

# IFSL Church House Investment Grade Fixed Interest Fund

**Annual Report and Audited Financial Statements**  
for the year ended 31 March 2023

## IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

### CONTACT INFORMATION

#### Authorised Fund Manager (AFM) and Registrar (from 1 October 2022)

Investment Fund Services Limited (IFSL)  
Marlborough House  
59 Chorley New Road  
Bolton  
BL1 4QP

Investor Support: (0808) 178 9321 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

#### Directors of IFSL

Andrew Staley (Non-Executive)  
Allan Hamer  
Dom Clarke - appointed 30 January 2023  
Helen Redmond  
Helen Derbyshire  
Sally Helston  
Guy Sears (Independent Non-Executive)  
Sarah Peaston (Independent Non-Executive)

#### Investment Manager

Church House Investments Limited  
York House  
6 Coldharbour  
Sherborne  
Dorset  
DT9 4JW

Authorised and regulated by the Financial Conduct Authority.

#### Trustee

NatWest Trustee and Depositary Services Limited  
250 Bishopsgate  
London  
EC2M 4AA

Authorised and regulated by the Financial Conduct Authority.

#### Auditor (appointed 4 February 2023)

Ernst & Young LLP  
Atria One  
144 Morrison Street  
Edinburgh  
EH3 8EX

#### Authorised Fund Manager (AFM) and Registrar (to 30 September 2022)

St Vincent St Fund Administration (a trading name of Evelyn Partners Fund Solutions Limited)  
45 Gresham Street  
London  
EC2V 7BG

Telephone: 0207 131 4000

Authorised and regulated by the Financial Conduct Authority.

#### Directors of St Vincent St Fund Administration

Andrew Baddeley  
Brian McLean  
James Gordon - resigned 29 July 2022  
Mayank Prakash  
Neil Coxhead - appointed 12 July 2022  
Dean Buckley (Independent Non-Executive)  
Linda Robinson (Independent Non-Executive)  
Victoria Muir (Independent Non-Executive)  
Sally Macdonald (Independent Non-Executive) - appointed 1 June 2022  
Paul Wyse (Non-Executive)

## IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

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## IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 March 2023

#### Investment commentary – for the first six months of the year, 1 April 2022 to 30 September 2022

##### Investment activities

A difficult year in fixed interest markets reached a peak in late September. Gilts don't often hit the headlines, but that all changed in the week following Kwasi Kwarteng's 'Fiscal Statement' on 23 September. This was a shockingly inept display from the new Government, how on earth did they expect markets to react, particularly the Gilt market (where the Government borrows to fund its over-spending), when they announce 'spend, spend, spend' with no indication of how this was to be paid for. The price of Gilts duly collapsed (meaning that interest yields rose rapidly) and, despite some disappointing misinformation on the topic from the BBC, it was true to say that the Gilt market had fallen into disarray and was not functioning properly. This was the moment when the Bank of England (BoE), correctly, stepped in to provide a backstop and some order was restored. The result is that available rates of interest for longer periods have reversed the falls of the past twelve years since the financial crisis of 2008/09. The shock was that it happened so quickly, leaving holders of longer-dated Gilts (and other fixed interest securities) nursing heavy capital losses.

The IFSL Church House Investment Grade Fixed Interest Fund portfolio has not been able to avoid the price falls altogether, but its short duration and generally cautious stance have protected it from the worst of the falls. As shown in the table, we remain with the cautious stance for the present:

<u>IFSL Church House Investment Grade Fixed Interest Fund</u>	<u>September 2022</u>	<u>June 2022</u>
Short-dated Securities (less than 7 years)	80%	76%
Medium-dated Securities (7 to 15 years)	15%	20%
Long-dated Securities (over 15 years)	5%	4%
Average Duration of Portfolio	2.6	3
Volatility*** (past year)	5.50%	3.50%
Number of Holdings	85	83
Yield	3.30%	3.20%
Portfolio Value	£227m	£241m

\*\*\* Volatility is annual standard deviation expressed as a percentage.

Interest rates are the same for shorter periods as for ten years. Indeed, for much longer periods rates are actually lower, offering no compensation for the greater risk involved, so there is little incentive to increase the duration yet. We remain with 35% of the portfolio in floating rate notes, which like rising interest rates, and whose capital values remain steady.

##### Top 15 Holdings as at 30 September 2022:

European Investment Bank 2.6989% 18/01/2027	4.56%
Santander UK 2.5383% 12/11/2024	3.05%
Bank of America 7% 31/07/2028	2.87%
Goldman Sachs Group 7.25% 10/04/2028	2.68%
SSE 3.74% Perpetual	2.45%
CPPIB Capital 3.366104% 15/06/2026	2.28%
Bank of Nova Scotia 3.110649% 14/03/2025	2.23%
TSB Bank 2.8189% 15/02/2024	2.22%
M&G 5.625% 20/10/2051	2.03%
Virgin Money UK 4% 25/09/2026	1.96%
Citigroup 5.15% 21/05/2026	1.96%
BP Capital Markets 4.25% Perpetual	1.85%
Rothesay Life 8% 30/10/2025	1.83%
Bank of Montreal 3.083283% 09/03/2027	1.79%
United Overseas Bank 3.148944% 21/09/2026	1.79%

Source: Church House Investments Limited

##### Investment strategy and outlook

As inflation rages everywhere, in a so far unchecked manner, markets remain fixated on economic indicators, none of which make pleasant viewing. Whether it is the price of gas in Europe or UK baseload electricity pricing for winter, some of these charts resemble technology stocks in the bubble of 1999/2000 and are a source of concern. Risk assets continue to struggle under relentless poor economic news and hawkish central banks. The rally in July/August fizzled out when a particularly hefty US inflation figure extinguished any hopes of a 'pivot' (a pause or even a turn in the cycle) from the Federal Reserve (the Fed) and the US Dollar continues to be all powerful. Recent Purchasing Manager Indices (PMIs) from developed economies make dismal reading and coupled with still elevated inflation expectations and collapsing consumer confidence, it is hard to see these reversing any time soon.

## IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 March 2023

The Fed continued with its aggressive stance, hiking by another 75 basis points (bp) to 2.50% in July and then a further 75bp in September taking the Fed Funds Rate to 3.25%. They seem happy to remain as hawkish as possible with increasingly stark language and they appear to have every intention of keeping going, 'forward guidance' is not as dead as some anticipated. Due to the pace of their rate increases, some began to speculate on when they might back off or even hope for a pivot but, with continued strong employment numbers, this looks like wishful thinking. Faltering global demand will eventually manifest itself in lower levels of economic activity. In contrast, China cut rates and is providing funding to developers in a continued effort to support its property market.

The eurozone continues to see elevated inflation levels despite some temporary measures to ease prices for consumers. Energy prices remain the biggest contributor to inflation as household gas prices surged 66% year-on-year in July alone. Despite delivering a 50bp hike (to zero) the European Central Bank (ECB) remained the central bank the most behind the curve and the Euro has slipped below parity to the US Dollar. The ECB then delivered a 75bp hike in September, and there is a chance that the eurozone was already in recession in the third quarter, with Germany slowing the most. Eurozone employment numbers however continue to be strong, which is some consolation and France is better insulated than the rest from Putin's pain.

