater passing of time since the onset of its balance sheet recession, lower asset values, lower leverage ratios and more radical policies to engender recovery. Furthermore, whilst valuations in Japan are below their long-run average, this is not the case in the US.

River and Mercantile Global Opportunities Fund

Portfolio Statement as at 30 September 2013

Holding	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM (4.66%)	11,073,638	6.69
	Mining (0.00%)	3,157,312	1.91
104,443	Rio Tinto	3,157,312	1.91
	Food Producers (1.60%)	–	–
	Banks (0.00%)	1,664,940	1.00
2,262,761	Lloyds Bank	1,664,940	1.00
	Nonlife Insurance (2.01%)	3,704,341	2.24
393,451	Jardine Lloyd Thompson	3,704,341	2.24
	Financial Services (1.05%)	2,547,045	1.54
571,599	Intermediate Capital	2,547,045	1.54
	NORTH AMERICA (35.80%)	50,383,915	30.42
	UNITED STATES (35.80%)	50,383,915	30.42
	Oil & Gas Producers (0.00%)	5,700,518	3.44
32,746	Continental Resources	2,169,114	1.31
64,473	EQT	3,531,404	2.13
	Chemicals (1.99%)	2,048,855	1.24
31,140	Air Products & Chemicals	2,048,855	1.24
	Industrial Metals & Mining (1.54%)	1,515,845	0.92
90,116	Southern Copper	1,515,845	0.92
	Aerospace & Defence (1.56%)	3,330,438	2.01
50,040	United Technologies	3,330,438	2.01
	Industrial Engineering (1.96%)	1,864,837	1.13
108,202	Xylem	1,864,837	1.13
	Industrial Transportation (1.02%)	1,657,009	1.00
31,000	Kirby	1,657,009	1.00
	Food Producers (2.12%)	–	–
	Personal Goods (0.00%)	3,254,642	1.96
96,619	Coach	3,254,642	1.96
	Health Care Equipment & Services (1.90%)	3,750,252	2.26
81,268	Varian Medical Systems	3,750,252	2.26
	Pharmaceuticals & Biotechnology (2.00%)	3,396,675	2.05
49,143	Amgen	3,396,675	2.05
	General Retailers (1.51%)	–	–

River and Mercantile Global Opportunities Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Media (1.76%)	1,704,272	1.03
82,385	Twenty-First Century Fox	1,704,272	1.03
	Travel & Leisure (2.02%)	1,630,064	0.98
39,725	Starwood Hotels & Resorts	1,630,064	0.98
	Banks (2.10%)	—	—
	Life Insurance (1.08%)	—	—
	Financial Services (2.17%)	8,185,462	4.94,
68,928	American Express	3,214,852	1.94
78,782	Capital One Financial	3,345,584	2.02
82,546	Invesco	1,625,026	0.98
	Software & Computer Services (4.56%)	3,273,197	1.98
6,051	Google 'A'	3,273,197	1.98
	Technology Hardware & Equipment (6.51%)	9,071,849	5.48
5,670	Apple	1,669,243	1.01
213,162	EMC	3,364,469	2.03
97,124	Qualcomm	4,038,137	2.44
	SOUTH AMERICA (3.46%)	2,411,252	1.45
	BRAZIL (1.18%)	—	—
	General Retailers (1.18%)	—	—
	CHILE (1.18%)	—	—
	Banks (1.18%)	—	—
	MEXICO (1.10%)	2,411,252	1.45
629,459	Banks (0.00%) Grupo Financiero Banorte	2,411,252 2,411,252	1.45 1.45
	Real Estate Investment Trusts (1.10%)	—	—
	CONTINENTAL EUROPE (24.47%)	54,552,976	32.94
	FRANCE (5.01%)	11,572,051	6.98
	Oil & Gas Producers (1.48%)	—	—
19,078	Health Care Equipment & Services (0.00%) Eurofins Scientific	2,967,033 2,967,033	1.79 1.79
78,852	Pharmaceuticals & Biotechnology (1.86%) Sanofi	4,940,197 4,940,197	2.98 2.98
142,646	Travel & Leisure (1.67%) Accor	3,664,821 3,664,821	2.21 2.21
	GERMANY (4.35%)	7,960,993	4.81

