



true potential  
investments

SVS True Potential Investments Fund

Interim Report

for the six months ended 7 September 2020

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## SVS True Potential Investments Fund Report of the Manager

St Vincent St Fund Administration (trading name of Smith & Williamson Fund Administration Limited), as Manager, presents herewith the Interim Report for SVS True Potential Investments Fund for the six months ended 7 September 2020.

SVS True Potential Investments Fund ('the Trust' or 'the Fund') is an authorised umbrella unit trust scheme further to an authorisation order dated 3 November 2015 and is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL'), as published by the Financial Conduct Authority ('FCA').

There is currently one sub-fund in the Fund - SVS TPI Monthly Income 1.

The Manager is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the accounts as the assets of the Fund consist predominantly of securities which are readily realisable and, accordingly, the Fund has adequate financial resources to continue in operational existence for the foreseeable future. Further, appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of these accounts and applicable accounting standards have been followed.

Brexit is one of the most significant economic events for the UK, and its effects are subject to unprecedented levels of uncertainty of consequences, with the full range of possible effects unknown. As Manager we have applied appropriate accounting policies consistently, supported by reasonable and prudent judgements and estimates. However, as Manager we are unable to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

The base currency of the Fund is UK sterling.

The Trust Deed can be inspected at the offices of the Manager.

Copies of the Prospectus and Key Investor Information Document ('KIID') are available on request free of charge from the Manager.

### Investment objective and policy - SVS TPI Monthly Income 1

The investment objective is to achieve regular income growth with prospects of capital growth. Income will be paid monthly where the level of income within the Fund allows.

The assets of the Fund are primarily invested in UK equities with the balance mainly in sterling denominated fixed interest securities with some limited exposure to non-sterling bonds. The Manager may invest in derivatives for Efficient Portfolio Management purposes in order to effectively manage exposures to currencies and underlying equity positions in the portfolio.

Derivatives and forward transactions may only be used for Efficient Portfolio Management. The Fund may use derivatives and forward transactions for investment purposes on the giving of 60 days' notice to unitholders. The use of derivatives for investment purposes may alter the risk profile of the Fund.

Please be aware that there is no guarantee that capital will be preserved.

### Important Note from the Manager

The outbreak of Covid-19, declared by the World Health Organisation as a Public Health Emergency of International Concern on 30 January 2020, has caused disruption to businesses and economic activity. The Manager is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice.

### Changes affecting the Fund in the period

KPMG LLP resigned as auditor and Johnston Carmichael LLP were appointed on 6 July 2020.

Further information in relation to the Fund is illustrated on page 20.

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes sourcebook, we hereby certify the Interim Report on behalf of the Manager, Smith & Williamson Fund Administration Limited.

Brian McLean  
Directors  
Smith & Williamson Fund Administration Limited  
6 November 2020

James Gordon

## Accounting policies of SVS True Potential Investments Fund (unaudited) *for the six months ended 7 September 2020*

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments. They have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') and in accordance with the Statement of Recommended Practice for UK Authorised Funds ('the SORP') published by The Investment Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 7 March 2020 and are described in those annual financial statements.

The Manager has considered the impact of the emergence and spread of Covid-19 and potential implications on future operations of the Fund of reasonably possible downside scenarios. The Manager has considered a detailed assessment of the Fund's ability to meet its liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the Fund continues to be open for trading and the Manager is satisfied the Fund has adequate financial resources to continue in operation for at least the next 12 months and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

## Investment Director's foreword and commentary

The investment manager's report that follows is provided by True Potential Investments LLP for appointed sub-delegate Columbia Threadneedle. Our sub-delegate is responsible for managing the SVS TPI Monthly Income 1 fund aiming to provide an income stream that is paid monthly and with prospects for capital growth.

Asset exposure is obtained by a directly invested approach of UK equities and bonds. Within bonds, the sub-delegate also invests in overseas company debt, but denominated in UK sterling. Yield is constructed at the portfolio level which allows, on the equity side, a mix of more traditional income producing stocks, but also less mature stocks that may have more potential for growth. The sub-delegate also invests in companies where there is turnaround potential. This includes scope to resume paying dividends with future prospects for growth.

The period was dominated by the Covid-19 pandemic and how asset prices have reacted to this. Over the majority of the time in question, equity markets were in recovery mode, however, that was after steep falls seen in late February/early March. The UK overall underperformed other equity markets with its large weighting towards oil related securities and a continued appetite for more tech focused stocks not really present in the UK index. Within fixed income, UK credit spreads, the amount an investor needs to hold credit over government bonds, ballooned out in March and April with record new issuance providing ample opportunity. Although UK sterling showed some volatility, overall at the end of the period, it had experienced little movement.

The overall income environment in the UK has been challenged by the pandemic with regulation around areas such as the UK banking sector, an area the sub-delegate does not have exposure to, discouraging returns to shareholders. Any companies that used the UK government's furlough scheme were also not allowed to pay dividends. At this point, the outlook for UK equity income has improved since earlier in the year with the sub-delegate looking for the best opportunities and speaking to company management for their holdings.

Against this backdrop the SVS TPI Monthly Income 1 fund recorded a return of -3.5% over the period (based on 5pm mid prices), outperforming the main UK market. Source: Bloomberg.

The strength of our sub-delegate lies within their robust investment process and ability to select income producing stocks with decent prospects for growth. Income sustainability is key for investors and, here at True Potential Investments LLP, we believe our sub-delegate will not take on extra risk simply to gain a higher yield and that they will stick with their stock picking process and philosophy.