In the UK we have our own problems and release of the next energy price cap on top of 10% inflation, led to a sharp drop in consumer confidence. The BoE's Monetary Policy Committee (MPC) raised rates by the most in twenty-five years when it hiked by 50bp to 1.75% in August while sticking to their new language to act 'forcefully' to tackle inflation. The Gilt curve now trades almost flat out to ten years (i.e. two-year interest rates at 4% are the same as ten-year rates) providing little incentive to add duration. We had a further 50bp rise in September from the BoE (when the market expected 75bp - three MPC members did vote for that magnitude), taking base rates to 2.25% and beleaguered 'cable' (Sterling/Dollar) suffered another leg down. In fairness, the BoE was waiting for the next day's 'fiscal review' when the chancellor's tax cuts, energy price caps and dramatic fiscal loosening were all supposed to stimulate growth back to a 2.5% target. This put fiscal policy in direct opposition to the monetary tightening path of the BoE and involves raising huge amounts from the sale of Gilts just at the time that the BoE itself begins active sales of Gilts from its own balance sheet.

Enter Truss and Kwasi Kwarteng into proceedings in a year that has already seen intense and sustained pressure on stocks, bonds and currencies. Their arrogance (or naivety) towards markets was only matched by the stupidity of their totally unfunded fiscal plans. They discovered the hard way that markets can take fright very quickly when informed that they would have to wait for nearly two months to be told of the plan to fund what might be up to a £200bn bill. Cable sank to a 1.0392 all-time low (with all the potential further inflationary consequences of a weak currency – do they understand this?) and 'risk-free' assets (Gilts) became very risky indeed, especially as the long end of the Gilt curve collapsed under the self-reinforcing selling of Gilts to fund margin calls for geared pension fund LDI (liability driven investment) strategies.

Thankfully, the BoE intervened to stabilise the market, putting in place yet another Asset Purchase Facility to support long-dated Gilts by holding auctions on a daily basis (for two weeks initially) undertaking to spend up to £5bn a day (a reversal of the Quantitative Tightening that they were just commencing). In practice (by day 6), they have bought less than £5bn of Gilts in total, with zero bought on day 5 (rather less than the £65bn being reported by the BBC) and have restored some calm.

Volatility in rates markets hadn't derailed the primary market in corporate credit, and although issuance levels were not the same as last year, they were still healthy. In High Grade credit the primary market managed to price plenty of new issues, though pricing power was in the hands of lenders rather than borrowers. Some issues still offered little incentive to the investor, why people want to lend money to Apple for up to forty years so it can fund share buybacks is baffling, although it is one of only three AAA rated corporates. The recent elevated volatility has put many issues on hold for a while and the sterling credit primary market for lower-grade issuance remains shut.

Credit spreads were relatively stable until the end of September with orderly widening in Euro and Sterling markets. Trussonomics put paid to that, and credit spreads globally have widened to levels not seen since the worst of the panic during the Covid pandemic. There still is some complacency regarding potential default rates in lower grade credit, but with precious few being able to access the primary market to refinance it looks inevitable that these will increase.

## IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 March 2023

#### Investment commentary – for the second six months of the year, 1 October 2022 to 31 March 2023

The Fund's portfolio has remained with a majority invested in bonds with a short duration, which we consider to be the most attractive area at present. Over the whole period there has been a small increase in the duration, largely reflecting a shift from floating rate investments (which, essentially, have zero duration) to fixed. This table shows the broad breakdown by life and duration at the beginning and end of the period:

<u>IFSL Church House Investment Grade Fixed Interest Fund</u>	<u>March 2023</u>	<u>September 2022</u>
Short-dated Securities (less than 7 years)	76%	80%
Medium-dated Securities (7 to 15 years)	19%	15%
Long-dated Securities (over 15 years)	5%	5%
Duration of Portfolio	2.9	2.6

At the end of September 2022, the portfolio was 35% invested in floating rate notes (FRN), by the end of March this was close to 24%. This reflects the shift in yields in the market and continuing attraction of wider credit spreads. There have been a number of attractive new issues, over the final calendar quarter of 2022 we acquired new holdings in the Deutsche Pfandbriefbank 7.625% due in 2025 and a Santander UK 7.098% issue due in 2027. Over the first quarter of 2023, we sold the Citigroup 5.15% stock due in 2026, part of the funding for some of the other new issues that we have seen, such as the Barclays 6.369% bonds due in 2031, Lloyds 6.625% due in 2033 and Royal Bank of Canada 5% due in 2028. Also gone to fund these additions is the Glencore 3.125% stock due 2026. The top holdings at the end of March are shown below:

Top 15 Holdings as at 31 March 2023:

Deutsche Pfandbriefbank 7.625% 08.12.25	2.95%
Santander UK FRN 12.11.24	2.86%
Bank of America 7% 31.07.28	2.85%
The Goldman Sachs Group 7.25% 10.04.28	2.68%
SSE 3.74% Perp	2.45%
M&G 5.625% 20.10.51	2.16%
European Investment Bank FRN 18.01.27	2.13%
Canada Pension Plan Investment Board FRN 15.06.26	2.13%
Virgin Money UK 4% 25.09.26	1.94%
BP Capital Markets 4.25% Perp	1.85%
Rothesay Life 8% 30.10.25	1.77%
Santander UK Group Holdings 7.098% 16.11.27	1.70%
Bank of Montreal FRN 09.03.27	1.68%
CIBC FRN 15.12.25	1.68%
United Overseas Bank FRN 21.09.26	1.67%

Source: Church House Investments Limited

The comparative calm and stability of the first quarter after last year's turmoil was abruptly shattered by the collapse of Silicon Valley Bank (and a less important crypto bank failure) who repeated the mistakes of previous banking disasters by borrowing short and lending long. HSBC stepped in to Hoover up their UK assets, but no one wanted their US interests. The domino effect of close inspection (and social media) spread to the US regional banking sector as a whole and First Republic Bank rapidly lost most of its deposit base too. The eleven largest US banks, led by JP Morgan, who had received most of these deposits, quickly returned them to First Republic. This was an innovative way of dealing with the problem but highlights that there is a regulatory mismatch between the treatment of large, globally systemic, banks and smaller regionals who rely on uninsured depositors rather than access to capital markets.

In the midst of the turmoil, the spotlight returned to the management basket case that is/was Credit Suisse (CS). Their capital and liquidity ratios remained strong, but in the face of their own deposit flight a Swiss National Bank (SNB) capital lifeline made no difference and financially suicidal comments from the head of their largest shareholder, the Saudi National Bank (who has since resigned), ensured that it unravelled with astonishing speed.

This led to a rapid response from the SNB and FINMA, the Swiss regulator, and UBS Group stepped (were pushed) up to the plate to take over CS, this was necessary as it was hard to see CS opening for business on the Monday morning. Equity investors salvaged a little, in UBS shares, probably as a nod to their Middle Eastern client base, but CS's Additional Tier 1 (AT1) bonds were declared worthless, all \$17bn worth of them. Thankfully, they didn't touch the rest of the capital stack, but tremors were felt throughout the wider AT1 market, and the ECB and the BoE had to move quickly to reassure that in their jurisdictions common equity holders are firmly at the bottom of the heap.

## IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 March 2023

The Fed made encouraging noises about the rescue/bail-in of CS, as did other central banks. The Fed's fight against inflation continues and they have certainly inflicted some of the pain they promised. They continued to hike rates as expected, although their statement dropped the reference to "ongoing rate hikes" to be replaced by "some additional policy firming may be appropriate". These problems in specific parts of the US banking system are likely to lead to a tightening of credit conditions and bank funding will be more expensive as a higher 'spread' over Government rates will be sought. US banks have \$620bn of unrealised losses on their books (much of it from holdings in US Treasury bonds), which they can handle, but continued deposit flight is worrying.