River and Mercantile Global Opportunities Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Aerospace & Defence (0.00%)	4,108,785	2.48
71,392	MTU Aero Engines	4,108,785	2.48
	General Retailers (0.99%)	1,601,811	0.97
113,859	Tom Tailor	1,601,811	0.97
	Media (1.37%)	2,250,397	1.36
397,424	Sky Deutschland	2,250,397	1.36
	Real Estate Investment & Services (1.99%)	–	–
	ITALY (3.20%)	10,145,787	6.12
	Oil & Gas Producers (2.49%)	4,021,533	2.43
284,000	Eni	4,021,533	2.43
	Fixed Line Telecommunications (0.00%)	1,764,110	1.06
4,317,522	Telecom Italia	1,764,110	1.06
	Banks (0.00%)	2,188,225	1.32
700,314	Unione di Banche Italiane	2,188,225	1.32
	Nonlife Insurance (0.71%)	2,171,919	1.31
799,959	Unipol Gruppo Finanziario	2,171,919	1.31
	LUXEMBOURG (1.02%)	–	–
	Mobile Telecommunications (1.02%)	–	–
	NETHERLANDS (2.04%)	6,069,170	3.67
	Pharmaceuticals & Biotechnology (2.04%)	3,289,847	1.99
247,447	QIAGEN	3,289,847	1.99
	General Industrials (0.00%)	2,779,323	1.68
139,526	Philips	2,779,323	1.68
	NORWAY (1.03%)	568,396	0.34
	Nonlife Insurance (1.03%)	568,396	0.34
166,193	Storebrand 'A'	568,396	0.34
	PORTUGAL (0.44%)	1,749,587	1.06
	Banks (0.44%)	–	–
	Media (0.00%)	1,749,587	1.06
477,861	PT Multimedia	1,749,587	1.06
	RUSSIA (1.82%)	1,024,032	0.62
	Banks (1.82%)	1,024,032	0.62
137,734	Sberbank of Russia Sponsored ADR	1,024,032	0.62
	SPAIN (1.52%)	5,415,021	3.27

River and Mercantile Global Opportunities Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Support Services (1.52%)	3,381,286	2.04
154,479	Amadeus	3,381,286	2.04
	Banks (0.00%)	2,033,735	1.23
612,990	Banco Popular Español	2,033,735	1.23
	SWITZERLAND (4.04%)	10,047,939	6.07
	Industrial Engineering (1.92%)	3,392,888	2.05
232,493	ABB	3,392,888	2.05
	HealthCare Equipment & Services (0.00%)	2,262,736	1.37
20,167	Straumann	2,262,736	1.37
	Pharmaceuticals & Biotechnology (2.12%)	4,392,315	2.65
26,371	Roche	4,392,315	2.65
	ASIA (27.28%)	44,135,962	26.64
	CHINA (1.94%)	894,781	0.54
	Personal Goods (1.03%)	894,781	0.54
2,385,827	Daphne International	894,781	0.54
	Life Insurance (0.91%)	—	—
	HONG KONG (2.06%)	929,981	0.56
	General Industrials (2.06%)	—	—
	Food Producers (0.00%)	929,981	0.56
1,366,000	First Pacific	929,981	0.56
	JAPAN (13.72%)	37,133,365	22.42
	Chemicals (1.01%)	3,117,444	1.88
82,700	Shin-Etsu Chemical	3,117,444	1.88
	Construction & Materials (0.00%)	1,804,679	1.09
726,000	Sumitomo Osaka Cement	1,804,679	1.09
	Electronic & Electrical Equipment (1.58%)	—	—
	Industrial Engineering (0.00%)	1,309,133	0.79
381,000	Nachi-Fujikoshi	1,309,133	0.79
	Support Services (1.44%)	—	—
	Automobiles & Parts (0.00%)	2,485,847	1.50
63,000	Toyota Motor	2,485,847	1.50
	Leisure Goods (0.99%)	—	—
	Pharmaceuticals & Biotechnology (1.56%)	3,402,650	2.05
262,600	Shionogi	3,402,650	2.05

River and Mercantile Global Opportunities Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
117,400	Food & Drug Retailers (2.14%) FamilyMart	3,132,566 3,132,566	1.89 1.89
134,528	Media (0.00%) Avex	2,418,740 2,418,740	1.46 1.46
103,474	Mobile Telecommunications (1.03%) KDDI	3,275,409 3,275,409	1.98 1.98
395,229	Banks (1.93%) North Pacific Bank	7,998,756 1,022,249	4.83 0.62
116,600	Sumitomo Mitsui Financial	3,481,778	2.10
1,145,000	Sumitomo Mitsui Trust	3,494,729	2.11
312,100	Real Estate Investment & Services (1.32%) Daibiru	2,244,948 2,244,948	1.36 1.36
1,162	Real Estate Investment Trusts (0.72%) Kenedix Realty Investment	3,513,709 3,513,709	2.12 2.12
242,040	Financial Services (0.00%) Orix	2,429,484 2,429,484	1.47 1.47
	PHILIPPINES (4.05%)	1,713,300	1.03
40,565	Mobile Telecommunications (1.92%) Philippine Long Distance Telephone	1,713,300 1,713,300	1.03 1.03
	Banks (1.02%)	–	–
	Real Estate Investment & Services (1.11%)	–	–
	SINGAPORE (1.57%)	–	–
	Industrial Transportation (1.57%)	–	–
	SOUTH KOREA (1.23%)	3,464,535	2.09
	Tobacco (1.23%)	–	–
199,320	Technology Hardware & Equipment (0.00%) Hynix Semiconductor	3,464,535 3,464,535	2.09 2.09
	THAILAND (2.71%)	–	–
	Banks (2.71%)	–	–
	PACIFIC BASIN (3.94%)	2,486,677	1.50
	AUSTRALIA (2.95%)	2,486,677	1.50
974,361	Beverages (0.94%) Treasury Wine Estates	2,486,677 2,486,677	1.50 1.50
	Health Care Equipment & Services (2.01%)	–	–