True Potential Investments LLP  
29 September 2020

## Investment Manager's report

### Investment performance

Relative gains were almost entirely driven by the equity segment, with a smaller contribution from the fixed-income segment.

Within equities, sector allocation added value, largely due to our underweight in energy. Security selection was negative in aggregate; successful choices in technology were outweighed by detraction from the consumer discretionary sector, where the short and long-term implications of Covid-19 are perceived to be most intense.

At the stock level, the zero weight in Rio Tinto was particularly disadvantageous. Despite being hurt in the sell-off in March, shares performed well over the review period, buoyed by optimism over the vast global stimulus response to the crisis.

The holdings in Hiscox and Stagecoach Group also detracted. Insurer Hiscox cancelled dividends in line with the Prudential Regulatory Authority's demand. We feel that the firm is a high-quality underwriter and, despite recent challenges, we are confident that medium-term profit ambitions will be achieved. Stagecoach Group was impacted by the severe disruption to travel and tourism as a result of the pandemic. However, the firm has secured covenant waivers from its lenders. We are also positive about Stagecoach Group's plans to terminate its rail presence in the US and UK to focus on the well-invested and strongly positioned UK bus business.

Notable contributors included our holdings in AstraZeneca and Spirent Communications; both are among a small cohort of companies that have paid out dividends this year. AstraZeneca benefited from the rotation towards defensives amid the market turbulence in March, and also rallied on reporting higher revenues for the first and second quarters of 2020. Shares were further boosted by news of the success of one of the company's lung-cancer treatments in trials. Spirent Communications also enjoyed an uptick in revenues in the first half of this year, driven by encouraging performance in the network and security division, which accounts for over 60% of the business.

The zero weight in HSBC proved advantageous as the bank cut dividends and reported weaker profits. Shares were also pressured by tensions between the US and China, owing to the company's heavy exposure to Asia.

The fixed-income segment benefited from the narrowing in UK sterling investment-grade spreads following the severe sell-off in March.

### Investment activities

Within equities, we focused on adding to our existing holdings, chiefly Phoenix Group Holdings, Tate & Lyle and Pearson.

Tate & Lyle's sales volumes have been impacted by weaker demand from the leisure sector as a result of the lockdowns. However, we are positive about the firm's progress in shoring up its core bulk division and expanding its presence in the higher-margin speciality ingredients channel.

Pearson is expanding its digital business and is likely to benefit from the increased trend towards online learning, which is being accelerated by the pandemic. We believe that the market is underestimating the revenues that Pearson generates outside the US higher-education division, which is where we feel that the value in the company lies. Pearson's turnaround should be accelerated by the recent stake acquired by activist investor Cevian Capital.

We also took advantage of the refinancing unleashed in response to the crisis to add to some holdings. Examples included Hiscox, pub chain J D Wetherspoon and catering and concessions provider Compass Group.

J D Wetherspoon had only modestly negative cashflows, but prudently raised extra equity to aid liquidity through the shutdown. We believe the business will emerge stronger from the crisis, as many of its rivals are excessively leveraged.

Compass Group's fund-raising should help to mitigate the impact of weaker demand for catering services from the education sector, as schools and universities were forced to close. Compass Group is increasing its share in a market which stands to benefit from the long-term drivers towards the outsourcing of catering - a trend likely to be accelerated by the pandemic.

Following the steep sell-off earlier in the year, we became more constructive on the outlook for the UK sterling investment-grade (IG) market, given the scale and credit-friendly nature of the policy response, and the compelling valuations on offer. Consequently, we increased credit risk within the portfolio before reducing it again in the summer, as spreads came back in towards their long-term averages. The fixed-income segment retains a modest overweight in credit risk, which remains tilted to defensive sectors, such as regulated utilities and infrastructure, which we think will weather the crisis well. In terms of activity, we were active in the primary market, participating in a range of new issues from the likes of GlaxoSmithKline Capital 1.625% 12/05/2035, BAT International Finance 2.25% 26/06/2028 and Southern Water Services Finance 3% 28/05/2037. In the secondary market, we started positions in Cooperatieve Rabobank 4.625% 23/05/2029 and Bank of America 7% 31/07/2028, among others, and topped up some existing holdings. Sales included Total Capital International 1.66% 22/07/2026 and Northern Gas Networks Finance 4.875% 30/06/2027.

## Investment Manager's report (continued)

### Investment strategy and outlook

Equities have rebounded sharply since the lows of March, aided by the phenomenal stimulus response. While we are also reassured by the level of policy support, we think it would be premature to declare victory for markets, as we do not believe that the potentially bruising economic path into next year is fully discounted.

The underperformance of UK equities relative to global averages this year, along with the fact that the recovery has been narrowly led, has resulted in a sharply polarised market with technology and certain growth stocks trading at excessive valuations, while sentiment towards cyclicals remains depressed. Consequently, we feel there are several attractive opportunities that we can take advantage of, especially with a wave of refinancing underway as companies seek to shore up liquidity. Meanwhile, the prospects for selected domestic cyclicals appear particularly interesting, as before the virus emerged, these stocks had already suffered from a 'Brexit malaise' since the EU referendum.

The scale of dividend cuts this year is a concern, though we favour balance-sheet prudence, construct yield at portfolio level and are differentiated from the market in sourcing dividends. We are in constant dialogue with management teams to ensure rationales are scrutinised and full accountability is maintained.

Our focus remains on company fundamentals to target strong, risk-adjusted returns.