The ECB still has plenty of ground to make up, having waited until after the middle of last year to even take their rates into positive territory. During the CS volatility they felt that they had to stick to the plan and hiked 50 bp, which was arguably correct, but their terminal rate is now in question. They are likely to continue to raise the cost of borrowing but probably at a slower pace. It is not certain that the area will escape a mild recession in the face of their hiking cycle but certainly the possibility is now much higher. The good news is that the European banking system is in a much better place than it was, and profits are at their highest levels since 2007, so, if a recession does materialise, there should not be a problem. ECB President, Christine Lagarde, wheeled out her 'toolkit' again "fully equipped for liquidity support" and reassured regarding the resilience of the euro area banking sector. Even though their headline inflation has dropped back sharply, core inflation continues to rise and has not yet peaked. Those who hope for a year-end reduction in rates are likely to be disappointed.

The UK remains the laggard in the G7 and our economy remains the only one smaller than pre-Covid levels and the most likely to suffer recession, though it has defied the worst forecasts, including the BoE's. Brexit and its associated inefficiencies mean that our imports have ballooned, and our exports have collapsed. Inward investment remains way below historical levels. The BoE has to keep on going though as inflation is still too high and remains deeply uncomfortable, we are still in line for another 25bp increase in May. Sterling, however, had a decent March appreciating against the Dollar, and, while not off to the races, recent Gross Domestic Product (GDP) numbers were much better than expected. The BoE called on pension funds to stress test their Liability Driven Investment (LDI) strategies to withstand bigger market shocks, no bad thing considering last October.

Sterling credit spreads were volatile over the quarter, rallying into the middle of February and then widening back out to more than 2% as the 'banking crisis' unfolded though, overall, they are little changed from where they started the year. The primary market (new bonds / borrowers) saw healthy issuance despite the bouts of volatility and we are seeing some decent yields on offer. Overall issuance levels remain high in Investment Grade but the High Yield market has a serious funding hump in 2025/2026 and, with credit conditions still tight/difficult in this sector, we are already seeing some companies struggling to refinance and being taken control of by their bondholders.

Church House Investments Limited  
28 April 2023

#### Distributions

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>Income (pence per unit)</u>				
Net income paid 28 February	0.939098	0.629000	0.663000	0.588000
Net income paid 31 May	1.083084	0.634000	0.634000	0.578000
Net income paid 31 August		0.715000	0.662000	0.613000
Net income paid 30 November		0.802000	0.662000	0.702000
<u>Accumulation (pence per unit)</u>				
Net accumulation paid 28 February	1.413214	0.991000	1.014000	0.879000
Net accumulation paid 31 May	1.713904	1.000000	0.977000	0.870000
Net accumulation paid 31 August		1.133000	1.025000	0.930000
Net accumulation paid 30 November		1.278000	1.035000	1.079000
<u>XL Institutional Income (pence per unit)</u>				
Net income paid 28 February	0.974415	0.665000	0.696000	0.617000
Net income paid 31 May	1.113402	0.667000	0.666000	0.608000
Net income paid 31 August		0.750000	0.695000	0.644000
Net income paid 30 November		0.837000	0.697000	0.734000

## IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 March 2023

#### Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
Deutsche Pfandbriefbank 7.625% 08.12.25	7,083,040
Royal Bank of Canada 3.625% 14.06.27	4,098,278
Santander UK Group Holdings 7.098% 16.11.27	4,000,000
ING Groep 6.25% 20.05.33	3,999,080
Crédit Agricole 5.75% 29.11.27	3,984,160
Investec 9.125% 06.03.33	3,572,640
Barclays 6.369% 31.01.31	3,500,000
Lloyds Banking Group 6.625% 02.06.33	3,493,890
Clydesdale Bank FRN 22.03.26	3,000,000
Nationwide Building Society 6.178% 07.12.27	3,000,000
Other purchases	28,290,480
Total purchases for the year	68,021,568
<u>Largest sales</u>	<u>Proceeds (£)</u>
Citigroup 5.15% 21.05.26	6,787,831
European Investment Bank FRN 18.01.27	5,156,100
Tesco Personal Finance 3.5% 25.07.25	5,039,304
Royal Bank of Canada FRN 03.10.24	4,996,320
Barclays 2.375% 06.10.23	4,140,341
Bank of Nova Scotia FRN 14.03.25	4,033,390
Rothesay Life 5.5% 17.09.29	3,330,742
Glencore Finance Europe 3.125% 26.03.26	3,308,305
European Bank for Reconstruction and Development FRN 20.11.25	3,071,880
Santander UK FRN 12.02.24	3,015,600
Other sales	19,853,995
Total sales for the year	62,733,808



## **IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND**

### **AUTHORISED STATUS**

IFSL Church House Investment Grade Fixed Interest Fund (the Fund) is an authorised unit trust scheme within the meaning of the Financial Services and Markets Act 2000 and is a UCITS scheme under the Collective Investment Schemes Sourcebook (COLL) as issued by the Financial Conduct Authority.

### **GENERAL INFORMATION**

#### **Investment objective**

The investment objective of the Fund is to provide quarterly income, while maintaining capital over the long term (at least five years).

#### **Investment policy**

The Fund is actively managed. At least 90% of the Fund's portfolio is invested directly in sterling denominated investment grade corporate bonds (including floating rate notes), United Kingdom Government Gilts and fixed interest securities issued by supranational organisations. In the Authorised Fund Manager's (AFM's) view, these investments are consistent with a low volatility level. The volatility level of the Fund is expected not to exceed 5% over rolling three-year periods in normal market conditions.

Investment grade securities for the purposes of the Fund are those which are rated at least BBB- (or equivalent) by a single rating agency at the time of purchase. For bonds which are not rated by an independent ratings agency the Investment Manager will apply a comparable quality rating to determine whether a corporate bond should be classified as investment grade.

The Fund will aim to maintain a minimum asset allocation of 25% to AAA bonds in normal market conditions.

Up to 10% of the Fund may be invested in other assets including: higher income securities, such as preference shares and infrastructure funds; other interest bearing securities such as Treasury bills; and cash/money market instruments.

The Fund may also use derivatives for the purposes of Efficient Portfolio Management, including seeking to hedge the interest rate or credit risk in the portfolio.

#### **Benchmark**

Unitholders may compare the performance of the Fund against the ICE BofAML 7-10 Years AA Sterling Corporate & Collateralised Index and the IA £ Corporate Bond sector.

Comparison of the Fund's performance against IA £ Corporate Bond sector will give unitholders an indication of how the Fund is performing against other similar funds in this peer group sector. The AFM has selected ICE BofAML 7-10 Years AA Sterling Corporate & Collateralised Index as a comparator benchmark as the AFM believes it best reflects the asset allocation of the Fund.

The benchmarks are not targets for the Fund, nor is the Fund constrained by the benchmarks.

#### **Rights and terms attaching to each unit class**

A unit of each class represents a proportional entitlement to the assets of the Fund. The allocation of income and taxation and the rights of each unit in the event the Fund is wound up are on the same proportional basis.

#### **Assessment of value**

The AFM is required to carry out an assessment of value at least annually and publish its findings in a report to investors. IFSL Church House Investment Grade Fixed Interest Fund is assessed and reported on, in a composite report which the AFM publishes on the website [www.ifslfunds.com](http://www.ifslfunds.com). The next report is expected to be published in a composite report by 31 December 2023.

#### **Changes in prospectus**

On 1 October 2022, Investment Fund Services Limited became AFM of the Fund. On this date, the Fund name changed from SVS Church House Investment Grade Fixed Interest Fund to IFSL Church House Investment Grade Fixed Interest Fund.

Up to date Key Investor Information Documents, Prospectus and Long Reports and Financial Statements for any fund within the AFM's range, can be requested by the investor at any time.

## IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

### GENERAL INFORMATION

#### Remuneration policy

In line with the requirements of UCITS V, Investment Fund Services Limited, the AFM, is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under UCITS V. The remuneration policies are designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of its senior staff is in line with the risk policies and objectives of the UCITS funds it manages.