River and Mercantile Global Opportunities Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	NEW ZEALAND (0.99%)	—	—
	Fixed Line Telecommunications (0.99%)	—	—
	FORWARD CURRENCY CONTRACTS ((0.03)%)	14,575	0.01
¥(2314,582,498)	Sold Japanese Yen	14,575	0.01
\$23,617,875	For US Dollar (Expiry 15/11/2013)		
		<hr/>	<hr/>
Portfolio of investments		165,058,995	99.65
Net other assets		581,034	0.35
		<hr/>	<hr/>
Net assets		165,640,029	100.00

All investments are in ordinary shares unless otherwise stated.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2013.

Total purchases for the period: £112,707,048.

Total sales for the period: £143,652,119.

River and Mercantile Global Opportunities Fund

Statement of Total Return for the period ended 30 September 2013

	1 April 2013 to 30 September 2013		1 April 2012 to 30 September 2012	
	£	£	£	£
Income				
Net capital (losses)/gains		(2,620,538)		809,427
Revenue	2,343,891		2,761,443	
Expenses	(320,373)		(239,369)	
Finance costs: Interest	(1,214)		(329)	
Net revenue before taxation for the period	2,022,304		2,521,745	
Taxation	(207,863)		(224,218)	
Net revenue after taxation for the period		1,814,441		2,297,527
Total return before distributions		(806,097)		3,106,954
Finance costs: Distributions		(1,814,441)		(2,297,527)
Change in net assets attributable to Shareholders from investment activities		(2,620,538)		809,427

Statement of Change in Net Assets attributable to Shareholders for the period ended 30 September 2013

	1 April 2013 to 30 September 2013		1 April 2012 to 30 September 2012	
	£	£	£	£
Opening net assets attributable to Shareholders		198,865,846		180,272,173
Amounts received on creation of shares	691,750		1,416,290	
Amounts paid on cancellation of shares	(32,910,086)		(324,845)	
		(32,218,336)		1,091,445
Stamp Duty Reserve Tax		(64)		(133)
Change in net assets attributable to Shareholders from investment activities		(2,620,538)		809,427
Retained distribution on accumulation shares		1,613,121		2,298,951
Closing net assets attributable to Shareholders		165,640,029		184,471,863

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

River and Mercantile Global Opportunities Fund

Balance Sheet as at 30 September 2013

	30 September 2013		31 March 2013	
	£	£	£	£
ASSETS				
Investment assets		165,058,995		198,175,687
Debtors	7,032,363		10,541,626	
Cash and bank balances	1,081,481		5,571,148	
Total other assets		8,113,844		16,112,774
Total assets		173,172,839		214,288,461
LIABILITIES				
Investment liabilities		–		(141,562)
Creditors	(7,532,348)		(15,281,053)	
Distribution payable on income shares	(462)		–	
Total other liabilities		(7,532,810)		(15,281,053)
Total liabilities		(7,532,810)		(15,422,615)
Net assets attributable to Shareholders		165,640,029		198,865,846

Notes to the Financial Statements

1 Accounting policies

The accounting policies for the sub-fund are the same as those disclosed in the aggregated financial statements on page 6.

River and Mercantile Global Opportunities Fund

Fund Facts

Distribution Information

A-Class Distribution shares

The distribution payable on 30 November 2013 is 0.2458p net per share for distribution shares.

B-Class Accumulation shares

The distribution payable on 30 November 2013 is 1.9100p net per share for accumulation shares.

Z-Class Accumulation shares

The distribution payable on 30 November 2013 is 7.4306p net per share for accumulation shares.