The valuation case for IG credit has become less compelling, given the market's powerful recovery since late March. Meanwhile, the support measures introduced by governments and central banks will help to mitigate the significant, though temporary, interruption to economic output and employment. More specifically, much of the policy response is targeted at keeping the credit channel open. In terms of corporate fundamentals, leverage will likely continue to rise as companies issue more debt and accept government liquidity support to weather the storm. It is notable, however, that many companies have cut dividend payments and abandoned share buybacks, which is credit supportive.

Threadneedle Asset Management Limited - a sub-delegate of True Potential Investments LLP  
29 September 2020

## Summary of portfolio changes

for the six months ended 7 September 2020

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

	Cost
	£
Purchases:	
Phoenix Group Holdings	1,143,108
UK Treasury Gilt 4.25% 07/06/2032	826,028
Imperial Brands	699,759
Pearson	694,398
Tate & Lyle	668,505
UK Treasury Gilt 1.5% 22/07/2026	601,033
GlaxoSmithKline	555,125
Hiscox	514,918
Rentokil Initial	431,957
Electrocomponents	405,828
Spirent Communications	390,544
AstraZeneca	388,756
J D Wetherspoon	345,563
United Utilities Group	337,869
Wm Morrison Supermarkets	332,693
Hays	326,972
Unilever	314,470
LondonMetric Property	260,593
Compass Group	256,842
UK Treasury Gilt 1.625% 22/10/2028	249,314
	Proceeds
	£
Sales:	
AstraZeneca	3,097,331
GlaxoSmithKline	1,294,099
Rentokil Initial	1,032,502
Spirent Communications	945,522
Electrocomponents	908,465
Imperial Brands	906,604
Phoenix Group Holdings	818,431
Wm Morrison Supermarkets	713,989
Unilever	653,792
RELX	537,752
UK Treasury Gilt 3.75% 07/09/2021	488,124
RSA Insurance Group	454,412
BAE Systems	448,117
Wells Fargo 2% 28/07/2025	433,799
UK Treasury Gilt 4.25% 07/06/2032	420,708
APT Pipelines 3.5% 22/03/2030	413,141
Legal & General Group	398,117
Pearson	394,847
Royal Dutch Shell 'B'	382,120
Ferguson	374,724



## Portfolio statement

as at 7 September 2020

Investment	Nominal value or holding	Market value £	% of total net assets
Debt Securities* 21.50% (22.11%)			
Aaa to Aa2 1.56% (0.98%)			
Berkshire Hathaway Finance 2.625% 19/06/2059	£100,000	121,066	0.10
Broadgate Financing 4.821% 05/07/2033	£85,000	113,910	0.10
DNB Bank 1.375% 12/06/2023	£162,000	166,144	0.14
New York Life Global Funding 1.25% 17/12/2026	£100,000	103,319	0.09
Shell International Finance 1.75% 10/09/2052	£100,000	97,967	0.08
Trafford Centre Finance 0.81688% 28/07/2035**	£50,000	43,464	0.04
UK Treasury Gilt 1.5% 22/01/2021	£100,000	100,550	0.08
UK Treasury Gilt 1.5% 22/07/2026	£346,000	377,133	0.32
UK Treasury Gilt 1.625% 22/10/2028	£157,000	176,091	0.15
UK Treasury Gilt 4.25% 07/06/2032	£277,000	400,043	0.34
University of Oxford 2.544% 08/12/2017	£100,000	143,032	0.12
		<hr/> 1,842,719	<hr/> 1.56
Aa3 to A1 1.08% (1.69%)			
ABN AMRO Bank 1.375% 16/01/2025	£100,000	102,705	0.09
Banque Federative du Credit Mutuel 1.5% 07/10/2026	£200,000	207,872	0.18
BP Capital Markets 1.827% 08/09/2025	£108,000	113,649	0.10
Credit Agricole 1.25% 02/10/2024	£100,000	102,668	0.09
Lloyds Bank 6.5% 17/09/2040	£215,000	378,041	0.32
LVMH Moet Hennessy Louis Vuitton 1.125% 11/02/2027	£200,000	200,660	0.17
Metropolitan Life Global Funding I 1.625% 21/09/2029	£100,000	104,104	0.09
Telereal Securitisation 4.9741% 10/09/2027	£80,000	51,296	0.04
		<hr/> 1,260,995	<hr/> 1.08
A2 to A3 3.14% (2.90%)			
Aviva 4% 03/06/2055**	£100,000	107,133	0.09
Aviva 4.375% 12/09/2049**	£110,000	122,500	0.10
Aviva 6.625% 03/06/2041**	£193,000	200,369	0.17
Bank of America 7% 31/07/2028	£100,000	142,377	0.12
BP Capital Markets 4.25% Perpetual**	£143,000	151,493	0.13
Broadgate Financing 5.098% 05/04/2033	£50,000	54,822	0.05
Citigroup 1.75% 23/10/2026	£100,000	103,234	0.09
Comcast 1.875% 20/02/2036	£100,000	104,014	0.09
Co-Operative Bank 4.75% 11/11/2021	£100,000	104,150	0.09
DWR Cymru Financing UK 6.015% 31/03/2028	£39,000	52,810	0.04
Electricite de France 5.125% 22/09/2050	£150,000	227,948	0.19
Electricite de France 5.5% 17/10/2041	£200,000	298,616	0.25
GlaxoSmithKline Capital 1.25% 12/10/2028	£170,000	172,976	0.15
GlaxoSmithKline Capital 1.625% 12/05/2035	£113,000	115,522	0.10
Legal & General Group 10% 23/07/2041**	£75,000	80,849	0.07
Legal & General Group 5.125% 14/11/2048**	£110,000	126,403	0.11
Legal & General Group 5.375% 27/10/2045**	£100,000	114,959	0.10
Legal & General Group 5.5% 27/06/2064**	£100,000	120,494	0.10
Mitchells & Butlers Finance 5.574% 15/12/2030	£136,000	54,800	0.05
National Grid Electricity Transmission 1.125% 07/07/2028	£147,000	149,083	0.13
Optivo Finance 2.857% 07/10/2035	£100,000	115,474	0.10
Reckitt Benckiser Treasury Services 1.75% 19/05/2032	£111,000	115,483	0.10

\* Grouped by credit rating - source: Interactive Data and Bloomberg.