The quantitative remuneration disclosures as at 30 September 2022 (the AFM's year end) are set out below:

	Number of identified staff	Total remuneration paid	Fixed remuneration paid	Variable remuneration paid
		£	£	£
<b>Remuneration paid to staff of the AFM who have a material impact on the risk profile of the Fund</b>				
Senior management	7	757,911	667,666	90,245
Risk takers and other identified staff	2	245,763	203,403	42,360
<b>Allocation of total remuneration of the employees of the AFM to the Fund</b>				
Senior management	0.16	17,286	15,228	2,058
Risk takers and other identified staff	0.05	5,605	4,639	966

The total number of staff employed by the AFM's group was 236 as at 30 September 2022. The total remuneration paid to those staff was £14,048,823 of which £5,197,123 is attributable to the AFM.

The allocation of remuneration to the Fund is based on Assets Under Management (AUM) and the figures disclosed only include remuneration paid to individuals directly employed by the AFM's group. The way these disclosures are calculated may change in the future.

## IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

### DIRECTORS' STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.



Allan Hamer  
Director



Helen Redmond  
Director

Investment Fund Services Limited  
20 July 2023

### STATEMENT OF AUTHORISED FUND MANAGER'S RESPONSIBILITIES

The Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL) requires the Authorised Fund Manager (AFM) to prepare financial statements for each accounting year which give a true and fair view of the financial position of the Fund and of the net revenue and net capital losses on the scheme property of the Fund for the year.

In preparing those financial statements the AFM is required to:

- comply with the disclosure requirements of the Statement of Recommended Practice relating to UK Authorised Funds issued in May 2014 and amended in June 2017;
- follow United Kingdom Generally Accepted Accounting Practice and applicable accounting standards;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in operation.

The AFM is required to keep proper accounting records and to manage the Fund in accordance with the COLL rules, the Trust Deed and the Prospectus. The AFM is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The AFM is responsible for ensuring that, to the best of its knowledge and belief, there is no relevant audit information of which the auditor is unaware. It is the responsibility of the AFM to take all necessary steps to familiarise itself with any relevant audit information and to establish that the auditor is aware of that information.

## IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

### STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES AND REPORT OF THE TRUSTEE

#### **Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of IFSL Church House Investment Grade Fixed Interest Fund ("the Scheme") for the Period Ended 31 March 2023.**

The Trustee must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Scheme and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Scheme in accordance with the Regulations.

The Trustee must ensure that:

- the Scheme's cash flows are properly monitored and that cash of the Scheme is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units in the Scheme are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Scheme's assets is remitted to the Scheme within the usual time
- the Scheme's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Scheme is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Scheme.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Scheme, acting through the AFM:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's income in accordance with the Regulations and the Scheme documents; and

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

NatWest Trustee and Depositary Services Limited  
20 July 2023

## IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

### INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

#### Opinion

We have audited the financial statements of IFSL Church House Investment Grade Fixed Interest Fund ("the Fund") for the year ended 31 March 2023, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Fund, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 31 March 2023 and of the net revenue and net capital losses on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund's ability to continue as a going concern.

#### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Manager is responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND**

### **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND**

#### **Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority ("the FCA")**

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the FCA and the Trust Deed;
- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the FCA requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

#### **Responsibilities of the Manager**

As explained more fully in the Statement of Authorised Fund Manager's Responsibilities set out on page 8, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Fund or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

### INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

#### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP) including FRS 102, the Investment Management Association's Statement of Recommended Practice (IA SORP), the FCA Collective Investment Schemes Sourcebook, the Fund's Trust Deed and the Prospectus.
- We understood how the Fund is complying with those frameworks through discussions with the Manager and the Fund's administrators and a review of the Fund's documented policies and procedures.
- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Manager with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Fund.
- Due to the regulated nature of the Fund, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the Fund's unitholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the FCA. Our audit work has been undertaken so that we might state to the Fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP  
Statutory Auditor  
Edinburgh

20 July 2023

#### Notes:

1. The maintenance and integrity of the Investment Fund Services Limited website is the responsibility of the Manager; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

COMPARATIVE TABLE

<b>Income units</b>	<b>Year to 31.03.2023</b>	<b>Year to 31.03.2022</b>	<b>Year to 31.03.2021</b>
<b>Change in net assets per unit</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per unit	111.56	116.66	110.16
Return before operating charges*	(3.66)	(1.51)	10.09
Operating charges	(0.93)	(1.00)	(0.98)
Return after operating charges*	(4.59)	(2.51)	9.11
Distributions on income units	(3.54)	(2.59)	(2.61)
Closing net asset value per unit	103.43	111.56	116.66

\* after direct transaction costs of: - - -

**Performance**

Return after charges<sup>A</sup> (4.11)% (2.15)% 8.27%

**Other information**

Closing net asset value	168,876,251	183,458,268	266,914,843
Closing number of units	163,278,983	164,451,298	228,788,795
Operating charges	0.89%	0.84%	0.83%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices (pence per unit)**

Highest unit price	117.80	124.80	127.30
Lowest unit price	98.59	111.40	110.30

**Accumulation units**

<b>Change in net assets per unit</b>	<b>Year to 31.03.2023</b>	<b>Year to 31.03.2022</b>	<b>Year to 31.03.2021</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per unit	176.66	180.63	166.81
Return before operating charges*	(5.97)	(2.44)	15.28
Operating charges	(1.49)	(1.53)	(1.46)
Return after operating charges*	(7.46)	(3.97)	13.82
Distributions on accumulation units	(5.54)	(4.05)	(4.00)
Retained distributions on accumulation units	5.54	4.05	4.00
Closing net asset value per unit	169.20	176.66	180.63

\* after direct transaction costs of: - - -

**Performance**

Return after charges<sup>A</sup> (4.22)% (2.20)% 8.28%

**Other information**

Closing net asset value	25,970,699	28,265,947	29,282,979
Closing number of units	15,349,251	16,000,502	16,211,359
Operating charges	0.89%	0.84%	0.83%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices (pence per unit)**

Highest unit price	186.50	194.30	195.60
Lowest unit price	158.40	175.50	167.00

<sup>A</sup> The return after charges is calculated using the underlying investments bid prices.



**IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND**

**COMPARATIVE TABLE**

<b><u>XL Institutional Income units</u></b>	<b>Year to 31.03.2023</b>	<b>Year to 31.03.2022</b>	<b>Year to 31.03.2021</b>
<b>Change in net assets per unit</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per unit	112.36	117.38	110.73
Return before operating charges*	(3.71)	(1.54)	10.15
Operating charges	(0.71)	(0.76)	(0.76)
Return after operating charges*	(4.42)	(2.30)	9.39
Distributions on income units	(3.67)	(2.72)	(2.74)
Closing net asset value per unit	104.27	112.36	117.38

\* after direct transaction costs of: - - -

**Performance**

Return after charges<sup>A</sup> (3.93)% (1.96)% 8.48%

**Other information**

Closing net asset value	46,352,737	42,281,181	56,216,510
Closing number of units	44,452,881	37,631,350	47,893,446
Operating charges	0.68%	0.64%	0.64%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices (pence per unit)**

Highest unit price	118.60	125.60	128.10
Lowest unit price	99.35	112.30	110.90

<sup>A</sup> The return after charges is calculated using the underlying investments bid prices.

Operating charges are the same as the ongoing charges and are the total expenses paid by each unit class in the year. Direct transaction costs are the total charges for the year, included in the purchase and sale of investments in the portfolio of the Fund. These amounts are expressed as a percentage of the average net asset value over the year and the average units in issue for the pence per unit figures.

