Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

ES River and Mercantile UK Equity Smaller Companies Fund

A Inc, ISIN: GB00B1DSZR91
A sub-fund of the ES River and Mercantile Funds ICVC
Equity Trustees Fund Services Ltd is the Authorised Corporate Director of the Fund

Objectives and investment policy

The investment objective of the Fund is to grow the value of your investment (known as "capital growth") in excess of the Numis Smaller Companies + AIM Excluding Investment Companies Index Net Total Return (the "Benchmark") over a rolling 5 year period, after the deduction of all fees.

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

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

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

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

The Fund is actively managed, meaning the Investment Manager will use their expertise to pick investments to achieve the Fund's objectives.

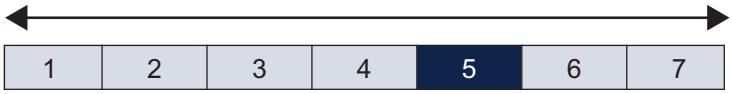
The Investment Manager will select shares for the Fund that fit the River and Mercantile PVT (Potential, Valuation and Timing) Investment Philosophy. This approach to investing has been in place since the PVT Team was launched in 2006 and looks for companies that have attractive "Potential" (the ability to grow shareholder value through increases in profits and cash), "Valuation" (the price of shares on the stock market is lower than the value the Investment Manager gives to the shares) and "Timing" (the extent to which analytical indicators that are supportive of investing at the time of analysis).

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

Risk and reward profile

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

Typically lower rewards, Lower risk — **Typically higher rewards, Higher risk**



1	2	3	4	**5**	6	7

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

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

- Liquidity risk: the value of investments may be more unpredictable and in certain cases, it may be difficult to deal a security at the last market price quoted or at a value considered to be fair.
- Volatility: the fund invests in shares of smaller companies which can be more volatile than shares of larger companies, and at times it may be difficult to value or to sell shares at desired times and prices, increasing the risk of losses.
- Currency: the fund could be exposed to different currencies. Movements in currency exchange rates may adversely affect the value of your investment.
- Operational: operational risks arising from errors in transactions, valuation, accounting, and finance reporting, among other things, may also affect the value of your investments.
- Counterparty: the fund could lose money if an entity (counterparty) with which it does business defaults in respect of its obligations to the fund.
- Derivative risk: Derivatives may be used to reduce the risk of the Fund, but may not always be effective and the Fund may still suffer a loss.

Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	5.25%*
Exit charge	0.00%

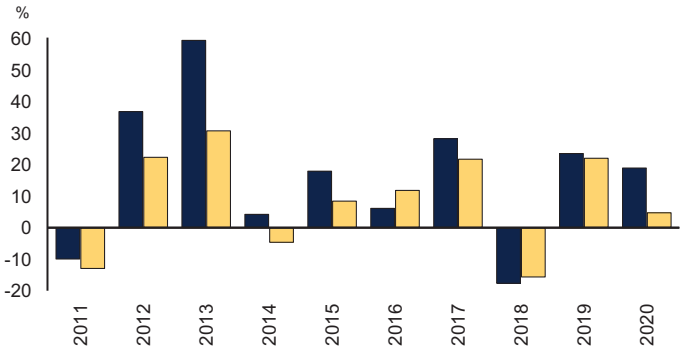
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment.
* The current entry charge is 0% and if we wish to increase this charge then 60 days' notice will be provided.

Charges taken from the fund over a year	
Ongoing charge	1.64%

Charges taken from the fund under certain specific conditions	
Performance fee	None

- The ongoing charges figure is based on the last year's expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- The on-going charges figure is from audited Report & Accounts dated 31/03/2021. This figure may vary year on year. It excludes transaction costs charged to the fund such as broker's commission and local taxes of buying and selling securities in the underlying Fund.
- For more information about charges please see pages 48 to 53 of the Fund's Principal Prospectus.

Past Performance



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fund	-10.1	37.0	59.6	4.4	18.1	6.3	28.4	-17.8	23.7	19.1
Index *	-13.1	22.5	30.9	-4.8	8.6	12.0	21.9	-15.8	22.2	4.9

Source: FE fundinfo 2020

- You should be aware that past performance is not a guide to future performance.
- Fund launch date: 30/11/2006.
- Share/unit class launch date: 30/11/2006.
- Performance is calculated in GBP.
- The graph shows full calendar year performance in GBP. Performance shown takes into account ongoing charges, but not entry fees, and is calculated in pounds sterling on a Net Asset Value basis with net dividends reinvested.
- * Numis Smaller Companies plus AIM (excluding investment companies)

Practical information

- Depositary: Bank of New York Mellon (International) Limited is the depositary for this Fund.
- Further Information: Detailed information on this Fund, including how to buy, sell and switch shares and other share classes available can be found within the Principal Prospectus and the annual and semi-annual reports which are available free of charge. These documents are only available in English and can be downloaded from our website (www.equitytrustees.com). Daily prices are also available from our website.
- Practical Information: This document contains information on the A class Income shares only. The Fund is a sub-fund of the ES River and Mercantile Funds ICVC and regulated and authorised by the Financial Conduct Authority in the UK FRN 457692. The assets of the ES River and Mercantile UK Equity Smaller Companies Fund belong exclusively to it and are not available to meet the liabilities of any other sub-fund of ES River and Mercantile Funds ICVC.
- Tax Legislation: The tax laws of the UK, in addition to the tax laws of your country of residence, may impact how your investment in the Fund is taxed. You are advised to seek professional tax advice.
- Liability Statement: Equity Trustees Fund Services Ltd may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the fund.
- Fund information: Any income generated from this share class will be distributed to investors, but investors may elect to have their income distributions re-invested into the Fund. The Fund is part of ES River and Mercantile Funds ICVC. You may switch between other funds of ES River and Mercantile Funds ICVC. An entry charge may apply. Details on switching are provided in the Principal Prospectus. The assets of the Fund belong exclusively to it and are not available to meet the liabilities of any other Fund of ES River and Mercantile Funds ICVC. Equity Trustees Fund Services Ltd (the "ACD" for ES River and Mercantile Funds ICVC) has put in place a remuneration policy in accordance with the requirements of SYSC 19E of the FCA Handbook. The remuneration policy ensures that the ACD's remuneration practices are consistent with and promote sound and effective risk management, and do not encourage risk taking which is inconsistent with the risk profile of the Fund. A description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, is available from the ACD's website: www.equitytrustees.com or a paper copy is available upon request free of charge.
- Your investment will fall and rise in value and you could get back less than you invest.
- This Fund is authorised in the United Kingdom and regulated by the Financial Conduct Authority.
- This Key Investor Information is accurate as at 12 July 2021.