\*\* Denotes a variable interest security.

Portfolio statement (continued)  
as at 7 September 2020

Investment	Nominal value or holding	Market value £	% of total net assets
Debt Securities* (continued)			
A2 to A3 (continued)			
SGSP Australia Assets 3.25% 29/07/2026	\$200,000	165,040	0.14
United Utilities Water Finance 1.875% 03/06/2042	£133,000	137,999	0.12
Volkswagen International Finance 3.375% 16/11/2026	£100,000	110,041	0.09
Wells Fargo 2.125% 24/09/2031	£200,000	208,358	0.18
Wells Fargo 2.5% 02/05/2029	£212,000	227,395	0.19
		3,684,342	3.14
Baa1 to Baa2 8.18% (9.26%)			
AbbVie 3.2% 21/11/2029 Private Placement	\$60,000	50,145	0.04
AbbVie 4.25% 21/11/2049 Private Placement	\$61,000	55,097	0.05
American International Group 5% 26/04/2023	£150,000	164,720	0.14
Anheuser-Busch 4.7% 01/02/2036	\$200,000	181,823	0.15
Anheuser-Busch InBev 2.85% 25/05/2037	£60,000	65,094	0.05
APT Pipelines 3.125% 18/07/2031	£200,000	221,846	0.19
AT&T 4.25% 01/06/2043	£100,000	125,151	0.11
AT&T 4.375% 14/09/2029	£100,000	121,346	0.10
AT&T 5.5% 15/03/2027	£100,000	125,300	0.11
AT&T 7% 30/04/2040	£100,000	165,403	0.14
BAT International Finance 2.25% 26/06/2028	£185,000	185,988	0.16
BAT International Finance 6% 24/11/2034	£100,000	133,657	0.11
BHP Billiton Finance 6.5% 22/10/2077**	£200,000	218,875	0.18
BNP Paribas 1.875% 14/12/2027	£200,000	205,414	0.17
BPCE 5.25% 16/04/2029	£100,000	126,338	0.11
British Telecommunications 3.125% 21/11/2031	£145,000	162,564	0.14
BUPA Finance 4.125% 14/06/2035	£100,000	106,981	0.09
BUPA Finance 5% 08/12/2026	£100,000	113,829	0.10
Cadent Finance 2.125% 22/09/2028	£200,000	212,302	0.18
Cadent Finance 2.625% 22/09/2038	£100,000	110,551	0.09
Cadent Finance 2.75% 22/09/2046	£100,000	113,002	0.10
Cooperatieve Rabobank 4.625% 23/05/2029	£200,000	247,477	0.21
CPI Property Group 2.75% 22/01/2028	£100,000	97,095	0.08
Credit Suisse Group 2.25% 09/06/2028**	£143,000	147,556	0.12
Digital Stout Holding 3.3% 19/07/2029	£110,000	125,883	0.11
Digital Stout Holding 3.75% 17/10/2030	£100,000	118,583	0.10
E.ON International Finance 6.375% 07/06/2032	£165,000	247,305	0.21
Eastern Power Networks 1.875% 01/06/2035	£100,000	103,922	0.09
Eversholt Funding 2.742% 30/06/2040	£100,000	104,115	0.09
Eversholt Funding 3.529% 07/08/2042	£100,000	110,922	0.09
Experian Finance 3.25% 07/04/2032	£100,000	117,868	0.10
Fidelity National Information Services 3.36% 21/05/2031	£317,000	368,668	0.31
Fiserv 3% 01/07/2031	£150,000	169,416	0.14
Gatwick Funding 2.625% 07/10/2046	£100,000	87,381	0.07
GE Capital UK Funding Unlimited 5.875% 18/01/2033	£285,000	342,811	0.29
HSBC Bank 4.75% 24/03/2046	£123,000	150,859	0.13
HSBC Bank 5.375% 22/08/2033	£165,000	218,187	0.18
innogy Finance 6.25% 03/06/2030	£350,000	495,073	0.42
LafargeHolcim Sterling Finance Netherlands 3% 12/05/2032	£109,000	120,247	0.10

\* Grouped by credit rating - source: Interactive Data and Bloomberg.

\*\* Denotes a variable interest security.