**SYNTHETIC RISK AND REWARD INDICATOR**

Lower risk Higher risk



Typically lower rewards Typically higher rewards

1	2	3	4	5	6	7
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This indicator aims to give you a measure of the price movement of the Fund based on past data. It uses historic returns over the last five years. If five years' data is not available, simulated data based on a representative portfolio are used.

The Fund has been measured as 3 because its investments have experienced low to moderate volatility in the past. During the year the synthetic risk and reward indicator has remained unchanged.

**IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND**

**PORTFOLIO STATEMENT**

as at 31 March 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>DEBT SECURITIES (31 March 2022 - 94.49%)</b>		
<b>AAA TO AA (31 March 2022 - 31.66%)</b>		
4,000,000 Bank of Montreal FRN 09.03.27	4,048,920	1.68
2,000,000 Bank of Nova Scotia FRN 14.03.25	2,017,720	0.84
1,500,000 Bank of Scotland 4.875% 20.12.24	1,499,145	0.62
5,000,000 Canada Pension Plan Investment Board FRN 15.06.26	5,130,000	2.13
4,000,000 CIBC FRN 15.12.25	4,041,680	1.68
1,250,000 Clydesdale Bank 4.625% 08.06.26	1,253,900	0.52
3,000,000 Clydesdale Bank FRN 22.01.27	2,964,660	1.23
3,000,000 Clydesdale Bank FRN 22.03.24	3,009,090	1.25
3,000,000 Clydesdale Bank FRN 22.03.26	3,005,730	1.25
3,000,000 DBS Bank FRN 17.11.25	3,025,590	1.25
2,000,000 European Investment Bank FRN 08.09.25	2,039,660	0.84
5,000,000 European Investment Bank FRN 18.01.27	5,139,100	2.13
1,500,000 HSBC FRN 25.08.27	1,504,515	0.62
2,000,000 National Australia Bank FRN 04.02.25	1,998,300	0.83
1,000,000 National Australia Bank FRN 15.12.25	1,010,330	0.42
2,000,000 Nationwide Building Society FRN 10.01.24	2,005,680	0.83
4,000,000 Nationwide Building Society FRN 24.02.31	3,905,160	1.62
1,000,000 Santander UK FRN 12.02.24	1,002,960	0.42
6,900,000 Santander UK FRN 12.11.24	6,911,385	2.86
2,000,000 TSB Bank FRN 15.02.24	2,009,180	0.83
4,000,000 United Overseas Bank FRN 21.09.26	4,033,120	1.67
Total AAA to AA	61,555,825	25.52
<b>AA- TO A+ (31 March 2022 - 0.00%)</b>		
6,400,000 Bank of America 7% 31.07.28	6,874,496	2.85
750,000 BG Energy Capital 5.125% 01.12.25	755,190	0.31
4,100,000 Royal Bank of Canada 3.625% 14.06.27	3,846,210	1.59
3,000,000 Royal Bank of Canada 5% 24.01.28	2,972,820	1.23
2,900,000 Shaftesbury Chinatown 2.348% 30.09.27	2,842,667	1.18
Total AA- to A+	17,291,383	7.16
<b>A TO A- (31 March 2022 - 18.04%)</b>		
10,000 Close Brothers Finance 2.75% 19.10.26	9,007	-
4,000,000 Crédit Agricole 5.75% 29.11.27	3,955,480	1.64
3,000,000 KBC Group 5.5% 20.09.28	2,954,010	1.22
1,500,000 National Gas Transmission 5.75% 05.04.35	1,496,970	0.62
3,000,000 Nationwide Building Society 6.178% 07.12.27	3,034,950	1.26
3,000,000 NatWest Group 3.619% 29.03.29	2,698,260	1.12
2,000,000 NatWest Markets 6.375% 08.11.27	2,073,600	0.86
2,700,000 Rio Tinto Finance 4% 11.12.29	2,596,104	1.08
4,000,000 Segro 2.375% 11.10.29	3,400,000	1.41
3,000,000 The Goldman Sachs Group 3.125% 25.07.29	2,606,400	1.08
6,000,000 The Goldman Sachs Group 7.25% 10.04.28	6,457,560	2.68
Total A to A-	31,282,341	12.97
<b>BBB+ TO BBB (31 March 2022 - 21.78%)</b>		
3,000,000 3i Group 3.75% 05.06.40	2,241,960	0.93
1,000,000 AP Moller-Maersk 4% 04.04.25	980,460	0.41
3,000,000 Aviva 4.375% 12.09.49	2,640,000	1.09
2,000,000 Aviva 5.125% 04.06.50	1,809,800	0.75
3,500,000 Barclays 6.369% 31.01.31	3,513,650	1.46
5,000,000 BP Capital Markets 4.25% Perp	4,462,500	1.85
7,100,000 Deutsche Pfandbriefbank 7.625% 08.12.25	7,108,236	2.95
1,078,000 Digital Stout Holding 4.25% 17.01.25	1,050,134	0.43
1,500,000 Direct Line Insurance Group 4% 05.06.32	1,149,180	0.48
2,995,000 Fidelity International 7.125% 13.02.24	3,022,554	1.25
2,629,000 Heathrow Funding 6.75% 03.12.28	2,725,879	1.13
1,500,000 Hiscox 6% 22.09.27	1,518,345	0.63

## IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

### PORTFOLIO STATEMENT

as at 31 March 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>BBB+ TO BBB (continued)</b>		
4,000,000 ING Groep 6.25% 20.05.33	3,895,000	1.61
2,500,000 InterContinental Hotels Group 3.375% 08.10.28	2,234,050	0.93
3,600,000 Investec 9.125% 06.03.33	3,606,444	1.49
2,000,000 Leeds Building Society 3.75% 25.04.29	1,752,360	0.73
4,500,000 Legal & General Group 5.625% Perp	3,516,300	1.46
3,500,000 Lloyds Banking Group 6.625% 02.06.33	3,486,805	1.45
5,750,000 M&G 5.625% 20.10.51	5,214,560	2.16
1,000,000 National Grid 3.5% 16.10.26	941,210	0.39
500,000 National Grid Electricity Distribution (West Midlands) 6% 09.05.25	501,370	0.21
2,000,000 Pension Insurance 3.625% 21.10.32	1,507,940	0.62
1,500,000 Pension Insurance 4.625% 07.05.31	1,251,360	0.52
3,000,000 Phoenix Group Holdings 5.625% 28.04.31	2,703,120	1.12
2,584,000 Prudential 6.125% 19.12.31	2,563,767	1.06
4,190,000 Rothesay Life 8% 30.10.25	4,276,858	1.77
4,000,000 Santander UK Group Holdings 7.098% 16.11.27	4,093,040	1.70
1,350,000 Scotland Gas Networks 3.25% 08.03.27	1,257,970	0.52
3,140,000 Scottish Widows 5.5% 16.06.23	3,132,119	1.30
250,000 SSE 8.375% 20.11.28	287,020	0.12
1,592,000 Standard Chartered 5.125% 06.06.34	1,396,184	0.58
1,500,000 Thames Water Utilities Finance 4% 19.06.25	1,465,740	0.61
5,000,000 Virgin Money UK 4% 25.09.26	4,679,250	1.94
4,000,000 Volkswagen Financial Services 4.25% 09.10.25	3,882,200	1.61
2,250,000 Yorkshire Building Society 3.375% 13.09.28	1,933,155	0.80
<b>Total BBB+ to BBB</b>	<b>91,800,520</b>	<b>38.06</b>
<b>BBB- TO UNRATED (31 March 2022 - 23.01%)</b>		
3,500,000 Berkeley Group 2.5% 11.08.31	2,426,970	1.01
2,000,000 BlackStone Private Credit 4.875% 14.04.26	1,827,660	0.76
3,000,000 Credit Suisse Group 7% 30.09.27	3,005,070	1.25
3,500,000 Liverpool Victoria Friendly Society 6.5% 22.05.43	3,469,130	1.44
4,000,000 Rothesay Life 5% Perp	2,638,160	1.09
6,500,000 SSE 3.74% Perp	5,923,125	2.45
2,000,000 Tesco Corporate Treasury Services 1.875% 02.11.28	1,681,500	0.70
1,500,000 Virgin Money UK 2.625% 19.08.31	1,245,885	0.52
3,000,000 Whitbread Group 2.375% 31.05.27	2,583,180	1.07
2,200,000 Whitbread Group 3% 31.05.31	1,766,820	0.73
<b>Total BBB- To Unrated</b>	<b>26,567,500</b>	<b>11.02</b>
<b>Total Debt Securities</b>	<b>228,497,569</b>	<b>94.73</b>
<b>CLOSED ENDED FUNDS (31 March 2022 - 3.35%)</b>		
3,455,499 GCP Infrastructure Investments	2,982,096	1.24
1,125,000 HICL Infrastructure	1,725,750	0.72
1,000,000 International Public Partnerships	1,428,000	0.59
<b>Total Closed Ended Funds</b>	<b>6,135,846</b>	<b>2.55</b>
<b>COLLECTIVE INVESTMENT SCHEMES (31 March 2022 - 0.80%)</b>		
50,000 WisdomTree Gilts 10Y 3x Daily Short ETF	2,556,500	1.06
<b>Total Collective Investment Schemes</b>	<b>2,556,500</b>	<b>1.06</b>
<b>Portfolio of investments</b>	<b>237,189,915</b>	<b>98.34</b>
<b>Net other assets</b>	<b>4,009,772</b>	<b>1.66</b>
<b>Total net assets</b>	<b>241,199,687</b>	<b>100.00</b>