Performance records

Net asset values

	Net asset value of sub-fund £	Net asset value per share p	Shares in issue
31 March 2011			
A-Class Distribution shares	547,091	123.46	443,139
B-Class Accumulation shares	29,301,567	312.93	9,363,679
Z-Class Accumulation shares	27,470,393	635.08	4,325,513
31 March 2012			
A-Class Distribution shares	369,407	110.64	333,884
B-Class Accumulation shares	30,053,815	284.54	10,562,408
Z-Class Accumulation shares	149,848,951	583.26	25,691,535
31 March 2013			
A-Class Distribution shares	322,561	127.76	252,471
B-Class Accumulation shares	36,696,556	332.72	11,029,257
Z-Class Accumulation shares	161,846,729	688.87	23,494,553
30 September 2013			
A-Class Distribution shares	235,662	125.45	187,859
B-Class Accumulation shares	36,544,748	328.54	11,123,315
Z-Class Accumulation shares	128,859,619	683.61	18,850,009

River and Mercantile Global Opportunities Fund

Fund Facts continued

Share price range & net revenue

Year	Highest share price	Lowest share price	Net revenue
A-Class Distribution shares			
2009 ⁽¹⁾	104.98p	94.52p	–
2010	124.40p	100.66p	0.0000p
2011	125.61p	95.61p	0.6965p
2012	114.68p	101.58p	0.5642p
2013 ⁽²⁾	135.90p	113.62p	0.2458p
B-Class Accumulation shares			
2009 ⁽¹⁾	262.88p	236.42p	–
2010	314.72p	252.25p	0.3999p
2011	317.81p	245.03p	3.5731p
2012	297.55p	261.50p	3.2549p
2013 ⁽²⁾	354.32p	295.33p	3.5498p
Z-Class Accumulation shares			
2009 ⁽¹⁾	526.92p	473.18p	–
2010	637.13p	506.18p	3.2229p
2011	643.51p	499.82p	12.8024p
2012	613.13p	536.78p	12.3116p
2013 ⁽²⁾	734.62p	609.99p	13.9662p

⁽¹⁾ From 8 October 2009.

⁽²⁾ The above table shows highest and lowest share prices to 30 September 2013. This table also shows net revenue payable to 30 November 2013.

The value of investments and any revenue generated may go down as well as up and is not guaranteed.

An investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.

Changes in exchange rates may have an adverse effect on the value, price or income of investments.

River and Mercantile Global High Income Fund

Investment Objective and Policy

The investment objective of the sub-fund is to achieve a high and rising level of revenue with capital growth over the long term through investing in a portfolio which shall primarily consist of global equities, providing an above average yield, however, it may also invest in other instruments such as government bonds, corporate fixed income securities and convertibles.

Investment Manager's Review

Portfolio Review & Activity

The River and Mercantile Global High Income B share class returned -0.90% over the six months to 30 September 2013, compared with the FTSE All-World Index which returned 0.83%.

The start of the six month period saw increased market volatility as investors were caught off guard by the prospect of the US Federal Reserve dialling back its \$85 billion per month quantitative easing programme. The resulting rise in government bond yields was not a particular surprise, more the speed of the rise and the associated volatility. The reaction of equity markets was mixed, with a positive response to robust economic data emanating from the USA, rising to new post credit-crunch peaks during June. But, as bond prices became more volatile, and yields backed-up more aggressively, so the equity market reacted more nervously. However, investor appetite for risk returned towards the end the six month period as equity markets gradually got used to the idea of "tapering", allowing equities to perform strongly, particularly in the eurozone which took its first tentative step towards recovery.

Although performance lagged the benchmark for most of the period, we saw a strong rebound in September. We came up against two main issues during this period. Firstly, dividend-paying quality companies, which share some characteristics with bonds, were out of favour relative to lower-quality, non-dividend paying 'recovery' stocks. Secondly, our over-twice weighting in Japan, which witnessed great volatility during the period, dragged on performance and was responsible for a significant amount of the underperformance. That said, individual stock selection in Japan was excellent with Sumitomo Mitsui Financial and KDDI among our top performers. Stocks benefiting from our theme some developing economies, which focuses on attractively valued companies benefiting from changing spending patterns in certain emerging countries, are amongst some of the top performers. Long-term portfolio holding Amadeus performed well as it continued to increase its roster of airline clients, and French hotelier Accor benefited from an increased demand for its rooms.

Thai telecommunications company Shin Corp was purchased to take advantage of a structural improvement in the telecoms market in Thailand. The stock offers an attractive and growing 7% dividend yield. We have continued to build the portfolio's Japanese exposure over the six month period through the purchase of Sumitomo Mitsui Trust holdings, a trust bank with attractive businesses in investment management, and mobile phone and table video subscription service provider Avex. These positions were funded by profit taking in companies which had benefited from the suppression of US interest rates, such as Singapore property companies CapitaCommerical Trust and Mapletree Logistics Trust, US banks First Niagara Financial and Fifth Third, and German property company GSW Immobilien.