Portfolio statement (continued)  
as at 7 September 2020

Investment	Nominal value or holding	Market value £	% of total net assets
Debt Securities* (continued)			
Baa1 to Baa2 (continued)			
Lloyds Bank 7.625% 22/04/2025	£102,000	130,771	0.11
Mexico Government International Bond 5.625% 19/03/2014	£100,000	106,375	0.09
Natwest Group 2.875% 19/09/2026**	£186,000	198,090	0.17
Natwest Group 3.125% 28/03/2027**	£182,000	196,333	0.17
Northumbrian Water Finance 2.375% 05/10/2027	£175,000	189,609	0.16
Orange 3.25% 15/01/2032	£100,000	117,247	0.10
Orange 8.125% 20/11/2028	£140,000	214,543	0.18
Porterbrook Rail Finance 4.625% 04/04/2029	£114,000	132,240	0.11
Santander UK 10.0625% Perpetual	£60,000	95,782	0.08
Scottish Hydro Electric Transmission 2.25% 27/09/2035	£200,000	217,708	0.18
Severn Trent Utilities Finance 2% 02/06/2040	£150,000	157,768	0.13
Telereal Securitisation 4.0902% 10/12/2033**	£236,000	241,131	0.20
Thames Water Utilities Finance 2.375% 22/04/2040	£100,000	103,596	0.09
Thames Water Utilities Finance 2.625% 24/01/2032	£245,000	266,200	0.22
UNITE Group 3.5% 15/10/2028	£100,000	103,583	0.09
Verizon Communications 2.5% 08/04/2031	£100,000	111,079	0.09
Verizon Communications 3.375% 27/10/2036	£120,000	148,650	0.13
Vodafone Group 3% 12/08/2056	£100,000	109,142	0.09
Welltower 4.8% 20/11/2028	£200,000	232,346	0.20
Western Power Distribution South West 5.75% 23/03/2040	£50,000	81,514	0.07
Yorkshire Water Finance 1.75% 26/11/2026	£198,000	202,895	0.17
		9,695,396	8.18
Baa3 and below 7.54% (7.28%)			
ADLER Real Estate 3% 27/04/2026	€200,000	178,903	0.15
Akelius Residential Property 2.375% 15/08/2025	£230,000	239,212	0.20
Anglian Water Services Financing 2.625% 15/06/2027	£100,000	100,782	0.09
Aroundtown3% 16/10/2029	£240,000	245,386	0.21
Bacardi 4.7% 15/05/2028 Private Placement	\$200,000	176,989	0.15
Barclays Bank 5.75% 14/09/2026	£89,000	107,429	0.09
Becton Dickinson 3.02% 24/05/2025	£350,000	375,253	0.32
Bunzl Finance 2.25% 11/06/2025	£280,000	295,456	0.25
Discovery Communications 2.5% 20/09/2024	£100,000	103,325	0.09
DS Smith 0.875% 12/09/2026	€200,000	178,723	0.15
DS Smith 2.875% 26/07/2029	£100,000	102,625	0.09
Equinix 2.875% 01/02/2026	€100,000	91,697	0.08
First Hydro Finance 9% 31/07/2021	£210,000	223,505	0.19
Ford Motor Credit 4.535% 06/03/2025	£100,000	99,910	0.08
G4S International Finance 1.5% 02/06/2024	€105,000	96,100	0.08
G4S International Finance 1.875% 24/05/2025	€100,000	92,741	0.08
GKN Holdings 4.625% 12/05/2032	£100,000	95,830	0.08
GKN Holdings 5.375% 19/09/2022	£200,000	207,774	0.18
Global Switch Holdings 4.375% 13/12/2022	£212,000	226,893	0.19
Hastings Group Finance 3% 24/05/2025	£100,000	108,137	0.09
Heathrow Funding 2.75% 09/08/2049	£200,000	194,373	0.16
Home Group 3.125% 27/03/2043	£100,000	117,914	0.10
Imperial Brands Finance 5.5% 28/09/2026	£340,000	410,902	0.35

\* Grouped by credit rating - source: Interactive Data and Bloomberg.

\*\* Denotes a variable interest security.

Portfolio statement (continued)  
as at 7 September 2020

Investment	Nominal value or holding	Market value £	% of total net assets
Debt Securities* (continued)			
Baa3 and below (continued)			
Imperial Brands Finance 8.125% 15/03/2024	£50,000	61,321	0.05
IQVIA 3.25% 15/03/2025	€120,000	109,181	0.09
Kraft Heinz Foods 4.125% 01/07/2027	£421,000	454,381	0.38
Land Securities Capital Markets 2.375% 29/03/2027	£255,000	269,874	0.23
Marks & Spencer 6% 12/06/2025	£100,000	108,080	0.09
Marston's Issuer 1.40238% 15/10/2027**	£70,000	58,219	0.05
Natwest Group 3.622% 14/08/2030**	£100,000	105,603	0.09
NewRiver REIT 3.5% 07/03/2028	£250,000	220,010	0.19
NGG Finance 5.625% 18/06/2073**	£262,000	301,303	0.25
NIE Finance 2.5% 27/10/2025	£130,000	140,119	0.12
Noble Holding International 8.95% 01/04/2045	\$67,000	745	0.00
Northern Powergrid Northeast 1.875% 16/06/2062	£100,000	103,363	0.09
Pacific National Finance 5% 19/09/2023	£200,000	218,001	0.18
Pearson Funding 3.75% 04/06/2030	£100,000	107,929	0.09
Pension Insurance Corp 5.625% 20/09/2030	£100,000	118,752	0.10
Petroleos Mexicanos 3.75% 16/11/2025	£80,000	69,706	0.06
Phoenix Group Holdings 5.625% 28/04/2031	£200,000	229,214	0.19
Plains All American Pipeline 3.55% 15/12/2029	\$52,000	39,319	0.03
Plains All American Pipeline 4.65% 15/10/2025	\$60,000	49,308	0.04
Sagax 1.125% 30/01/2027	€140,000	121,337	0.10
Southern Water Services Finance 3% 28/05/2037	£200,000	209,447	0.18
Syngenta Finance 5.182% 24/04/2028	\$200,000	167,151	0.14
Telefonica Europe 4.375% Perpetual**	€100,000	95,123	0.08
Tesco Property Finance 5 5.6611% 13/10/2041	£100,000	131,567	0.11
Tesco Property Finance 6 5.4111% 13/07/2044	£183,000	227,760	0.19
Thames Water Utilities Finance 2.375% 03/05/2023	£100,000	98,978	0.08
Time Warner Cable 5.75% 02/06/2031	£225,000	287,165	0.24
TSB Banking Group 5.75% 06/05/2026**	£100,000	100,965	0.09
UBS Group 7% Perpetual**	\$200,000	171,507	0.14
UNITE USAF II 3.921% 30/06/2025	£190,000	206,073	0.17
Virgin Money UK 3.125% 22/06/2025**	£100,000	100,147	0.08
Virgin Money UK 5.125% 11/12/2030**	£100,000	100,080	0.08
Western Power Distribution 3.5% 16/10/2026	£100,000	110,551	0.09
		<u>8,962,138</u>	<u>7.54</u>
Total debt securities		<u>25,445,590</u>	<u>21.50</u>
Equities - United Kingdom 76.90% (74.38%)			
Equities - incorporated in the United Kingdom 73.90% (71.46%)			
Energy 1.24% (1.74%)			
Royal Dutch Shell 'B'	139,055	<u>1,468,977</u>	<u>1.24</u>
Materials 2.37% (2.36%)			
DS Smith	517,864	1,412,215	1.19
Johnson Matthey	55,627	<u>1,402,913</u>	<u>1.18</u>
		<u>2,815,128</u>	<u>2.37</u>