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

**IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND**

**STATEMENT OF TOTAL RETURN**

for the year ended 31 March 2023

	Notes	31 March 2023		31 March 2022	
		£	£	£	£
Income:					
Net capital losses	4		(17,659,632)		(11,615,710)
Revenue	6	9,117,535		8,508,392	
Expenses	7	<u>(1,994,539)</u>		<u>(2,612,066)</u>	
Net revenue before taxation		7,122,996		5,896,326	
Taxation	8	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>7,122,996</u>		<u>5,896,326</u>
Total return before distributions			(10,536,636)		(5,719,384)
Distributions	9		(8,114,480)		(7,201,035)
Change in net assets attributable to unitholders from investment activities			<u>(18,651,116)</u>		<u>(12,920,419)</u>

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

for the year ended 31 March 2023

	31 March 2023		31 March 2022	
	£	£	£	£
Opening net assets attributable to unitholders		254,005,396		352,414,332
Amount receivable on issue of units	47,695,440		15,533,237	
Amounts payable on cancellation of units	(42,674,298)		(101,684,974)	
Amounts payable on unit class conversions	(13)		-	
Compensation to fund	<u>267</u>		<u>-</u>	
		5,021,396		(86,151,737)
Change in net assets attributable to unitholders from investment activities		(18,651,116)		(12,920,419)
Retained distribution on accumulation units		824,011		663,220
Closing net assets attributable to unitholders		<u>241,199,687</u>		<u>254,005,396</u>

**IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND**

**BALANCE SHEET**  
as at 31 March 2023

	Notes	31 March 2023 £	31 March 2022 £
<b>Assets:</b>			
<b>Fixed Assets:</b>			
Investments	17	237,189,915	250,559,508
<b>Current Assets:</b>			
Debtors	10	6,024,833	3,947,123
Cash and bank balances		5,181,716	1,508,470
<b>Total assets</b>		<u>248,396,464</u>	<u>256,015,101</u>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Bank overdraft		948,537	-
Distribution payable on income units		2,263,389	1,293,622
Other creditors	11	3,984,851	716,083
<b>Total liabilities</b>		<u>7,196,777</u>	<u>2,009,705</u>
<b>Net assets attributable to unitholders</b>		<u>241,199,687</u>	<u>254,005,396</u>

## IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

#### 1 ACCOUNTING POLICIES

##### **Basis of preparation**

The financial statements have been prepared in compliance with UK Financial Reporting Standard 102 ("FRS 102") and in accordance with the Statement of Recommended Practice ("SORP") for Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017.

The financial statements are prepared in sterling, which is the functional currency of the Fund. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of investments and certain financial instruments at fair value.

There are no material events that have been identified that may cast significant doubt about the Fund's ability to continue as a going concern for the next twelve months from the date these financial statements are authorised for issue. The Authorised Fund Manager (AFM) believes that the Fund has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.

##### **Revenue**

Dividends from quoted ordinary securities are recognised when the security is quoted ex-dividend.

Interest on debt securities is recognised on an accruals basis. Accrued interest purchased and sold on debt securities is excluded from the capital cost of these securities and is treated as revenue. Interest earned from debt securities is accounted for on an effective yield basis. Effective yield is where the interest arising on the security that is purchased at a discount or premium to the maturity value is amortised and recognised at a consistent rate over the life of the security.

Dividends from non-quoted securities are recognised when the right to receive payment is established.

Bank interest is accounted for on an accruals basis.

##### **Allocation of revenue**

Revenue, attributable after expenses to multiple unit classes, with the exception of the AFM's periodic charge, which is directly attributable to individual unit classes, is allocated to unit classes pro-rata to the value of the net assets of the relevant unit class on the day that the revenue is incurred.

##### **Expenses**

All expenses, other than those relating to purchase and sale of investments, are split equally between capital and revenue on an accruals basis.

##### **Valuation**

The valuation point was 12:00 on 31 March 2023 being the last valuation point of the accounting year.

Listed investments are valued at fair value which is the bid price.

Where applicable, investment valuations exclude any element of accrued revenue.

##### **Taxation**

Corporation tax has been provided for at 20% on taxable income less expenses. Deferred taxation is provided on a full provision basis on timing differences arising from the different treatment of items for accounting and tax purposes. Potential future liabilities and assets are recognised where the transactions, or events giving rise to them, occurred before the balance sheet date.

##### **Exchange rates**

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at 12:00 on 31 March 2023 being the last valuation point of the accounting year. Revenue and expenditure transactions are translated at the rates of exchange ruling on the dates of the transactions. Exchange differences on such transactions follow the same treatment as the principal amounts.

#### 2 DISTRIBUTION POLICIES

The distribution policy of the Fund is to distribute or accumulate all available revenue, after deduction of expenses properly chargeable against revenue. Gains and losses on non-derivative instruments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution.

The Fund is more than 60% invested in qualifying investments (as defined by SI 2006/964, Reg. 20) and will pay an interest distribution.

## IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

#### DISTRIBUTION POLICIES (continued)

##### Equalisation

Equalisation applies only to units purchased during the distribution period. It is the average amount of income included in the purchase price of all group 2 units and is refunded to holders of these units as a return of capital. Being capital it is not liable to UK income tax but must be deducted from the cost of the units for UK capital gains tax purposes.

### 3 RISK MANAGEMENT POLICIES

In pursuing its investment objective, the Fund holds a number of financial instruments. The Fund's financial instruments comprise securities held in accordance with the investment objectives and policies together with cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued income.

The main risks arising from the Fund's financial instruments and the AFM's policies for managing these risks are summarised below. These policies have been applied throughout the year.

The Fund is managed according to COLL 5, 'Investment and Borrowing Powers' which helps achieve the statutory objective of protecting consumers by laying down the minimum standards for the investments that may be held by an authorised fund. In particular: (a) the proportion of transferable securities and derivatives that may be held by the authorised fund is restricted if those transferable securities and derivatives are not listed on an eligible market. The intention of this is to restrict the transferable securities and derivatives that cannot be accurately valued and readily disposed of; and (b) the authorised funds are required to comply with a number of investment rules that require the spreading of risk.

##### Market price risk

Market price risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Fund holds. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the AFM in pursuance of the investment objective and policy as set out in the Prospectus.

Investment limits set out in the Trust Deed, Prospectus and in the rules contained in the Collective Investment Schemes Sourcebook mitigate the risk of excessive exposure to any particular security or issuer.

##### Foreign currency risk

The income and capital value of the Fund's investments can be affected by foreign currency translation movements as some of the Fund's assets and income may be denominated in currencies other than sterling which is the Fund's functional currency.

The AFM has identified three principal areas where foreign currency risk could impact the Fund. These are, movements in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the period between when an investment purchase or sale is entered into and the date when settlement of the investment occurs, and finally movements in exchange rates affecting income received by the Fund. The Fund converts all receipts of income received in currency into sterling on the day of receipt.

##### Credit and counterparty risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers which have been approved by the AFM as an acceptable counterparty.

The Fund invests in fixed interest bonds, which are generally viewed as lower-risk investments than equities. However the solvency of organisations with whom the Fund invests cannot be guaranteed, and any difficulty may adversely affect the Fund's performance. Although bonds have a fixed coupon or interest payment, the Fund will be buying and selling bonds on a regular basis, and so the overall level of income will fluctuate.

Lower graded bonds may have a higher risk of the issuer failing to meet its income or capital repayments when due.

##### Interest rate risk

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The Fund's cash holdings are held in deposit accounts, whose rates are determined by the banks concerned on a daily basis.

The Fund invests in fixed and floating rate securities. The income of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of the fund manager being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

## IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

#### RISK MANAGEMENT POLICIES (continued)

##### Liquidity risk

The Fund's assets comprise mainly of readily realisable securities. The main liability of the Fund is the redemption of any units that investors wish to sell. Assets of the Fund may need to be sold if insufficient cash is available to finance such redemptions. The liquidity of the Fund's assets is regularly reviewed by the AFM.

<b>4 NET CAPITAL LOSSES</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>£</b>	<b>£</b>
The net (losses)/gains on investments during the year comprise:		
Realised (losses)/gains on investments	(394,621)	2,272,522
Unrealised losses on investments	(17,260,263)	(13,880,899)
Other currency gains	(2)	-
Transaction charges	(4,746)	(7,333)
<b>Net capital losses</b>	<u>(17,659,632)</u>	<u>(11,615,710)</u>
<b>5 PURCHASES, SALES AND TRANSACTION COSTS</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>£</b>	<b>£</b>
Purchases excluding transaction costs:		
Debt securities	68,021,568	89,311,184
	<u>68,021,568</u>	<u>89,311,184</u>
Total purchases transaction costs	-	-
<b>Purchases including transaction costs</b>	<u>68,021,568</u>	<u>89,311,184</u>
Sales excluding transaction costs:		
Equities	-	7,464,316
Debt securities	62,733,808	164,591,282
	<u>62,733,808</u>	<u>172,055,598</u>
Equities: Commissions	-	(2,626)
Taxes and other charges	-	(17)
Total sales transaction costs	-	(2,643)
<b>Sales net of transaction costs</b>	<u>62,733,808</u>	<u>172,052,955</u>
Sales transaction costs expressed as a percentage of the principal amount:		
Equities: Commissions	0.00%	0.04%
Taxes and other charges	0.00%	0.00%
Total purchases and sales transaction costs expressed as a percentage of the average net asset value over the year:		
Commissions	0.00%	0.00%
Taxes and other charges	0.00%	0.00%
	<u>0.00%</u>	<u>0.00%</u>
No significant in-specie transfers were identified in the year (2022: nil).		
Transaction costs are commissions paid to agents, levies by regulatory agencies and securities exchanges, and transfer taxes and duties associated with investment transactions on the Fund. These exclude any differences between quoted bid and offer prices or internal administrative on holding costs.		
<b>Transaction handling charges</b>		
These are charges payable to the depositary in respect of each transaction:		
	<u>£4,746</u>	<u>£7,333</u>
<b>Average portfolio dealing spread</b>		
This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.		
Average portfolio dealing spread at the balance sheet date	<u>0.42%</u>	<u>0.33%</u>



**IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2023

<b>6 REVENUE</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>£</b>	<b>£</b>
UK dividends	59,184	74,259
UK dividends (unfranked)	35,181	163,473
Overseas dividends	327,710	551,584
Interest on debt securities	8,678,027	7,719,076
Bank interest	17,433	-
<b>Total revenue</b>	<u><u>9,117,535</u></u>	<u><u>8,508,392</u></u>
<b>7 EXPENSES</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>£</b>	<b>£</b>
Payable to the AFM or associate:		
AFM's periodic charge	1,890,672	2,485,591
Registration fees	1,853	2,541
	<u>1,892,525</u>	<u>2,488,132</u>
Other expenses:		
Trustee's fees	58,331	81,482
Non-executive directors' fees	2,237	1,231
Safe custody fees	18,450	23,877
Financial Conduct Authority fee	1,370	4,584
KIID fee	1,972	1,142
Audit fee	9,357	7,800
Bank interest	10,297	3,818
	<u>102,014</u>	<u>123,934</u>
<b>Total expenses</b>	<u><u>1,994,539</u></u>	<u><u>2,612,066</u></u>
<b>8 TAXATION</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>£</b>	<b>£</b>
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	-	-
<b>Total tax charge</b> (see note 8(b))	<u><u>-</u></u>	<u><u>-</u></u>
b Factors affecting the tax charge for the year		
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for a unit trust (20%). The differences are explained below:		
Net revenue before taxation	7,122,996	5,896,326
Corporation tax at 20% (2022: 20%)	<u>1,424,599</u>	<u>1,179,265</u>
Effects of:		
Revenue not subject to taxation	(77,379)	(125,169)
Interest distribution allowable for taxation	(1,347,220)	(1,054,213)
Movement in short term timing differences	-	117
<b>Total tax charge</b> (see note 8(a))	<u><u>-</u></u>	<u><u>-</u></u>

No provision for deferred tax has been made in the current period.

## IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

#### 9 DISTRIBUTIONS

	31 March 2023	31 March 2022
	£	£
The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprise:		
First quarter	1,631,255	1,962,921
Interim	1,834,486	1,884,678
Third quarter	2,180,229	1,633,566
Final	2,526,461	1,453,627
Deduct: Amounts received on issue of units	(249,758)	(50,151)
Add: Amounts deducted on cancellation of units	192,879	316,395
Equalisation on conversions	(13)	(1)
Revenue brought forward	(1,059)	-
<b>Distributions</b>	<u>8,114,480</u>	<u>7,201,035</u>
Net revenue after taxation	7,122,996	5,896,326
Undistributed revenue brought forward	850	1,435
Undistributed revenue carried forward	-	(850)
Prior year undistributed revenue	(850)	-
Add: Manager's periodic charge to capital	991,484	1,304,124
	<u>8,114,480</u>	<u>7,201,035</u>

#### 10 DEBTORS

	31 March 2023	31 March 2022
	£	£
Amounts receivable for issue of units	1,971,316	163,276
Sales awaiting settlement	-	453,445
Accrued income	4,049,360	3,330,402
Currency receivables	1,069	-
Taxation recoverable	3,088	-
<b>Total debtors</b>	<u>6,024,833</u>	<u>3,947,123</u>

#### 11 OTHER CREDITORS

	31 March 2023	31 March 2022
	£	£
Amounts payable for cancellation of units	1,309,098	703,006
Purchases awaiting settlement	2,503,959	-
AFM's periodic charge and registration fees	151,943	492
Accrued expenses	19,851	12,585
<b>Total other creditors</b>	<u>3,984,851</u>	<u>716,083</u>

#### 12 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities as at 31 March 2023 (2022: nil).

#### 13 RELATED PARTIES

The AFM is involved in all transactions in the units of the Fund, the aggregate values of which are set out in the statement of change in net assets attributable to unitholders and note 9. Amounts due to/from the AFM in respect of unit transactions at the year end are disclosed in notes 10 and 11. Amounts paid to the AFM in respect of the AFM's periodic charge and registration fees are disclosed in note 7. Amounts due from/(to) the AFM at the year end are £510,275 (2022: £(540,222)).

#### 14 UNIT CLASSES

The unit classes in issue for the Fund and the annual management charge for each unit class is as follows:

Income	0.81%
Accumulation	0.81%
XL Institutional Income	0.60%
XL Institutional Accumulation	0.60%

## IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

#### 15 UNITHOLDERS' FUNDS RECONCILIATION

During the year the AFM has issued, cancelled and converted units from one unit class to another as set out below:

	Income	Accumulation	XL Institutional Income
Opening units in issue at 1 April 2022	164,451,298	16,000,502	37,631,350
Units issued	24,586,456	4,363,559	13,735,578
Units cancelled	(25,649,631)	(5,082,641)	(6,914,047)
Units converted	(109,140)	67,831	-
Closing units in issue at 31 March 2023	<u>163,278,983</u>	<u>15,349,251</u>	<u>44,452,881</u>

#### 16 RISK DISCLOSURES

##### Market price risk sensitivity

A five per cent increase in the market prices of the Fund's portfolio would have the effect of increasing the return and net assets by £11,859,496 (2022: £12,527,975). A five per cent decrease would have an equal and opposite effect.

##### Interest rate risk

31 March 2023

31 March 2022

£

£

The interest rate risk profile of financial assets and liabilities consists of the following:

Financial assets interest bearing instruments	169,694,790	106,808,824
Financial assets floating rate	63,984,496	134,716,303
Financial assets non-interest bearing instruments	14,717,178	14,489,974
Financial liabilities floating rate	(948,537)	-
Financial liabilities non-interest bearing instruments	(6,248,240)	(2,009,705)
	<u>241,199,687</u>	<u>254,005,396</u>

##### Interest rate risk sensitivity

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. A half of one per cent increase in interest rates would have the effect of decreasing the return and net assets by £3,418,196 (2022: £5,135,358). A half of one per cent decrease would have an equal and opposite effect.

##### Debt security credit analysis

31 March 2023

31 March 2022

Bid value (£)

Investments of investment grade	228,497,569	190,136,513
Investments below investment grade	-	-
Unrated	-	49,880,144
<b>Total of debt securities</b>	<u>228,497,569</u>	<u>240,016,657</u>

##### Liquidity risk

31 March 2023

31 March 2022

£

£

The following table provides a maturity analysis of the Fund's financial liabilities:

Within one year:	Bank overdrafts	948,537	-
	Distribution payable on income units	2,263,389	1,293,622
	Other creditors	3,984,851	716,083
		<u>7,196,777</u>	<u>2,009,705</u>

## IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

#### 17 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	31 March 2023		31 March 2022	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	8,692,346	-	10,542,851	-
Level 2 - Observable market data	228,497,569	-	240,016,657	-
Level 3 - Unobservable data	-	-	-	-
	<u>237,189,915</u>	<u>-</u>	<u>250,559,508</u>	<u>-</u>

The intention of a fair value measurement is to estimate the price at which an asset or liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

In accordance with FRS102 the Fund classifies fair value measurement under the following levels:

Level 1 - Unadjusted quoted price in an active market for an identical instrument;

Level 2 - Valuation techniques using observable inputs other than quoted prices within level 1; and

Level 3 - Valuation techniques using unobservable inputs.

#### 18 POST BALANCE SHEET EVENTS

Since 31 March 2023, the Net Asset Value per unit has changed as follows:

	Net Asset Value (pence per unit)		
	31 March 2023 <sup>A</sup>	14 July 2023	Movement (%)
Income	104.60	101.60	(2.87)%
Accumulation	169.20	168.40	(0.47)%
XL Institutional Income	105.40	102.50	(2.75)%

<sup>A</sup> These Net Asset Values differ from those in the Comparative Table as they are the quoted Net Asset Values.

**IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND**

**DISTRIBUTION TABLE**

**First quarter distribution for the period from 1 April 2022 to 30 June 2022**

Group 1: units purchased prior to 1 April 2022

Group 2: units purchased on or after 1 April 2022

		Gross revenue 30 June 2022 pence per unit	Equalisation 30 June 2022 pence per unit	Distribution paid 31 August 2022 pence per unit	Distribution paid 31 August 2021 pence per unit
Income	Group 1	0.715000	-	0.715000	0.662000
	Group 2	0.283000	0.432000	0.715000	0.662000
Accumulation	Group 1	1.133000	-	1.133000	1.025000
	Group 2	0.682000	0.451000	1.133000	1.025000
XL Institutional Income	Group 1	0.750000	-	0.750000	0.695000
	Group 2	0.458000	0.292000	0.750000	0.695000

**Second quarter distribution for the period from 1 July 2022 to 30 September 2022**

Group 1: units purchased prior to 1 July 2022

Group 2: units purchased on or after 1 July 2022

		Gross revenue 30 September 2022 pence per unit	Equalisation 30 September 2022 pence per unit	Distribution paid 30 November 2022 pence per unit	Distribution paid 30 November 2021 pence per unit
Income	Group 1	0.802000	-	0.802000	0.662000
	Group 2	-	0.802000	0.802000	0.662000
Accumulation	Group 1	1.278000	-	1.278000	1.035000
	Group 2	-	1.278000	1.278000	1.035000
XL Institutional Income	Group 1	0.837000	-	0.837000	0.697000
	Group 2	-	0.837000	0.837000	0.697000

**Third quarter distribution for the period from 1 October 2022 to 31 December 2022**

Group 1: units purchased prior to 1 October 2022

Group 2: units purchased on or after 1 October 2022

		Gross revenue 31 December 2022 pence per unit	Equalisation 31 December 2022 pence per unit	Distribution paid 28 February 2023 pence per unit	Distribution paid 28 February 2022 pence per unit
Income	Group 1	0.939098	-	0.939098	0.629000
	Group 2	0.504964	0.434134	0.939098	0.629000
Accumulation	Group 1	1.413214	-	1.413214	0.991000
	Group 2	0.596390	0.816824	1.413214	0.991000
XL Institutional Income	Group 1	0.974415	-	0.974415	0.665000
	Group 2	0.272958	0.701457	0.974415	0.665000

**IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND**

**DISTRIBUTION TABLE**

**Final distribution for the period from 1 January 2023 to 31 March 2023**

Group 1: units purchased prior to 1 January 2023

Group 2: units purchased on or after 1 January 2023

		Gross revenue 31 March 2023 pence per unit	Equalisation 31 March 2023 pence per unit	Distribution paid 31 May 2023 pence per unit	Distribution paid 31 May 2022 pence per unit
Income	Group 1	1.083084	-	1.083084	0.634000
	Group 2	0.481192	0.601892	1.083084	0.634000
Accumulation	Group 1	1.713904	-	1.713904	1.000000
	Group 2	0.712382	1.001522	1.713904	1.000000
XL Institutional Income	Group 1	1.113402	-	1.113402	0.667000
	Group 2	0.387193	0.726209	1.113402	0.667000

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