Outlook

The cyclically adjusted PE (Price/Earnings Ratio) of the markets we are most exposed to (Europe, UK and Japan) remains attractive at an average of 12 times.

The portfolio is positioned to take advantage of the global recovery, with its overweight position in Japan and underweight position in the US. We believe there will be a more sustained recovery in Japan than in the US given a better political outlook, greater passing of time since the onset of its balance sheet recession, lower asset values, lower leverage ratios and more radical policies to engender recovery. Furthermore, whilst valuations in Japan are below their long-run average, this is not the case in the US.

River and Mercantile Global High Income Fund

Portfolio Statement as at 30 September 2013

Holding	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM (7.37%)	701,936	7.25
	Oil & Gas Producers (1.40%)	160,803	1.66
37,137	BP	160,803	1.66
	Mining (1.74%)	182,438	1.89
6,035	Rio Tinto	182,438	1.89
	Food Producers (2.15%)	192,925	1.99
7,910	Unilever	192,925	1.99
	Nonlife Insurance (2.08%)	165,770	1.71
17,607	Jardine Lloyd Thompson	165,770	1.71
	NORTH AMERICA (24.07%)	2,070,615	21.42
	CANADA (1.69%)	–	–
	Fixed Line Telecommunications (1.69%)	–	–
	UNITED STATES (22.38%)	2,070,615	21.42
	Oil Equipment, Services & Distribution (0.94%)	102,789	1.06
1,883	Schlumberger	102,789	1.06
	Chemicals (1.62%)	166,332	1.72
2,528	Air Products & Chemicals	166,332	1.72
	Industrial Metals & Mining (0.95%)	86,780	0.90
5,159	Southern Copper	86,780	0.90
	Industrial Transportation (1.47%)	157,193	1.63
3,291	Norfolk Southern	157,193	1.63
	Personal Goods (0.00%)	198,440	2.05
5,891	Coach	198,440	2.05
	Tobacco (2.07%)	–	–
	Pharmaceuticals & Biotechnology (2.70%)	364,953	3.77
2,532	Amgen	175,007	1.81
10,714	Pfizer	189,946	1.96
	Media (3.88%)	–	–
	Banks (3.32%)	–	–
	Financial Services (1.64%)	458,158	4.74
3,617	American Express	168,700	1.74
3,641	Artisan Partners Asset Management 'A'	117,724	1.22
4,044	Capital One Financial	171,734	1.78
	Software & Computer Services (1.68%)	195,144	2.02
9,490	Microsoft	195,144	2.02

River and Mercantile Global High Income Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Technology Hardware & Equipment (2.11%)	340,826	3.53
10,703	Intel	151,484	1.57
4,554	Qualcomm	189,342	1.96
	SOUTH AMERICA (2.76%)	75,063	0.78
	BRAZIL (0.85%)	–	–
	Electricity (0.85%)	–	–
	MEXICO (1.91%)	75,063	0.78
	Industrial Transportation (0.00%)	75,063	0.78
36,709	Grupo Aeroportuario	75,063	0.78
	Real Estate Investment Trusts (1.91%)	–	–
	CONTINENTAL EUROPE (29.78%)	3,294,462	34.08
	BELGIUM (1.87%)	145,585	1.51
	Beverages (1.87%)	145,585	1.51
2,367	Anheuser-Busch InBev	145,585	1.51
	FRANCE (6.31%)	703,948	7.29
	Oil & Gas Producers (1.31%)	152,498	1.58
4,254	Total	152,498	1.58
	Pharmaceuticals & Biotechnology (2.39%)	229,117	2.37
3,657	Sanofi	229,117	2.37
	Media (1.08%)	146,627	1.52
7,509	Eutelsat Communications	146,627	1.52
	Travel & Leisure (1.53%)	175,706	1.82
6,839	Accor	175,706	1.82
	GERMANY (3.42%)	277,262	2.87
	Aerospace and Defence (0.00%)	118,040	1.22
2,051	MTU Aero Engines	118,040	1.22
	Media (1.45%)	–	–
	Mobile Telecommunications (0.00%)	159,222	1.65
17,785	Deutsche Telekom	159,222	1.65
	Real Estate Investment & Services (1.97%)	–	–
	ITALY (2.40%)	632,628	6.54
	Oil & Gas Producers (2.40%)	315,959	3.27
22,313	Eni	315,959	3.27