\* Grouped by credit rating - source: Interactive Data and Bloomberg.

\*\* Denotes a variable interest security.

Portfolio statement (continued)  
as at 7 September 2020

Investment	Nominal value or holding	Market value £	% of total net assets
Equities - incorporated in the United Kingdom (continued)			
Industrials 18.65% (15.33%)			
BAE Systems	406,598	2,108,617	1.78
Electrocomponents	701,444	4,636,545	3.90
Firstgroup	1,166,190	587,760	0.50
Hays	1,298,454	1,534,773	1.30
IMI	100,910	1,082,764	0.91
Melrose Industries	893,583	1,090,171	0.92
Morgan Advanced Materials	204,687	470,780	0.40
RELX	132,713	2,313,851	1.95
Rentokil Initial	989,195	5,240,755	4.41
Smiths Group	127,475	1,796,760	1.52
Stagecoach Group	902,235	422,787	0.36
Wincanton	439,376	823,830	0.70
		<u>22,109,393</u>	<u>18.65</u>
Consumer Discretionary 3.91% (4.28%)			
Compass Group	132,917	1,692,698	1.43
J D Wetherspoon	112,939	1,199,412	1.01
Marks & Spencer Group	1,016,542	1,122,771	0.95
Rank Group	456,089	615,720	0.52
		<u>4,630,601</u>	<u>3.91</u>
Consumer Staples 11.83% (11.02%)			
Imperial Brands	266,774	3,529,420	2.98
Tate & Lyle	330,197	2,249,302	1.90
Tesco	708,166	1,538,136	1.30
Unilever	72,811	3,289,601	2.78
Wm Morrison Supermarkets	1,770,849	3,399,145	2.87
		<u>14,005,604</u>	<u>11.83</u>
Health Care 12.20% (11.68%)			
AstraZeneca	110,442	9,144,598	7.71
GlaxoSmithKline	355,451	5,316,836	4.49
		<u>14,461,434</u>	<u>12.20</u>
Financials 11.37% (10.68%)			
3i Group	331,918	2,990,581	2.52
Chesnara	378,023	1,062,244	0.90
Legal & General Group	956,237	1,970,804	1.66
Phoenix Group Holdings	656,054	4,455,919	3.76
RSA Insurance Group	570,528	2,515,458	2.12
Secure Trust Bank	78,891	489,124	0.41
		<u>13,484,130</u>	<u>11.37</u>

Portfolio statement (continued)  
as at 7 September 2020

Investment	Nominal value or holding	Market value £	% of total net assets
Equities - incorporated in the United Kingdom (continued)			
Information Technology 3.98% (6.26%)			
Spirent Communications	1,761,310	<u>4,729,117</u>	<u>3.98</u>
Communication Services 3.70% (3.89%)			
BT Group	1,273,821	1,317,768	1.11
ITV	1,440,591	917,368	0.77
Pearson	406,550	<u>2,162,033</u>	<u>1.82</u>
		<u>4,397,169</u>	<u>3.70</u>
Utilities 2.84% (2.98%)			
Centrica	1,873,231	859,813	0.73
Pennon Group	153,712	1,594,762	1.35
United Utilities Group	105,262	<u>902,306</u>	<u>0.76</u>
		<u>3,356,881</u>	<u>2.84</u>
Real Estate 1.81% (1.24%)			
LondonMetric Property	926,222	<u>2,143,278</u>	<u>1.81</u>
Total equities - incorporated in the United Kingdom		<u>87,601,712</u>	<u>73.90</u>
Equities - incorporated outwith the United Kingdom 3.00% (2.92%)			
Industrials 1.79% (1.54%)			
Ferguson	29,347	<u>2,117,679</u>	<u>1.79</u>
Financials 1.21% (1.38%)			
Hiscox	198,279	<u>1,429,195</u>	<u>1.21</u>
Equities - incorporated outwith the United Kingdom		<u>3,546,874</u>	<u>3.00</u>
Total equities - United Kingdom		<u>91,148,586</u>	<u>76.90</u>
Closed-Ended Funds - incorporated outwith the United Kingdom 0.34% (0.46%)			
Sherborne Investors Guernsey B	747,925	33,657	0.03
Sherborne Investors Guernsey C	1,088,224	<u>363,467</u>	<u>0.31</u>
Total closed-ended funds - incorporated outwith the United Kingdom		<u>397,124</u>	<u>0.34</u>