River and Mercantile Global High Income Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
487,747	Fixed Line Telecommunications (0.00%) Telecom Italia	199,290 199,290	2.06 2.06
32,118	Banks (0.00%) Credito Emiliano	117,379 117,379	1.21 1.21
	LUXEMBOURG (0.38%)	–	–
	Mobile Telecommunications (0.38%)	–	–
	NETHERLANDS (1.35%)	–	–
	Oil & Gas Producers (1.35%)	–	–
	PORTUGAL (0.00%)	120,244	1.24
32,842	Media (0.00%) PT Multimedia	120,244 120,244	1.24 1.24
	RUSSIA (2.00%)	156,917	1.63
152,207	Chemicals (0.74%) Nizhnekamskneftekh Preference shares	58,628 58,628	0.61 0.61
13,220	Banks (1.26%) Sberbank of Russia Sponsored ADR	98,289 98,289	1.02 1.02
	SPAIN (2.13%)	479,519	4.96
9,357	Support Services (2.13%) Amadeus	204,809 204,809	2.12 2.12
5,013	Electricity (0.00%) Red Electrica de Espana	176,270 176,270	1.82 1.82
29,671	Banks (0.00%) Banco Popular Español	98,440 98,440	1.02 1.02
	SWEDEN (1.84%)	–	–
	Mobile Telecommunications (1.84%)	–	–
	SWITZERLAND (8.08%)	778,359	8.04
10,768	Industrial Engineering (1.57%) ABB	157,143 157,143	1.62 1.62
7,157	Food Producers (3.11%) Nestlé	308,890 308,890	3.19 3.19
790	Health Care Equipment & Services (0.00%) Straumann	88,638 88,638	0.92 0.92

River and Mercantile Global High Income Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Pharmaceuticals & Biotechnology (2.02%)	223,688	2.31
1,343	Roche	223,688	2.31
	Fixed Line Telecommunications (1.38%)	–	–
	ASIA (29.93%)	3,292,338	34.03
	HONG KONG (0.99%)	325,299	3.36
	Industrial Transportation (0.00%)	92,367	0.96
1,000,000	Tianjin Port Development	92,367	0.96
	Travel & Leisure (0.99%)	94,244	0.97
95,090	Mandarin Oriental International	94,244	0.97
	Real Estate Investment & Services (0.00%)	138,688	1.43
263,500	Soho China	138,688	1.43
	JAPAN (14.46%)	2,286,572	23.64
	Chemicals (1.19%)	169,631	1.75
4,500	Shin-Etsu Chemical	169,631	1.75
	Construction & Materials (1.43%)	72,268	0.75
5,880	Aica Kogyo	72,268	0.75
	Electronic & Electrical Equipment (1.44%)	–	–
	Support Services (0.00%)	98,664	1.02
26,000	Pronexus	98,664	1.02
	Health Care Equipment & Services (0.00%)	153,263	1.58
6,600	Jin	153,263	1.58
	Pharmaceuticals & Biotechnology (2.05%)	234,532	2.43
18,100	Shionogi	234,532	2.43
	Food & Drug Retailers (1.87%)	168,102	1.74
6,300	FamilyMart	168,102	1.74
	Media (0.00%)	155,271	1.61
8,636	Avex	155,271	1.61
	Mobile Telecommunications (1.04%)	226,836	2.35
7,166	KDDI	226,836	2.35
	Gas, Water & Multiutilities (2.17%)	–	–
	Banks (1.60%)	484,191	5.00
38,919	North Pacific Bank	100,663	1.04
6,200	Sumitomo Mitsui Financial	185,137	1.91
65,000	Sumitomo Mitsui Trust	198,391	2.05

River and Mercantile Global High Income Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
	Real Estate Investment Trusts (1.67%)	266,098	2.75
88	Kenedix Realty Investment	266,098	2.75
	Financial Services (0.00%)	106,530	1.10
4,600	Fuyo General Lease	106,530	1.10
	Software & Computer Services (0.00%)	151,186	1.56
7,800	Digital Garage	151,186	1.56
	PHILIPPINES (3.06%)	189,428	1.96
	Mobile Telecommunications (2.06%)	189,428	1.96
4,485	Philippine Long Distance Telephone	189,428	1.96
	Banks (1.00%)	–	–
	SINGAPORE (5.14%)	224,774	2.32
	Industrial Transportation (2.58%)	224,774	2.32
30,000	SIA Engineering	71,606	0.74
318,000	Hutchison Port Holdings Trust	153,168	1.58
	Real Estate Investment Trusts (2.56%)	–	–
	SOUTH KOREA (1.84%)	209,137	2.16
	Tobacco (1.84%)	209,137	2.16
4,733	KT&G	209,137	2.16
	THAILAND (4.44%)	57,128	0.59
	Industrial Transportation (1.03%)	–	–
	Banks (2.67%)	57,128	0.59
68,900	Kiatnakin Bank	57,128	0.59
	Technology Hardware & Equipment (0.74%)	–	–
	PACIFIC BASIN (7.11%)	334,182	3.45
	AUSTRALIA (3.74%)	91,036	0.94
	Industrial Transportation (1.52%)	–	–
	Beverages (0.00%)	91,036	0.94
35,671	Treasury Wine Estates	91,036	0.94
	Health Care Equipment & Services (2.22%)	–	–
	NEW ZEALAND (3.37%)	243,146	2.51
	Construction & Materials (1.40%)	–	–

River and Mercantile Global High Income Fund

Portfolio Statement continued

Holding	Investment	Market Value £	% of Net Assets
203,771	Fixed Line Telecommunications (1.97%) Telecom Corporation of NZ	243,146 243,146	2.51 2.51
	FORWARD CURRENCY CONTRACTS (0.04%)	(1,755)	(0.02)
¥(76,460,625)	Sold Japanese Yen	481	0.00
\$780,200	For US Dollar (Expiry 15/11/2013)		
¥(38,230,312)	Sold Japanese Yen	(2,236)	(0.02)
\$386,090	For US Dollar (Expiry 15/11/2013)		
Portfolio of investments		9,766,841	100.99
Net other liabilities		(96,118)	(0.99)
Net assets		9,670,723	100.00

All investments are ordinary shares unless otherwise stated.

The percentages in brackets show the equivalent percentage of net assets as at 31 March 2013.

Total purchases for the period: £5,328,536.

Total sales for the period: £5,555,317.

River and Mercantile Global High Income Fund

Statement of Total Return for the period ended 30 September 2013

	1 April 2013 to 30 September 2013		1 April 2012 to 30 September 2012	
	£	£	£	£
Income				
Net capital (losses)/gains		(345,132)		58,010
Revenue	262,256		239,551	
Expenses	(59,193)		(60,425)	
Finance costs: Interest	(222)		(86)	
Net revenue before taxation for the period	202,841		179,040	
Taxation	(27,008)		(20,176)	
Net revenue after taxation for the period		175,833		158,864
Total return before distributions		(169,299)		216,874
Finance costs: Distributions		(188,369)		(216,161)
Change in net assets attributable to Shareholders from investment activities		(357,668)		713

Statement of Change in Net Assets attributable to Shareholders for the period ended 30 September 2013

	1 April 2013 to 30 September 2013		1 April 2012 to 30 September 2012	
	£	£	£	£
Opening net assets attributable to Shareholders		10,240,478		11,522,802
Amounts received on creation of shares	831,498		130,099	
Amounts paid on cancellation of shares	(1,043,434)		(962,128)	
		(211,936)		(832,029)
Stamp Duty Reserve Tax		(151)		(60)
Change in net assets attributable to Shareholders from investment activities		(357,668)		713
Closing net assets attributable to Shareholders		9,670,723		10,691,426

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

River and Mercantile Global High Income Fund

Balance Sheet as at 30 September 2013

	30 September 2013		31 March 2013	
	£	£	£	£
ASSETS				
Investment assets		9,769,077		10,348,587
Debtors	103,471		180,307	
Cash and bank balances	43,827		37,077	
Total other assets		147,298		217,384
Total assets		9,916,375		10,565,971
LIABILITIES				
Investment liabilities		(2,236)		–
Creditors	(61,581)		(132,746)	
Distribution payable on distribution shares	(181,835)		(192,747)	
Total other liabilities		(243,416)		(325,493)
Total liabilities		(245,652)		(325,493)
Net assets attributable to Shareholders		9,670,723		10,240,478

Notes to the Financial Statements

1 Accounting policies

The accounting policies for the sub-fund are the same as those disclosed in the aggregated financial statements on page 6.

River and Mercantile Global High Income Fund

Fund Facts

Distribution Information

A-Class Distribution shares

The distribution payable on 30 November 2013 is 2.0708p net per share for distribution shares.

B-Class Distribution shares

The distribution payable on 30 November 2013 is 5.2508p net per share for distribution shares.

Performance records

Net asset values

	Net asset value of sub-fund £	Net asset value per share p	Shares in issue
31 March 2011			
A-Class Distribution shares	1,259,866	108.35	1,162,729
B-Class Distribution shares	10,370,611	272.78	3,801,811
31 March 2012			
A-Class Distribution shares	608,368	98.22	619,393
B-Class Distribution shares	10,914,434	249.22	4,379,396
31 March 2013			
A-Class Distribution shares	423,717	112.79	375,673
B-Class Distribution shares	9,816,761	288.22	3,405,997
30 September 2013			
A-Class Distribution shares	402,265	108.91	369,341
B-Class Distribution shares	9,268,458	279.39	3,317,332

River and Mercantile Global High Income Fund

Fund Facts continued

Share price range & net revenue

Year	Highest share price	Lowest share price	Net revenue
A-Class Distribution shares			
2010 ⁽¹⁾	109.05p	90.79p	1.4000p
2011	110.73p	86.28p	4.0228p
2012	103.21p	91.54p	4.1961p
2013 ⁽²⁾	120.27p	100.76p	4.1971p
B-Class Distribution shares			
2010 ⁽¹⁾	274.00p	227.28p	3.5000p
2011	278.76p	218.08p	10.1477p
2012	261.74p	232.45p	10.5814p
2013 ⁽²⁾	307.66p	257.02p	10.6753p

⁽¹⁾ From 27 April 2010.