## Portfolio statement (continued)

as at 7 September 2020

	Nominal value or holding	Market value £	% of total net assets
Investment			
Forward Currency Contracts 0.00% (-0.03%)			
Sell euro	-€1,249,910	(1,121,981)	
Buy UK sterling	£1,126,824	1,126,824	
Expiry date 24 September 2020		4,843	0.00
Sell US dollar	-\$1,529,016	(1,160,095)	
Buy UK sterling	£1,162,859	1,162,859	
Expiry date 24 September 2020		2,764	0.00
Total forward currency contracts		7,607	0.00
Portfolio of investments		116,998,907	98.74
Other net assets		1,491,772	1.26
Total net assets		118,490,679	100.00

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules unless otherwise stated.

The comparative figures in brackets are as at 7 March 2020.

United Kingdom equities are grouped in accordance with Global Industry Classification Standard (GICS).

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by Smith & Williamson Services Ltd. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Total purchases in the period:	£20,155,182
Total sales in the period:	£33,110,457

## Risk and reward profile

The risk and reward profile relates to both types of units in the Fund.

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

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

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

The Fund is entitled to use derivative instruments for Efficient Portfolio Management. Derivatives may not achieve their intended purpose. Their prices may move up or down significantly over relatively short periods of time which may result in losses greater than the amount paid. This could adversely impact the value of the Fund.

The organisation from which the Fund buys a derivative may fail to carry out its obligations, which could also cause losses to the Fund.

For further information please refer to the KIID.

For full details on risk factors for the Fund, please refer to the Prospectus.

There have been no changes to the risk and reward indicator in the period.



## Performance information

Number of units in issue	07.09.20	07.03.20	07.03.19	07.03.18
A Income	53,385,361	60,898,421	59,817,992	57,427,076
A Accumulation	51,730,113	59,346,654	46,962,395	48,834,191
Net Asset Value (NAV)	£	£	£	£
Total NAV of the Fund	118,490,679	141,734,784	123,728,439	120,286,917
NAV attributable to A Income unitholders	54,975,683	66,109,341	65,605,282	62,547,031
NAV attributable to A Accumulation unitholders	63,514,996	75,625,443	58,123,157	57,739,886
Net asset value per unit (based on bid value) ^	p	p	p	p
A Income	103.0	108.6	109.7	108.9
A Accumulation	122.8	127.4	123.8	118.2

^ The net asset value per unit excludes the value of the income distributions payable.

## Highest and lowest prices and distributions

Financial year to 7 March		Distribution per unit p	Highest price p	Lowest price p
2018	A Income	4.306	119.6	107.3
2018	A Accumulation	4.565	125.7	115.9
2019	A Income	4.329	118.9	102.5
2019	A Accumulation	4.773	131.1	114.4
2020	A Income	4.469	121.5	108.4
2020	A Accumulation	5.123	140.9	123.1
Financial period to 7 September 2020	A Income	1.595	106.8	86.19
Financial period to 7 September 2020	A Accumulation	1.884	126.9	101.2

## Performance information (continued)

## Summary of the distributions in the current financial period and prior financial year

A Income			
Payment date	p	Payment date	p
04.05.20	0.303	04.05.19	0.342
04.06.20	0.241	04.06.19	0.342
04.07.20	0.310	04.07.19	0.342
04.08.20	0.228	04.08.19	0.342
04.09.20	0.203	04.09.19	0.342
04.10.20	0.310	04.10.19	0.342
		04.11.19	0.342
		04.12.19	0.342
		04.01.20	0.342
		04.02.20	0.342
		04.03.20	0.342
		04.04.20	0.707
A Accumulation			
Allocation date	p	Allocation date	p
04.05.20	0.356	04.05.19	0.386
04.06.20	0.283	04.06.19	0.386
04.07.20	0.366	04.07.19	0.388
04.08.20	0.270	04.08.19	0.388
04.09.20	0.241	04.09.19	0.389
04.10.20	0.368	04.10.19	0.392
		04.11.19	0.392
		04.12.19	0.393
		04.01.20	0.394
		04.02.20	0.395
		04.03.20	0.395
		04.04.20	0.825
Ongoing charges figure (OCF)		07.09.20 <sup>^</sup>	07.03.20
A Income		0.72%	0.72%
A Accumulation		0.72%	0.72%

<sup>^</sup> Annualised based on the expenses incurred during the period 8 March 2020 to 7 September 2020.

The OCF consists principally of the Manager's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which may incur in a year as it is calculated on historical data.

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

## Financial statements - SVS TPI Monthly Income 1 (unaudited)

## Statement of total return (unaudited)

for the six months ended 7 September 2020

	8 March 2020 to 7 September 2020		8 March 2019 to 7 September 2019	
	£	£	£	£
Income:				
Net capital (losses) / gains		(7,547,720)		5,210,248
Revenue	2,131,397		3,050,144	
Expenses	<u>(435,750)</u>		<u>(465,359)</u>	
Net revenue before taxation	1,695,647		2,584,785	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>1,695,647</u>		<u>2,584,785</u>
Total return before distributions		(5,852,073)		7,795,033
Distributions		(1,942,151)		(2,377,185)
Change in net assets attributable to unitholders from investment activities		<u><u>(7,794,224)</u></u>		<u><u>5,417,848</u></u>

## Statement of change in net assets attributable to unitholders (unaudited)

for the six months ended 7 September 2020

	8 March 2020 to 7 September 2020		8 March 2019 to 7 September 2019	
	£	£	£	£
Opening net assets attributable to unitholders		141,734,784 *		123,728,439
Amounts receivable on issue of units	13,910,859		19,307,604	
Amounts payable on cancellation of units	<u>(30,390,802)</u>		<u>(12,043,439)</u>	
		(16,479,943)		7,264,165
Change in net assets attributable to unitholders from investment activities		(7,794,224)		5,417,848
Retained distributions on accumulation units		1,030,062		1,161,262
Closing net assets attributable to unitholders		<u><u>118,490,679</u></u>		<u><u>137,571,714</u></u> *

\* The opening net assets in the current period do not equal the closing net assets in the comparative period as they are not consecutive periods.

Balance sheet (unaudited)  
as at 7 September 2020

	7 September 2020 £	7 March 2020 £
Assets:		
Fixed assets:		
Investments	116,998,907	137,415,159
Current assets:		
Debtors	1,245,271	1,756,821
Cash and bank balances	811,800	3,398,538
Total assets	<u>119,055,978</u>	<u>142,570,518</u>
Liabilities:		
Investment liabilities	-	(49,750)
Creditors:		
Distribution payable	(165,495)	(430,552)
Other creditors	(399,804)	(355,432)
Total liabilities	<u>(565,299)</u>	<u>(835,734)</u>
Net assets attributable to unitholders	<u>118,490,679</u>	<u>141,734,784</u>

## Further information

### Distributions and reporting dates

Where net revenue is available it will be distributed on the 4th day of each month in the month following the XD date. In the event of a distribution, unitholders will receive a tax voucher.

XD dates:	8 April	month 1
	8 May	month 2
	8 June	month 3
	8 July	month 4
	8 August	month 5
	8 September	interim
	8 October	month 7
	8 November	month 8
	8 December	month 9
	8 January	month 10
	8 February	month 11
8 March	annual	
Reporting dates:	7 September	interim
	7 March	annual

### Buying and selling units

The property of the Fund is valued at 5pm every business day, with the exception of the last business day prior to any bank holiday in England and Wales where the valuation may be carried out at a time agreed in advance between the Manager and the Trustee, and prices of units are calculated as at that time. Unit dealing is on a forward basis i.e. investors can buy and sell units at the next valuation point following receipt of the order.

The minimum initial investment in A income and A accumulation units is £1. The minimum subsequent investment is £1. The minimum holding is £1. These limits may be waived at the discretion of the Manager.

The Manager may impose a charge on the sale of units to investors which is based on the amount invested by the prospective investor. Currently no preliminary charge is applied to the purchase of units.

Prices of units and the estimated yields of the unit classes are published on the following website: [www.trustnet.com](http://www.trustnet.com) or may be obtained by calling 0141 222 1151.

### Benchmark

There is no suitable standardised comparator benchmark or target benchmark for the Fund, nor is the Fund constrained by a benchmark.

The Manager would recommend that in order to measure whether or not the Fund has achieved its objective, unitholders should refer to the process of goal-setting provided by the Investment Manager, adopted at the unitholder level and visible to the unitholders through their online account or application.

The Investment Manager is mindful that each unitholder can have a different experience, even within the same fund, and this is why they use their platform technology together with impulseSave® to help the unitholders understand their own specific situation and what is required to meet their investment goal. It is not possible to purchase True Potential funds without first setting a goal and also gaining access to the above tracking and remediation tools.

In practical terms the Investment Manager provides the unitholders with:

1. An opportunity to assess and determine their future investment intentions.
2. The ability to set an investment goal (or wealth target) and visibility of progress towards that goal over time.
3. The unitholder can then track the value of their assets (through the performance of the Investment Manager's funds) and assess whether any action is required to enable them to reach their goal.

If the Fund is not performing well enough to remain on track to achieve the goal, it becomes visible to the unitholders that a shortfall is emerging. Similarly, if the Fund is performing better than required, the unitholders are aware of the surplus.

## Appointments

### Manager and Registered office

St Vincent St Fund Administration (a trading name of Smith & Williamson Fund Administration Limited)  
25 Moorgate  
London EC2R 6AY  
Telephone: 020 7131 4000  
Authorised and regulated by the Financial Conduct Authority

### Administrator and Registrar

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

### Directors of the Manager

Brian McLean  
David Cobb  
James Gordon  
Kevin Stopps

### Independent Non-Executive Directors of the Manager

Dean Buckley  
Linda Robinson  
Victoria Muir

### Non-Executive Directors of the Manager

Paul Wyse

### Investment Manager

True Potential Investments LLP  
Newburn House  
Gateway West  
Newcastle Upon Tyne NE15 8NX  
Authorised and regulated by the Financial Conduct Authority

### Trustee

NatWest Trustee and Depositary Services Limited  
2nd Floor  
Drummond House  
1 Redheughs Avenue  
Edinburgh EH12 9RH  
Authorised and regulated by the Financial Conduct Authority

### Auditor

Johnston Carmichael LLP  
Bishop's Court  
29 Albyn Place  
Aberdeen AB10 1YL