⁽²⁾ The above table shows highest and lowest share prices to 30 September 2013. This table also shows net revenue payable to 30 November 2013.

The value of investments and any revenue generated may go down as well as up and is not guaranteed.

An investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.

Changes in exchange rates may have an adverse effect on the value, price or income of investments.

River and Mercantile Global High Income Fund

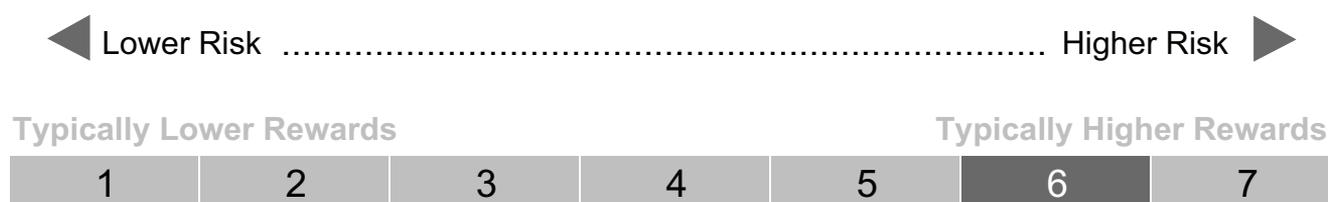
Fund Facts continued

Ongoing Charge Figures

30 September 2013	
A-Class Distribution shares	1.93%
B-Class Distribution shares	1.18%

The OCF has been calculated in accordance with the COLL sourcebook and is designed to be indicative of future costs to investors, as such there will be no comparative figure.

Synthetic Risk Return Indicator (SRRRI)



The Synthetic Risk & Reward Indicator is based on how much the returns of the shares have varied over the last five years, or since launch (whichever is the shorter period). The higher the rank the greater the potential reward but also the greater the risk of losing money.

The shaded area in the Indicator shows the sub-fund's ranking on the Synthetic Risk & Reward Indicator. The Indicator uses a standard calculation method that is used by all EU companies who offer such funds to allow you to compare funds. Historical data is used to calculate the ranking and this may not be a reliable indication for the future ranking and might change.

The sub-fund may not achieve its investment objective and/or you could lose money on your investment in the sub-fund.

The following risks are materially relevant to the sub-fund but may not be adequately captured by the Risk and Reward Indicator, and may cause additional loss:

- Liquidity risk: securities in the sub-fund may be sold below their valuation due to insufficient liquidity in the market.
- Foreign exchange risk: the sub-fund invests in international securities which are denominated in foreign currencies whose fluctuations may increase the sub-fund's volatility and losses.
- Emerging market risk: the sub-fund may invest in emerging markets which may be more volatile than developed markets and be more susceptible to unforeseen events such as devaluations, political instability, etc.

Other Information

Subscription and redemption applications for shares issued by the sub-funds should be received by 11 a.m. to ensure inclusion in the following 12 noon valuation point.

With effect from 31 March 2011 the ACD at its discretion may apply the Tax Elected Fund (TEF) rules as reflected in the Principal Prospectus.

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Directory

The Open-Ended Investment Company	River and Mercantile Funds ICVC 30 Coleman Street London EC2R 5AL (authorised and regulated by the Financial Conduct Authority)
Registered in England	The Company is incorporated in England and Wales with registered number IC000489.
The Authorised Corporate Director (ACD)	River and Mercantile Asset Management LLP 30 Coleman Street London EC2R 5AL (authorised and regulated by the Financial Conduct Authority) Registered and Head Office of the Company 30 Coleman Street London EC2R 5AL
Depository	BNY Mellon Trust & Depository (UK) Limited The Bank of New York Mellon Centre, 160 Queen Victoria Street London EC4V 4LA (authorised and regulated by the Financial Conduct Authority)
Administrator and Registrar	The Bank of New York Mellon (International) Limited BNY Mellon House Ingrave Road Brentwood Essex CM15 8TG (authorised and regulated by the Financial Conduct Authority)
The Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT