

Investment Fund Services

IFSL CH Special Mandates Fund

Annual Report and Audited
Financial Statements

for the year ended 30 September 2023

IFSL CH SPECIAL MANDATES FUND

CONTACT INFORMATION

Registered Office

Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

Authorised Corporate Director (ACD) and Registrar

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 - resigned effective 11 December 2023
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.

Depository

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

Authorised and regulated by the Financial Conduct Authority.

Auditor

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

IFSL CH SPECIAL MANDATES FUND

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IFSL CH SPECIAL MANDATES FUND

AUTHORISED STATUS

IFSL CH Special Mandates Fund (the Company) is an open-ended investment company with variable capital incorporated in England and Wales under registered number IC000588 and authorised by the Financial Conduct Authority with effect from 8 November 2007. The Company has an unlimited duration. The Company is a UCITS Scheme and is also an umbrella company for the purposes of the Open Ended Investment Company (OEIC) Regulations 2001. The operation of the Company is governed by the FCA Regulations, the Company's Instrument of Incorporation and the Prospectus.

The Company currently has two sub-funds: IFSL Church House Tenax Absolute Return Strategies Fund and IFSL Church House UK Smaller Companies Fund.

Shareholders of the sub-funds do not have any proprietary interest in the underlying assets of the Company and will not be liable for the debts of the Company. A sub-fund is not a legal entity. If the assets attributable to a sub-fund were insufficient to meet its liabilities the shortfall will not be met out of the assets attributable to one or more other sub-funds of the Company. The sub-funds are segregated by law under the Protected Cell Regime.

GENERAL INFORMATION

IFSL Church House Tenax Absolute Return Strategies Fund

Investment objective

The sub-fund aims to provide an absolute return, aiming to achieve positive returns over rolling twelve-month periods at low levels of volatility (meaning changes in value of up to 5% per annum in normal market conditions).

Capital invested in the sub-fund is at risk and there is no guarantee that a positive return will be achieved over a rolling twelve-month, or any other, period.

Investment policy

The sub-fund is actively managed and will gain a diverse exposure to a range of global asset classes.

The sub-fund may at any one time be invested in one or more of the following: fixed interest securities, equities, other collective investment schemes, money market instruments, deposits, cash and near cash.

The sub-fund may invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD of a sub-fund or one of its associates. No more than 10% of the sub-fund's total assets may be invested in collective investment schemes.

The Investment Manager has no fixed asset allocation for any asset class but will change the asset mix in the sub-fund from time to time, considering market conditions, in a way that, in the Investment Manager's view, is consistent with the sub-fund's aim to maintain a low level of volatility. As such, the sub-fund may hold high proportions in cash and other lower-risk assets such as cash, near cash, money market instruments and deposits.

The Investment Manager is not constrained by any particular asset allocation in respect of geography, industry or sector. The equities in which the sub-fund invests may be from companies anywhere in the world. The fixed interest securities may include floating rate notes, index linked or convertible securities.

Assessing Performance

The Investment Association (IA), the trade body for UK investment managers, has created a number of 'sectors', as a way of dividing funds into broad groups with similar characteristics.

The sub-fund aims, but does not guarantee, to deliver positive returns (greater than zero) in any market conditions over rolling 12 month periods. This puts it in the IA Targeted Absolute Return sector.

The IA publishes figures showing how often funds in this sector fail to provide returns greater than zero for available rolling 12 month periods over the last three years on its website (www.theia.org/industry-data/fund_sectors/tar-monitoring).

As the sub-fund does not have a benchmark, you may want to assess the sub-fund's performance using this data.

IFSL CH SPECIAL MANDATES FUND

GENERAL INFORMATION

IFSL Church House UK Smaller Companies Fund

Investment objective

The investment objective of the sub-fund is to provide capital growth over the long term (at least five years).

The sub-fund is actively managed and the Investment Manager does not track, and is not constrained by, any benchmark index.

Investment policy

At least 80% of the sub-fund's assets are invested in shares of UK smaller companies. UK companies are those incorporated or domiciled in the UK and smaller companies are defined by the Investment Manager as those with a market capitalisation of less than £2bn at the time of purchase. The sub-fund may invest in any industry or sector.

Up to 20% of the sub-fund may be invested in other assets: the shares of companies with a market capitalisation of £2bn or more, the shares of overseas companies (developed markets only), fixed interest securities, money market instruments and cash.

No more than 10% of the sub-fund's total assets may be invested in collective investment schemes.

Assessing Performance

The Investment Association (IA), the trade body for UK investment managers, has created a number of 'sectors', as a way of dividing funds into broad groups with similar characteristics.

The sub-fund's investment policy puts it in the IA UK Smaller Companies sector. The sub-fund is not managed to a benchmark, however you may want to assess the sub-fund's performance compared to the performance of this sector.

Rights and terms attaching to each share class

A share of each class represents a proportional entitlement to the assets of the sub-fund. The allocation of income and taxation and the rights of each share in the event that a sub-fund is wound up are on the same proportional basis.

Assessment of value

The ACD is required to carry out an assessment of value at least annually and publish its findings in a report to investors. The sub-funds of the Company will be assessed and reported on, in a composite report which the ACD publishes on the website www.ifsifunds.com. The next report is expected to be published in a composite report by 31 January 2024.

Changes in prospectus

There have been no significant changes since the last report, however, following a review of sub-fund benchmarks, the following notifiable changes occurred on the 31 October 2023:

- The Bank of England SONIA Compounded Index and FTSE 100 Index comparator benchmarks were removed from IFSL Church House Tenax Absolute Return Strategies Fund.
- The IA UK Smaller Companies sector benchmark replaced the previous FTSE All-Share Index and the FTSE Small Cap ex Investment Trusts Index comparator benchmarks for the IFSL Church House UK Smaller Companies Fund. The IA UK Smaller Companies sector is considered a more appropriate alternative.

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

Cross holdings

IFSL Church House Tenax Absolute Return Strategies Fund held 1,750,000 shares valued at £2,311,750 in IFSL Church House UK Smaller Companies Fund as at 30 September 2023 (30 September 2022: 2,050,000 shares valued at £2,542,000).

IFSL CH SPECIAL MANDATES FUND

GENERAL INFORMATION

Remuneration policy

In line with the requirements of UCITS V, Investment Fund Services Limited, the Authorised Corporate Director (ACD), 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 2023 (the ACD's year-end) are set out below:

	Number of identified staff	Total remuneration paid	Fixed remuneration paid	Variable remuneration paid
		£	£	£
Remuneration paid to staff of the ACD who have a material impact on the risk profile of the Company				
Senior management	8	908,018	768,628	139,390
Risk takers and other identified staff	4	411,040	375,277	35,763
Allocation of total remuneration of the employees of the ACD to the Company				
Senior management	0.20	22,371	18,937	3,434
Risk takers and other identified staff	0.10	10,127	9,246	881

The total number of staff employed by the AFM was 238 as at 30 September 2023. The total remuneration paid to those staff was £12,464,744, of which £4,346,942 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 CH SPECIAL MANDATES FUND

AUTHORISED CORPORATE DIRECTOR'S 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.



Dom Clarke
Director



Helen Redmond
Director

Investment Fund Services Limited
29 January 2024

STATEMENT OF AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

The Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL) requires the Authorised Corporate Director (ACD) to prepare financial statements for each accounting year which give a true and fair view of the financial position of the Company comprising of its sub-funds and of its net revenue and the net capital gains for the year.

In preparing those financial statements the ACD 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 Company will continue in operation.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the COLL rules, the Instrument of Incorporation and the Prospectus. The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The ACD 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 ACD to take all necessary steps as a director to familiarise itself with any relevant audit information and to establish that the auditor is aware of that information.

IFSL CH SPECIAL MANDATES FUND

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY

Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of IFSL CH Special Mandates Fund ("the Company") for the year ended 30 September 2023.

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

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

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

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares in the Company is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company'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 Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

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

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

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

29 January 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL CH SPECIAL MANDATES FUND

Opinion

We have audited the financial statements of IFSL Church House Special Mandates ("the Company"), comprising each of its sub-funds, for the year ended 30 September 2023, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Company, 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 Company comprising each of its sub-funds as at 30 September 2023 and of the net revenue and the net capital gains on the scheme property of the Company 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 Company 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 (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 Authorised Corporate Director's ("the ACD") 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 Company'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 ACD 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 Company'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 ACD 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.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL CH SPECIAL MANDATES 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 Instrument of Incorporation;
- 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 ACD'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 ACD

As explained more fully in the ACDs responsibilities statement set out on page 5, the ACD 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 ACD 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 ACD is responsible for assessing the Company'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 ACD either intends to wind up or terminate the Company 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL CH SPECIAL MANDATES 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 Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), including FRS 102, Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the OEIC Regulations, the Company's Instrument of Incorporation
- We understood how the Company is complying with those frameworks through discussions with the ACD and the Company's administrators and a review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company'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 the amounts available for distribution. We identified a fraud risks in relation to incomplete or inaccurate revenue recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution. In response to our fraud risks, we tested the appropriateness of management's classification of material special dividends as either a capital or revenue return.
- 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 ACD 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 Company.
- Due to the regulated nature of the Company, 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 Company's Shareholders, 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 Company's Shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Statutory Auditor
Edinburgh

29 January 2024

Notes:

1. The maintenance and integrity of the Investment Fund Services Limited website is the responsibility of the ACD; 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 CH SPECIAL MANDATES FUND

NOTES TO THE FINANCIAL STATEMENTS - ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES

for the year ended 30 September 2023

1.1 ACCOUNTING POLICIES

During the year under review IFSL CH Special Mandates Fund consisted of two sub-funds: IFSL Church House Tenax Absolute Return Strategies Fund; and IFSL Church House UK Smaller Companies Fund.

These accounting policies apply to all the sub-funds of the Company.

Basis of accounting

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 sub-funds. 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 Company'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 Corporate Director (ACD) believes that the Company 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, preference securities, and distributions receivable from onshore Collective Investment Schemes are recognised when the security is quoted ex-dividend.

Income from offshore collective investment schemes is recorded on the ex-dividend date and additional reported income is recognised when reported.

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.

Bank interest is accounted for on an accruals basis.

Distributions from collective investment schemes

Distributions received from investments in collective investment schemes may include an element of equalisation which represents the average amount of revenue included in the price paid for the shares. Equalisation is treated as a return of capital for taxation purposes and does not carry a tax credit.

Allocation of revenue

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

Expenses

All expenses, other than those relating to purchase and sale of investments, are charged against revenue on an accruals basis.

Valuation

The valuation point was 12:00 noon on 29 September 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.

Investments in collective investment schemes have been valued at cancellation price for dual-priced funds or the single price for single priced funds, using the latest available published prices at the year end.

NOTES TO THE FINANCIAL STATEMENTS - ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES

for the year ended 30 September 2023

ACCOUNTING POLICIES

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 noon on 29 September 2023 being the last valuation point of the accounting period. 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 at the principal amounts.

1.2 DISTRIBUTION POLICIES

The distribution policy for each sub-fund is to 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. Revenue recognised from holdings in accumulation shares in collective investment schemes, and from stock and special dividends is included in the amount available for distribution.

Equalisation

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

1.3 RISK MANAGEMENT POLICIES

In pursuing the investment objectives, the sub-funds hold a number of financial instruments. The sub-funds' financial instruments comprise securities, 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 sub-funds' financial instruments and the ACD's policies for managing these risks are summarised below. The ACD reviews (and agrees with the Depositary) the policies for managing each of these risks. The policies have remained unchanged since the beginning of the period to which these financial statements relate.

The sub-funds are managed according to the 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) 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 a sub-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 sub-fund holds. It represents the potential loss a sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Prospectus.

Foreign currency risk

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

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

NOTES TO THE FINANCIAL STATEMENTS - ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES

for the year ended 30 September 2023

RISK MANAGEMENT POLICIES

Interest rate risk

Interest rate risk is the risk that the value of the sub-funds' investment holdings will fluctuate as a result of changes in interest rates. The sub-funds' cash holdings are held in deposit accounts, whose rates are determined by the banks concerned on a daily basis.

The sub-funds invest in fixed and floating rate securities. The income of the sub-funds may be affected by changes to interest rates relevant to particular securities or as a result of the Investment 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.

Interest rate risk is managed through a limit framework and investment guidelines with which the sub-funds must comply. These include restrictions on position size, and the level of interest rate risk. The Investment Manager continuously reviews interest rates and inflation expectations, the assessment of this may result in a change in investment strategy.

Liquidity risk

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

Credit and counterparty risk

Certain transactions in securities that the sub-funds enter into expose them to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the sub-funds have fulfilled their responsibilities. The sub-funds only buy and sell investments through brokers which have been approved by the ACD as an acceptable counterparty.

Concentration risk

Some of the underlying collective investment schemes invest solely in certain markets, such as UK shares or fixed interest securities. This allows them to focus on those markets' potential but means that they are not spread amongst a range of markets. Securities in the same market tend to be affected by the same factors, so the collective investment schemes may experience greater fluctuations in price. The asset allocations aim to minimise this risk whenever possible, whilst still meeting the objectives of the sub-funds.

Derivatives and other financial instruments

The ACD is permitted to use derivatives for the purposes of efficient portfolio management. Forward currency transactions may also be entered to hedge the portfolio against currency movement. Investment performance of derivatives can be volatile and may present greater risks than traditional investments.

The ACD is obliged through FCA rules to put in place a risk management policy which sets out how the ACD measures and monitors these risks.

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 30 September 2023

Performance to 30 September 2023

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL Church House Tenax Absolute Return Strategies	(0.31)%	4.89%	(1.03)%	1.94%
Bank Of England SONIA Compounded Index ^A	2.43%	4.14%	4.96%	6.10%

External Source of Economic Data: Morningstar (C Accumulation - quoted price to quoted price).

The performance figures above are based on quoted prices and will, therefore, differ from the performance in the Comparative Table.

Capital at risk. Past performance is not a reliable indicator of future performance; the value of your investment and any income from it can go down as well as up. Performance returns are based on the net asset value with distributable income reinvested and take account of all ongoing charges, but not entry charges (if applicable). The past performance of this share class is calculated in Sterling.

^A The Bank of England SONIA Compounded Index and FTSE 100 Index comparator benchmarks were removed from this sub-fund on 31 October 2023.

Investment commentary

This report for the CH Tenax Absolute Return Strategies Fund marks almost exactly one year on from the disastrous Kwarteng mini-Budget and the short-lived Premiership of Liz Truss. Since then, Base Interest rates have risen from 2.25% to 5.25% as the Bank of England attempts to curb inflation, and long-dated yields, which initially fell back as Rishi Sunak assumed the Premiership, have climbed steadily ever since, regaining the high levels at the peak of the crisis last year.

The Fund has gained over the year and, as short-term rates have risen, we have gradually shifted away from floating rate investments (FRN in the table below, Floating Rate Notes) to switch to fixed interest and take advantage of the much higher rates now on offer. This can clearly be seen in the table of the Fund's asset allocation over the course of the year:

Allocation	30-Sep-22	30-Dec-22	31-Mar-23	30-Jun-23	29-Sep-23	Year Change
Cash	1.1%	0.5%	0.4%	0.3%	0.2%	-0.8%
Treasury / T-Bill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FRN (AAA)	35.1%	25.5%	22.1%	22.3%	20.0%	-15.2%
Floating Rate	1.3%	0.0%	0.0%	0.0%	0.0%	-1.3%
Fixed Interest	34.8%	42.8%	44.6%	45.1%	48.4%	13.6%
Index-Linked	1.3%	1.5%	1.9%	2.0%	0.5%	-0.8%
Infrastructure	6.0%	6.3%	6.0%	5.8%	5.6%	-0.4%
Convert / ZDP	7.1%	8.9%	9.6%	8.8%	9.1%	2.0%
Alternative / Hedge	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Property / Real	3.3%	2.9%	3.4%	3.7%	4.1%	0.8%
Equity	10.1%	11.6%	11.9%	12.1%	12.1%	2.0%

Source: Church House

The effect of the asset allocation changes and the movement in market rates has meant that we have been able to increase the redemption yield from the Fund's FRN and Fixed Interest holdings while maintaining a short duration, alongside a general increase in Fund's yield:

	30-Sep-22	30-Dec-22	31-Mar-23	30-Jun-23	29-Sep-23
Overall Duration*	1.9	2.6	2.9	2.9	2.8
Redemption Yield**	5.5%	5.7%	5.8%	6.7%	7.1%
Fixed Int. Duration	3.8	4.1	4.3	4.3	3.9
P/folio Running Yield	3.3%	3.7%	4.1%	4.5%	4.7%

Source: Church House *and ** - see below

As can be seen in the asset allocation table, the Fixed Interest proportion now accounts for approaching half of the Fund's portfolio. The convertible holdings also have notable redemption yields at short duration, but we exclude these from the figures in the table above. We remain of the view that these sort of returns at such a short duration are very attractive for the Fund. We can't be certain when the current uncertainties and pressure on interest rates will subside, but we can have a high degree of confidence that these bonds will pay their interest and make their maturity payments, which equates to attractive returns for the Fund over the next few years.

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 30 September 2023

Investment commentary (continued)

We have also reduced the Index-Linked section of the portfolio with a sale of the Heathrow 3.334% Index-Linked stock due in 2039, considering that we had better opportunities in conventional fixed interest investments. We are now down to just one zero dividend preference holding in the Convert/ZDP section as we saw an attractive opportunity to switch out of the NB Private Equity issue that we first invested in at issue in May 2018. But we have been adding to our holding in convertibles e.g. a recent addition to Primary Health 2.875% Convertible due in July 2025, following further meetings with their management, so this section has increased overall.

** Duration represents the number of 'periods' that it will take to repay an initial investment in a fixed interest security. It is not the same as the life of the bond or time to maturity, which will be longer. It can also be viewed as a measure of the sensitivity of the price of a bond to a change in interest rates.*

*** Redemption Yield represents the total return expected from the bond(s) taking into account interest received and capital gain as the bond(s) move to 'par value' (100p) at maturity.*

Church House Investments Limited
2 November 2023

Distributions

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>A Income (pence per share)</u>				
Net income paid 31 May	2.0272	0.4250	0.4300	0.2780
Net income paid 30 November	2.4979	0.9790	0.4930	0.4100
<u>A Accumulation (pence per share)</u>				
Net accumulation paid 31 May	2.1307	0.4370	0.4360	0.2820
Net accumulation paid 30 November	2.6697	1.0210	0.5090	0.4190
<u>B Income (pence per share)</u>				
Net income paid 31 May	2.3297	0.6650	0.6530	0.4970
Net income paid 30 November	2.8154	1.2200	0.7340	0.6340
<u>B Accumulation (pence per share)</u>				
Net accumulation paid 31 May	2.5131	0.7090	0.6970	0.5300
Net accumulation paid 30 November	3.0888	1.3030	0.7750	0.6700
<u>C Income (pence per share)</u>				
Net income paid 31 May	2.4176	0.7410	0.7310	0.5770
Net income paid 30 November	2.8930	1.2920	0.8140	0.7180
<u>C Accumulation (pence per share)</u>				
Net accumulation paid 31 May	2.6182	0.7920	0.7760	0.6160
Net accumulation paid 30 November	3.2003	1.3900	0.8600	0.7560

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 30 September 2023

Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
Deutsche Pfandbriefbank 7.625% 08.12.25	4,997,950
ING Groep 6.25% 20.05.33	4,498,965
Barclays 6.369% 31.01.31	4,000,000
NatWest Group 7.416% 06.06.33	4,000,000
Royal Bank of Canada 5% 24.01.28	3,990,800
Crédit Agricole 5.75% 29.11.27	3,984,160
Primary Health Properties 2.875% 15.07.25	3,784,500
Santander UK Group Holdings 7.098% 16.11.27	3,500,000
SEGRO	3,273,386
Lloyds Banking Group 6.625% 02.06.33	2,992,800
Other purchases	25,685,382
Total purchases for the year	64,707,943

<u>Largest sales</u>	<u>Proceeds (£)</u>
CIBC FRN 15.12.25	12,527,763
European Investment Bank FRN 12.03.26	10,576,991
TSB Bank FRN 15.02.24	9,411,961
Nationwide Building Society FRN 24.02.31	8,825,951
Royal Bank of Canada FRN 30.01.25	6,996,660
Barclays FRN 15.05.23	5,304,549
Yorkshire Building Society FRN 19.11.23	5,263,095
Bank of Nova Scotia FRN 14.03.25	5,034,650
JP Morgan 1.2% 18.02.26	5,021,000
Royal Bank of Canada FRN 03.01.24	4,998,850
Other sales	153,263,036
Total sales for the year	227,224,506

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND

COMPARATIVE TABLE

<u>A Income shares</u>	Year to 30.09.2023	Year to 30.09.2022	Year to 30.09.2021
Change in net assets per share	pence	pence	pence
Opening net asset value per share	139.46	157.52	151.21
Return before operating charges*	7.93	(14.57)	9.39
Operating charges	(1.86)	(2.09)	(2.16)
Return after operating charges*	6.07	(16.66)	7.23
Distributions on income shares	(4.53)	(1.40)	(0.92)
Closing net asset value per share	141.00	139.46	157.52
* after direct transaction costs of:	0.02	0.03	0.04
Performance			
Return after charges ^A	4.35%	(10.58)%	4.78%
Other information			
Closing net asset value (£)	13,023,712	13,753,251	14,782,858
Closing number of shares	9,236,616	9,862,081	9,384,976
Operating charges	1.29% ^C	1.36% ^B	1.39% ^B
Direct transaction costs	0.02%	0.03%	0.03%
Prices (pence per share)			
Highest share price	151.10	158.80	159.70
Lowest share price	137.80	140.40	151.70
<u>A Accumulation shares</u>	Year to 30.09.2023	Year to 30.09.2022	Year to 30.09.2021
Change in net assets per share	pence	pence	pence
Opening net asset value per share	146.81	164.23	156.75
Return before operating charges*	8.34	(15.22)	9.74
Operating charges	(1.97)	(2.20)	(2.26)
Return after operating charges*	6.37	(17.42)	7.48
Distributions on accumulation shares	(4.80)	(1.46)	(0.95)
Retained distributions on accumulation shares	4.80	1.46	0.95
Closing net asset value per share	153.18	146.81	164.23
* after direct transaction costs of:	0.02	0.03	0.04
Performance			
Return after charges ^A	4.34%	(10.61)%	4.77%
Other information			
Closing net asset value (£)	16,201,262	17,650,604	22,517,843
Closing number of shares	10,576,577	12,022,481	13,711,360
Operating charges	1.29% ^C	1.36% ^B	1.39% ^B
Direct transaction costs	0.02%	0.02%	0.03%
Prices (pence per share)			
Highest share price	159.10	165.50	166.00
Lowest share price	145.00	146.80	157.20

^A The return after charges is calculated using the underlying investments bid prices.

^B From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

^C On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND

COMPARATIVE TABLE

<u>B Income shares</u>	Year to 30.09.2023	Year to 30.09.2022	Year to 30.09.2021
Change in net assets per share	pence	pence	pence
Opening net asset value per share	142.26	160.71	154.28
Return before operating charges*	8.11	(15.00)	9.46
Operating charges	(1.38)	(1.56)	(1.64)
Return after operating charges*	6.73	(16.56)	7.82
Distributions on income shares	(5.15)	(1.89)	(1.39)
Closing net asset value per share	143.84	142.26	160.71
* after direct transaction costs of:	0.02	0.03	0.04
Performance			
Return after charges ^A	4.73%	(10.30)%	5.07%
Other information			
Closing net asset value (£)	19,598,258	20,034,954	20,884,817
Closing number of shares	13,624,943	14,082,918	12,995,082
Operating charges	0.94% ^C	1.00% ^B	1.03% ^B
Direct transaction costs	0.02%	0.02%	0.03%
Prices (pence per share)			
Highest share price	154.30	162.10	163.10
Lowest share price	140.60	143.50	154.80
<u>B Accumulation shares</u>	Year to 30.09.2023	Year to 30.09.2022	Year to 30.09.2021
Change in net assets per share	pence	pence	pence
Opening net asset value per share	153.73	171.46	163.18
Return before operating charges*	8.73	(16.05)	10.02
Operating charges	(1.50)	(1.68)	(1.74)
Return after operating charges*	7.23	(17.73)	8.28
Distributions on accumulation shares	(5.60)	(2.01)	(1.47)
Retained distributions on accumulation shares	5.60	2.01	1.47
Closing net asset value per share	160.96	153.73	171.46
* after direct transaction costs of:	0.02		0.04
Performance			
Return after charges ^A	4.70%	(10.34)%	5.07%
Other information			
Closing net asset value (£)	24,824,363	28,821,290	34,696,480
Closing number of shares	15,422,579	18,748,205	20,235,493
Operating charges	0.94% ^C	1.00% ^B	1.03% ^B
Direct transaction costs	0.02%	0.02%	0.03%
Prices (pence per share)			
Highest share price	166.70	172.90	173.30
Lowest share price	151.90	153.70	163.70

^A The return after charges is calculated using the underlying investments bid prices.

^B From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

^C On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND

COMPARATIVE TABLE

C Income shares	Year to 30.09.2023	Year to 30.09.2022	Year to 30.09.2021
Change in net assets per share	pence	pence	pence
Opening net asset value per share	142.26	160.71	154.28
Return before operating charges*	8.09	(15.04)	9.43
Operating charges	(1.21)	(1.38)	(1.45)
Return after operating charges*	6.88	(16.42)	7.98
Distributions on income shares	(5.31)	(2.03)	(1.55)
Closing net asset value per share	143.83	142.26	160.71

* after direct transaction costs of: 0.02 0.03 0.04

Performance

Return after charges^A 4.84% (10.22)% 5.17%

Other information

Closing net asset value (£) 47,290,665 62,490,235 70,036,832
 Closing number of shares 32,878,498 43,927,099 43,579,342
 Operating charges 0.82%^C 0.88%^B 0.91%^B
 Direct transaction costs 0.02% 0.02% 0.03%

Prices (pence per share)

Highest share price 154.40 162.10 163.20
 Lowest share price 140.60 143.60 154.80

C Accumulation shares

Change in net assets per share	Year to 30.09.2023	Year to 30.09.2022	Year to 30.09.2021
	pence	pence	pence
Opening net asset value per share	155.05	172.78	164.29
Return before operating charges*	8.84	(16.22)	10.05
Operating charges	(1.32)	(1.51)	(1.56)
Return after operating charges*	7.52	(17.73)	8.49
Distributions on accumulation shares	(5.82)	(2.18)	(1.64)
Retained distributions on accumulation shares	5.82	2.18	1.64
Closing net asset value per share	162.57	155.05	172.78

* after direct transaction costs of: 0.02 0.03 0.04

Performance

Return after charges^A 4.85% (10.26)% 5.17%

Other information

Closing net asset value (£) 113,613,249 250,496,590 341,355,803
 Closing number of shares 69,886,534 161,557,478 197,562,843
 Operating charges 0.82%^C 0.88%^B 0.91%^B
 Direct transaction costs 0.02% 0.02% 0.03%

Prices (pence per share)

Highest share price 168.30 174.20 174.60
 Lowest share price 153.20 155.10 164.80

^A The return after charges is calculated using the underlying investments bid prices.

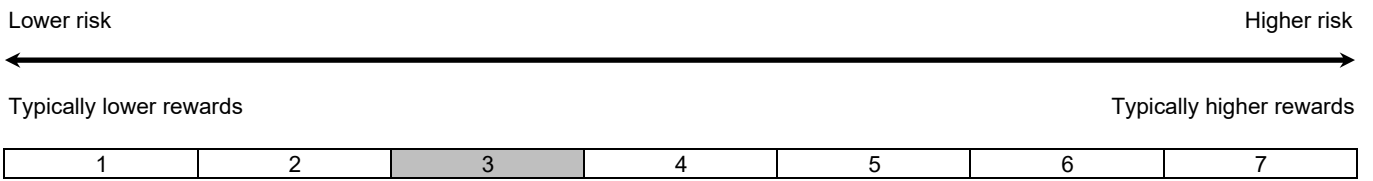
^B From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

^C On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

Operating charges are the same as the ongoing charges and are the total expenses paid by each share 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 sub-fund. These amounts are expressed as a percentage of the average net asset value over the year and the average shares in issue for the pence per share figures.

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND

SYNTHETIC RISK AND REWARD INDICATOR



This indicator aims to give you a measure of the price movement of the sub-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 sub-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 CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND

PORTFOLIO STATEMENT

as at 30 September 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
DEBT SECURITIES (30 September 2022 - 68.69%)		
AAA TO AA (30 September 2022 - 31.72%)		
3,000,000 Bank of Montreal FRN 09.03.27	3,033,690	1.29
4,000,000 Bank of Nova Scotia FRN 14.03.25	4,028,800	1.72
6,000,000 Canada Pension Plan Investment Board FRN 15.06.26	6,136,860	2.62
2,000,000 Clydesdale Bank FRN 22.01.27	1,984,080	0.85
3,500,000 Clydesdale Bank FRN 22.03.26	3,510,185	1.50
4,000,000 DBS Bank FRN 17.11.25	4,035,320	1.72
2,000,000 European Investment Bank FRN 18.01.27	2,049,100	0.87
1,500,000 HSBC FRN 25.08.27	1,506,900	0.64
1,000,000 Kreditanstalt Fuer Wiederaufbau 1.375% 09.12.24	953,860	0.41
2,500,000 National Australia Bank FRN 04.02.25	2,500,075	1.07
3,000,000 National Australia Bank FRN 15.12.25	3,027,900	1.29
4,000,000 Nationwide Building Society FRN 24.02.31	3,927,040	1.67
6,000,000 United Overseas Bank FRN 21.09.26	6,046,620	2.58
Total AAA to AA	42,740,430	18.23
AA- TO A+ (30 September 2022 - 1.85%)		
A TO A- (30 September 2022 - 3.05%)		
3,000,000 Close Brothers Finance 1.625% 03.12.30	2,126,790	0.91
2,000,000 Credit Suisse Group 7% 30.09.27	2,024,760	0.86
2,000,000 NatWest Group 2.057% 09.11.28	1,695,000	0.72
3,000,000 NatWest Group 3.619% 29.03.29	2,658,750	1.13
3,000,000 Nordea Bank 1.625% 09.12.32	2,415,000	1.03
2,500,000 Society of Lloyds (The) 4.875% 07.02.47	2,322,825	0.99
200,000 Wales & West Utilities Finance 2.496%	340,413	0.15
Total A to A-	13,583,538	5.79
BBB+ TO BBB (30 September 2022 - 9.14%)		
4,000,000 Barclays 6.369% 31.01.31	3,906,480	1.67
2,500,000 Bunzl Finance 1.5% 30.10.30	1,879,625	0.80
4,900,000 Deutsche Pfandbriefbank 7.625% 08.12.25	4,845,561	2.07
2,500,000 Haleon UK Capital 2.875% 29.10.28	2,216,000	0.94
2,000,000 Heathrow Funding 2.75% 13.10.29	1,671,020	0.71
2,000,000 Hiscox 6% 22.09.27	1,987,140	0.85
4,500,000 ING Groep 6.25% 20.05.33	4,280,625	1.83
2,925,000 Intercontinental Hotels Group 3.75% 14.08.25	2,798,348	1.19
2,000,000 Legal & General Group 5.625% Perp	1,577,500	0.67
3,000,000 Lloyds Banking Group 6.625% 02.06.33	2,919,960	1.24
2,000,000 M&G 5.625% 20.10.51	1,776,940	0.76
3,000,000 Natwest Group 2.105% 28.11.31	2,553,750	1.09
2,000,000 NatWest Group 7.416% 06.06.33	1,982,380	0.85
650,000 RL Finance Bonds No. 3 6.125% 13.11.28	621,380	0.26
2,000,000 Southern Gas Networks 1.25% 02.12.31	1,378,060	0.59
1,000,000 United Utilities Water Finance 0.875% 28.10.29	751,250	0.32
1,500,000 Virgin Money UK 4% 25.09.26	1,402,755	0.60
2,000,000 Volkswagen Financial Services 4.25% 09.10.25	1,924,820	0.82
800,000 Volkswagen International Finance 3.375% 16.11.26	737,776	0.31
1,000,000 Yorkshire Building Society 7.375% 12.09.27	1,005,280	0.43
Total BBB+ to BBB	42,216,650	18.00

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND

PORTFOLIO STATEMENT

as at 30 September 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
BBB- AND BELOW (30 September 2022 - 22.93%)		
1,500,000 AA Bond Co 8.45% 31.01.28	1,504,575	0.64
2,300,000 Anglian Water (Osprey) Financing 2% 31.07.28	1,740,847	0.74
3,500,000 Beazley Insurance 5.5% 10.09.29	2,514,573	1.07
4,500,000 Berkeley Group 2.5% 11.08.31	3,022,605	1.29
2,500,000 BlackStone Private Credit 4.875% 14.04.26	2,277,125	0.97
3,000,000 British Telecommunications 8.375% 20.12.83	2,993,700	1.28
4,750,000 Derwent London 1.875% 17.11.31	3,358,203	1.43
3,000,000 Grainger 3% 03.07.30	2,341,470	1.00
3,000,000 Heathrow Funding 2.625% 16.03.28	2,514,600	1.07
3,000,000 Investec 2.625% 04.01.32	2,453,130	1.05
3,772,000 John Lewis 6.125% 21.01.25	3,681,736	1.57
1,400,000 NGG Finance 5.625% 18.06.73	1,333,500	0.57
2,800,000 Ørsted 2.5% 18.02.21	1,781,500	0.76
2,000,000 Pension Insurance 5.625% 20.09.30	1,769,160	0.75
2,000,000 Rothesay Life 6.875% Perp	1,668,220	0.71
1,500,000 Rothesay Life 7.734% 16.05.33	1,455,870	0.62
7,000,000 Rothesay Life 5% Perp	4,491,410	1.91
550,000 Tesco 1.982% 24.03.36	849,717	0.36
2,000,000 Travis Perkins 3.75% 17.02.26	1,820,160	0.78
5,000,000 TSB Bank FRN 22.06.28	4,947,600	2.11
1,500,000 Virgin Money UK 2.625% 19.08.31	1,282,500	0.55
3,500,000 Whitbread Group 2.375% 31.05.27	3,024,315	1.29
2,000,000 Whitbread Group 3.375% 16.10.25	1,886,300	0.80
3,500,000 Workspace Group 2.25% 11.03.28	2,706,270	1.15
Total BBB- and below	57,419,086	24.47
Total Debt Securities	155,959,704	66.49
CONVERTIBLE BONDS (30 September 2022 - 4.85%)		
5,600,000 Capital & Counties Properties 2% 30.03.26	4,905,936	2.09
2,000,000 Cellnex Telecom 0.75% 20.11.31	1,327,890	0.57
3,000,000 Delivery Hero 2.125% 10.03.29	1,806,907	0.77
4,500,000 Derwent London 1.5% 12.06.25	4,135,500	1.76
500,000 Nexi Spa 1.75% 24.04.27	372,563	0.16
4,000,000 Primary Health Properties 2.875% 15.07.25	3,662,800	1.56
1,400,000 Trainline 1% 14.01.26	1,207,500	0.51
Total Convertible Bonds	17,419,096	7.42
UNITED KINGDOM EQUITIES (30 September 2022 - 7.25%)		
CONSUMER STAPLES (30 September 2022 - 1.48%)		
35,000 Diageo	1,071,175	0.46
60,000 Unilever	2,450,700	1.04
Total Consumer Staples	3,521,875	1.50
FINANCIALS (30 September 2022 - 2.89%)		
500,000 Aviva	1,962,500	0.84
1,800,000 Barclays	2,871,720	1.22
380,000 Schroders	1,564,840	0.67
425,000 Standard Chartered	3,228,300	1.38
Total Financials	9,627,360	4.11
HEALTH CARE (30 September 2022 - 0.63%)		
INFORMATION TECHNOLOGY (30 September 2022 - 0.31%)		

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND

PORTFOLIO STATEMENT

as at 30 September 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
REAL ESTATE (30 September 2022 - 1.94%)		
500,000 Land Securities Group	2,948,000	1.26
750,000 Primary Health Properties	697,125	0.30
390,000 SEGRO	2,810,340	1.20
2,580,653 Shaftesbury Capital	2,944,525	1.26
Total Real Estate	9,399,990	4.02
Total United Kingdom Equities	22,549,225	9.63
OVERSEAS EQUITIES (30 September 2022 - 0.93%)		
4 Brookfield Infrastructure Partners	97	-
7,551 Freeport-McMoRan	229,682	0.10
220,000 Investor	3,491,015	1.49
Total Overseas Equities	3,720,794	1.59
CLOSED END INVESTMENTS (30 September 2022 - 8.16%)		
3,300,000 Aberforth Split Level Income Trust ZDP	3,894,000	1.66
2,200,000 BBGI Global Infrastructure	2,956,800	1.26
3,000,000 GCP Infrastructure Investments	2,028,000	0.86
2,200,000 Gresham House Energy Storage Fund	2,301,200	0.98
3,400,000 Harmony Energy Income Trust	2,856,000	1.22
4,500,000 SDCL Energy Efficiency Income Trust	3,015,000	1.29
Total Closed End Investments	17,051,000	7.27
COLLECTIVE INVESTMENT SCHEMES (30 September 2022 - 6.05%)		
1,200,000 IFSL Church House Esk Global Equity 'B'	4,875,600	2.08
4,750,000 IFSL Church House Investment Grade Fixed Interest	4,906,750	2.09
450,000 IFSL Church House UK Equity Growth 'Z' Acc	1,065,600	0.45
1,800,000 IFSL Church House UK Equity Growth 'Z' Inc	3,339,000	1.42
1,750,000 IFSL Church House UK Smaller Companies 'B'	2,311,750	0.98
Total Collective Investment Schemes	16,498,700	7.02
STRUCTURED PRODUCT (30 September 2022 - 2.45%)		
UNQUOTED SECURITIES (30 September 2022 - Nil)		
350,000 Duet Real Estate Finance ^A	-	-
10 Prime Infrastructure ^B	-	-
Total Unquoted Securities	-	-
Portfolio of investments	233,198,519	99.42
Net other assets	1,352,990	0.58
Total net assets	234,551,509	100.00

^A These shares are valued at zero, Duet Real Estate Finance is in liquidation with no expected return.

^B These shares are unlisted and are being valued at zero, based on the latest information received.

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 CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND

PORTFOLIO STATEMENT

as at 30 September 2023

	Bid value £	Percentage of total net assets %
Portfolio split by investment grade		
Investments of investment grade	112,016,875	47.75
Investments below investment grade:	6,108,700	2.60
Unrated	55,253,225	23.56
	<hr/>	
Debt securities and convertible bonds	173,378,800	73.91
Other investments	59,819,719	25.51
Net other assets	1,352,990	0.58
Total net assets	<hr/> <hr/>	<hr/> <hr/>
	234,551,509	100.00

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND

STATEMENT OF TOTAL RETURN
for the year ended 30 September 2023

	Notes	30 September 2023		30 September 2022	
		£	£	£	£
Income:					
Net capital gains/(losses)	2		8,017,083		(54,241,670)
Revenue	4	13,307,007		10,847,920	
Expenses	5	<u>(2,594,063)</u>		<u>(3,921,007)</u>	
Net revenue before taxation		10,712,944		6,926,913	
Taxation	6	<u>(79,714)</u>		<u>(1,020,238)</u>	
Net revenue after taxation			<u>10,633,230</u>		<u>5,906,675</u>
Total return before distributions			18,650,313		(48,334,995)
Distributions	7		(10,633,230)		(5,906,895)
Change in net assets attributable to shareholders from investment activities			<u>8,017,083</u>		<u>(54,241,890)</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 30 September 2023

	30 September 2023		30 September 2022	
	£	£	£	£
Opening net assets attributable to shareholders		393,246,924		504,274,633
Amount receivable on issue of shares	8,669,332		53,103,551	
Amounts payable on cancellation of shares	(181,571,593)		(114,225,064)	
Amounts payable on share class conversions	<u>(166)</u>		<u>-</u>	
		(172,902,427)		(61,121,513)
Change in net assets attributable to shareholders from investment activities		8,017,083		(54,241,890)
Retained distribution on accumulation shares		6,189,929		4,335,694
Closing net assets attributable to shareholders		<u>234,551,509</u>		<u>393,246,924</u>

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND

BALANCE SHEET

as at 30 September 2023

	Notes	30 September 2023 £	30 September 2022 £
Assets:			
Fixed Assets:			
Investments	15	233,198,519	386,874,709
Current Assets:			
Debtors	8	3,118,879	3,448,599
Cash and bank balances		1,031,876	5,266,014
Total assets		<u>237,349,274</u>	<u>395,589,322</u>
Current Liabilities:			
Creditors:			
Bank overdraft		-	127
Distributions payable on income shares		1,565,494	835,899
Other creditors	9	1,232,271	1,506,372
Total liabilities		<u>2,797,765</u>	<u>2,342,398</u>
Net assets attributable to shareholders		<u>234,551,509</u>	<u>393,246,924</u>

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2023

1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES

Please refer to the notes applicable to the Company on pages 9 to 11.

2 NET CAPITAL GAINS/(LOSSES)

30 September 2023 **30 September 2022**
£ **£**

The net gains/(losses) on investments during the year comprise:

Non-derivative securities gains/(losses)	8,053,683	(54,074,118)
Derivative securities losses	-	(650,931)
Other currency (losses)/gains	(32,118)	495,934
Compensation	-	323
Transaction charges	(4,482)	(12,878)
Net capital gains/(losses)	8,017,083	(54,241,670)

3 PURCHASES, SALES AND TRANSACTION COSTS

30 September 2023 **30 September 2022**
£ **£**

Purchases excluding transaction costs:

Collective Investment Schemes	113,712	1,286,456
Equities	8,744,977	24,358,973
Debt securities	55,819,449	102,301,191
	64,678,138	127,946,620

Equities: Commissions	5,739	11,403
Taxes and other charges	24,066	62,829
Total purchases transaction costs	29,805	74,232

Purchases including transaction costs	64,707,943	128,020,852
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Purchases transaction costs expressed as a percentage of the principal amount:

Equities: Commissions	0.07%	0.05%
Taxes and other charges	0.28%	0.26%

Sales excluding transaction costs:

Collective Investment Schemes	6,851,595	529,972
Equities	29,409,302	32,375,692
Structured products	9,996,000	962,000
Debt securities	180,983,222	131,790,984
	227,240,119	165,658,648

Equities: Commissions	(15,531)	(23,117)
Taxes and other charges	(82)	(56)
Total sales transaction costs	(15,613)	(23,173)

Sales net of transaction costs	227,224,506	165,635,475
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Sales transaction costs expressed as a percentage of the principal amount:

Equities: Commissions	0.05%	0.07%
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	0.01%	0.01%
Taxes and other charges	0.01%	0.01%
	0.02%	0.02%

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 sub-fund. These exclude any differences between quoted bid and offer prices or internal administrative on holding costs.

Transaction handling charges

These are charges payable to the depositary in respect of each transaction:	£4,482	£12,878
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Average portfolio dealing spread

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	0.54%	0.50%
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IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2023

4 REVENUE	30 September 2023	30 September 2022
	£	£
UK dividends	1,515,661	1,257,665
UK dividends (unfranked)	788,580	670,336
Overseas dividends	479,500	595,394
Overseas dividends (unfranked)	21,884	-
Interest on debt securities	10,516,948	8,322,058
Bank interest	38,768	2,467
Total revenue	<u><u>13,361,341</u></u>	<u><u>10,847,920</u></u>
5 EXPENSES	30 September 2023	30 September 2022
	£	£
Payable to the ACD and associates:		
ACD's periodic charge	2,432,186	3,686,771
Registration fees	3,712	2,816
	<u>2,435,898</u>	<u>3,689,587</u>
Other expenses:		
Depository's fees	81,119	108,257
Non-executive directors' fees	1,207	935
Safe custody fees	16,174	33,036
Financial Conduct Authority fee	2,213	5,452
KIID fee	4,722	1,928
Audit fee	7,920	7,406
Third party system providers fees	42,874	-
Platform charges	(1,816)	55,926
Publication fee	-	1,560
OOP Expense	3,752	-
Bank interest	54,334	16,920
	<u>212,499</u>	<u>231,420</u>
Total expenses	<u><u>2,648,397</u></u>	<u><u>3,921,007</u></u>
6 TAXATION	30 September 2023	30 September 2022
	£	£
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	66,297	1,014,771
Overseas tax	13,417	5,467
Total tax charge (see note 8(b))	<u><u>79,714</u></u>	<u><u>1,020,238</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 an open ended investment company (20%). The differences are explained below.		
Net revenue before taxation	10,712,944	6,926,913
Corporation tax at 20% (2022: 20%)	<u>2,142,589</u>	<u>1,385,383</u>
Effects of:		
Revenue not subject to taxation	(399,032)	(370,612)
Interest distribution allowable for taxation	(1,677,260)	-
Overseas tax	13,417	5,467
Total tax charge (see note 8(a))	<u><u>79,714</u></u>	<u><u>1,020,238</u></u>

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

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2023

7 DISTRIBUTIONS

30 September 2023 **30 September 2022**
£ **£**

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

Interim	4,735,389	2,209,438
Final	4,560,818	3,448,587
Deduct: Amounts received on issue of shares	(72,809)	(125,831)
Add: Amounts deducted on cancellation of shares	1,410,885	374,781
Equalisation on conversions	(166)	(80)
Revenue brought forward	(887)	-
Distributions	10,633,230	5,906,895
Net revenue after taxation	10,633,230	5,906,675
Undistributed revenue brought forward	-	1,751
Undistributed revenue carried forward	-	(1,531)
	10,633,230	5,906,895

8 DEBTORS

30 September 2023 **30 September 2022**
£ **£**

Amounts receivable for issue of shares	11,036	378,455
Accrued income	3,077,222	3,035,107
Prepaid expenses	-	2,601
Taxation recoverable	30,621	32,436
Total debtors	3,118,879	3,448,599

9 OTHER CREDITORS

30 September 2023 **30 September 2022**
£ **£**

Amounts payable for cancellation of shares	1,020,721	604,278
ACD's periodic charge	156,109	263,241
Accrued expenses	25,644	29,306
Corporation tax payable	29,797	609,547
Total other creditors	1,232,271	1,506,372

10 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities as at 30 September 2023 (2022: nil).

11 RELATED PARTIES

The ACD is involved in all transactions in the shares of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to shareholders and note 7. Amounts due to/(from) the ACD in respect of share transactions at the year end are disclosed in notes 8 and 9. Amounts paid to the ACD or associates in respect of the ACD's periodic charge and other fees are disclosed in note 5. Amounts due to the ACD at the year end are £1,165,794 (2022: £489,064).

12 SHARE CLASSES

The share classes in issue for the sub-fund and the annual management charge for each share class is as follows:

A Income	1.25%
A Accumulation	1.25%
B Income	0.875%
B Accumulation	0.875%
C Income	0.75%
C Accumulation	0.75%

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2023

13 SHAREHOLDERS' FUNDS RECONCILIATION

During the year the ACD has issued, cancelled and converted shares as set out below:

	A Income	A Accumulation	B Income
Opening shares in issue at 1 October 2022	9,862,081	12,022,481	14,082,918
Shares issued	809,934	110,155	780,474
Shares cancelled	(1,357,070)	(1,552,876)	(1,313,355)
Shares converted	(78,329)	(3,183)	74,906
Closing shares in issue at 30 September 2023	<u>9,236,616</u>	<u>10,576,577</u>	<u>13,624,943</u>

	B Accumulation	C Income	C Accumulation
Opening shares in issue at 1 October 2022	18,748,205	43,927,099	161,557,478
Shares issued	594,217	3,295,077	182,272
Shares cancelled	(3,920,094)	(14,372,935)	(91,830,739)
Shares converted	251	29,257	(22,477)
Closing shares in issue at 30 September 2023	<u>15,422,579</u>	<u>32,878,498</u>	<u>69,886,534</u>

14 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £11,659,926 (2022: £19,343,735). A five per cent decrease would have an equal and opposite effect.

Foreign currency risk

At the year end date a portion of the net assets of the sub-fund were denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by exchange rate movements.

Foreign currency exposure at 30 September 2023

	Investments £	Net other assets £	Total £
Danish Kroner	-	1,670	1,670
Euro	3,507,360	52,410	3,559,770
Swedish Krona	3,491,015	6,153	3,497,168
US Dollar	2,744,352	98,670	2,843,022
	<u>9,742,727</u>	<u>158,903</u>	<u>9,901,630</u>

Foreign currency exposure at 30 September 2022

	Investments £	Net other assets £	Total £
Danish Kroner	-	1,700	1,700
Euro	8,935,644	97,942	9,033,586
Swedish Krona	2,925,641	2,132	2,927,773
US Dollar	7,036,691	56,791	7,093,482
	<u>18,897,976</u>	<u>158,565</u>	<u>19,056,541</u>

Foreign currency risk sensitivity

A five per cent decrease in the value of Sterling relative to the foreign currencies above would have the effect of increasing the return and net assets by £495,082 (2022: £952,827). A five per cent increase would have an equal and opposite effect.

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2023

RISK DISCLOSURES

Interest rate risk

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

	30 September 2023	30 September 2022
	£	£
Financial assets fixed interest rate:		
Euro	3,507,360	5,036,034
UK Sterling	119,640,586	84,717,830
US Dollar	2,514,573	5,113,411
	<u>125,662,520</u>	<u>94,867,275</u>
Financial assets floating rate:		
Euro	7,971	3,899,737
Swedish Krona	4,163	19,412
UK Sterling	53,577,278	204,072,510
US Dollar	65,493	1,188,135
	<u>53,654,906</u>	<u>209,179,794</u>
Financial assets non-interest bearing instruments:		
Danish Krone	1,670	1,700
Euro	44,439	97,942
Swedish Krona	3,493,005	2,908,361
UK Sterling	54,229,778	87,742,314
US Dollar	262,956	791,936
	<u>58,031,849</u>	<u>91,542,253</u>
Financial liabilities floating rates:		
Euro	-	(127)
	<u>-</u>	<u>(127)</u>
Financial liabilities non-interest bearing instruments:		
Sterling	(2,797,765)	(2,342,271)
	<u>(2,797,765)</u>	<u>(2,342,271)</u>
	<u>234,551,509</u>	<u>393,246,924</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 £3,273,620 (2022: £5,577,070). A half of one per cent decrease would have an equal and opposite effect.

Debt security credit analysis

	30 September 2023	30 September 2022
	Bid value (£)	
Investments of investment grade	112,016,875	192,103,707
Investments below investment grade	6,108,700	12,401,475
Unrated	55,253,225	65,534,573
Total of debt securities	<u>173,378,800</u>	<u>270,039,755</u>

Liquidity risk

	30 September 2023	30 September 2022
	£	£
The following table provides a maturity analysis of the sub-fund's financial liabilities:		
Within one year:		
Bank overdrafts	-	127
Distribution payable on income shares	1,565,494	835,899
Other creditors	1,232,271	1,506,372
	<u>2,797,765</u>	<u>2,342,398</u>

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2023

15 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	30 September 2023		30 September 2022	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	43,321,019	-	68,069,018	-
Level 2 - Observable market data	189,877,500	-	309,117,461	-
Level 3 - Unobservable data	-	-	9,688,230	-
	<u>233,198,519</u>	<u>-</u>	<u>386,874,709</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 sub-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.

16 POST BALANCE SHEET EVENTS

Since 29 September 2023, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)			Movement (%)
	29 September 2023 ^A	22 January 2024		
A Income	143.90	146.70		1.95%
A Accumulation	153.60	159.40		3.78%
B Income	147.00	149.90		1.97%
B Accumulation	161.40	167.70		3.90%
C Income	147.10	149.90		1.90%
C Accumulation	163.00	169.40		3.93%

^A These Net Asset Values differ from those in the Comparative Table as they are the quoted Net Asset Values.

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND

DISTRIBUTION TABLE

Interim distribution for the period from 1 October 2022 to 31 March 2023

Group 1: shares purchased prior to 1 October 2022
 Group 2: shares purchased on or after 1 October 2022

		Net revenue 31 March 2023 pence per share	Equalisation 31 March 2023 pence per share	Distribution paid 31 May 2023 pence per share	Distribution paid 31 May 2022 pence per share
A Income	Group 1	2.0272p	-	2.0272p	0.4250p
	Group 2	0.8991p	1.1281p	2.0272p	0.4250p
A Accumulation	Group 1	2.1307p	-	2.1307p	0.4370p
	Group 2	1.0005p	1.1302p	2.1307p	0.4370p
B Income	Group 1	2.3297p	-	2.3297p	0.6650p
	Group 2	0.3673p	1.9624p	2.3297p	0.6650p
B Accumulation	Group 1	2.5131p	-	2.5131p	0.7090p
	Group 2	1.6465p	0.8666p	2.5131p	0.7090p
C Income	Group 1	2.4176p	-	2.4176p	0.7410p
	Group 2	1.0728p	1.3448p	2.4176p	0.7410p
C Accumulation	Group 1	2.6182p	-	2.6182p	0.7920p
	Group 2	1.5053p	1.1129p	2.6182p	0.7920p

Final distribution for the period from 1 April 2023 to 30 September 2023

Group 1: shares purchased prior to 1 April 2023
 Group 2: shares purchased on or after 1 April 2023

		Net revenue 30 September 2023 pence per share	Equalisation 30 September 2023 pence per share	Distribution paid 30 November 2023 pence per share	Distribution paid 30 November 2022 pence per share
A Income	Group 1	2.4979p	-	2.4979p	0.9790p
	Group 2	1.8269p	0.6710p	2.4979p	0.9790p
A Accumulation	Group 1	2.6697p	-	2.6697p	1.0210p
	Group 2	1.3827p	1.2870p	2.6697p	1.0210p
B Income	Group 1	2.8154p	-	2.8154p	1.2200p
	Group 2	2.1237p	0.6917p	2.8154p	1.2200p
B Accumulation	Group 1	3.0888p	-	3.0888p	1.3030p
	Group 2	1.9541p	1.1347p	3.0888p	1.3030p
C Income	Group 1	2.8930p	-	2.8930p	1.2920p
	Group 2	1.8706p	1.0224p	2.8930p	1.2920p
C Accumulation	Group 1	3.2003p	-	3.2003p	1.3900p
	Group 2	1.9150p	1.2853p	3.2003p	1.3900p

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE UK SMALLER COMPANIES FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 30 September 2023

Performance to 30 September 2023

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL Church House UK Smaller Companies Fund	(2.92)%	7.34%	5.05%	(15.11)%
The IA UK Smaller Companies Sector ^A	(3.13)%	2.12%	2.68%	(4.66)%
FTSE All-Share Index	1.42%	13.84%	39.78%	19.71%
FTSE Small Cap ex Investment Trusts Index	1.68%	7.48%	32.60%	21.86%

External Source of Economic Data: Morningstar (B Accumulation - quoted price to quoted price).

The performance figures above are based on quoted prices and will, therefore, differ from the performance in the Comparative Table.

Capital at risk. Past performance is not a reliable indicator of future performance; the value of your investment and any income from it can go down as well as up. Performance returns are based on the net asset value with distributable income reinvested and take account of all ongoing charges, but not entry charges (if applicable). The past performance of this share class is calculated in Sterling.

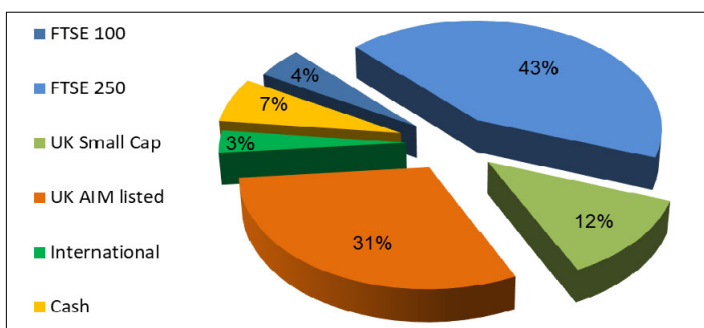
^A This benchmark replaces the previous FTSE All-Share Index and the FTSE Small Cap ex Investment Trusts Index comparator benchmarks from 31 October 2023.

Investment commentary

This report for the CH UK Smaller Companies Fund marks almost exactly one year on from the disastrous Kwarteng mini-Budget and the short-lived Premiership of Liz Truss.

The UK small-cap market is continuing to bear the brunt of negative investor sentiment. However, the market is full of ripe opportunities, with many stocks at favourable valuations with strong fundamentals and all the quality growth attributes that we look for. These conditions, and attractive entry points, have encouraged plenty of acquisition activity, particularly from private equity, as has been the case in our portfolio.

One such piece of sad news (and I say sad as we loathe to see it go from the portfolio) is the bid for Ergomed from Permira, the European private equity firm. Ergomed is a true unheralded UK healthcare star, it runs early-stage drug trials and pharmacovigilance. These are multi-year contracts with high quality recurring revenue streams and Permira are bidding to buy the business at £13.50, below the share price peak of almost £16 in late 2021. It's a shame to see businesses like this go, when they're yet to realise their full potential, but sadly this is another sorry indictment of the lack of support for the UK equity market in general.



Source: Church House

Top 15 Holdings - 29 September 2023	
Judges Scientific	5.7%
Diploma	5.1%
Greggs	5.0%
Ergomed	4.6%
Beazley	4.5%
Porvair	4.2%
Young & Co's Brewery	3.9%
Softcat	3.4%
Cranswick	3.3%
Somero Enterprises	3.3%
Bioentix	3.3%
Fevertree Drinks	3.2%
Trainline	3.2%
Fuller Smith & Turner	3.1%
Keyword Studios	2.9%

It is not all glum news in the portfolio though. Over the course of the summer, we initiated a new position in Ashtead Technology PLC. Ashtead Technology (AT) provides equipment rental, advanced underwater technologies, and integrated support services to the global offshore energy sector (sorry, quite a mouthful).

AT's service is critical to many offshore energy activities, including wind, oil and gas installations. Just over a third of their revenue comes from offshore wind projects, an area that is growing rapidly. AT have made seven acquisitions since 2017 and have a fleet of rental assets at their disposal. Revenue for 2022 was just over £73m (they should breach £100m this year) with basic earnings of £20m. They have a clear growth strategy, both organically and through acquisitions, and we feel is a strong fit for the portfolio.

We have added broadly across the fund, during this period, adding to digital solutions developer Kainos, continued adding to Porvair, Young's and Rathbones and finally, we topped up Primary Health Properties, the owner of GP practices and primary health centres across the United Kingdom and Ireland.

Church House Investments Limited
 2 November 2023

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE UK SMALLER COMPANIES FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 30 September 2023

Distributions

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>A Accumulation (pence per share)</u>				
Net accumulation paid 31 May	0.6999	0.6060	0.2710	0.1870
Net accumulation paid 30 November	1.3102	1.0300	0.2990	0.0060
<u>B Accumulation (pence per share)</u>				
Net accumulation paid 31 May	0.9800	0.9410	0.5240	0.4570
Net accumulation paid 30 November	1.6080	1.3270	0.6260	0.2380

Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
Helical	352,799
Primary Health Properties	311,320
Rathbones Group	278,654
dotDigital Group	243,936
Bytes Technology Group	243,831
Ashtead Technology Holdings	209,820
Big Technologies	151,610
Frontier Developments	145,228
Bioventix	110,515
Games Workshop Group	96,237
Other purchases	639,489
Total purchases for the year	2,783,439

<u>Largest sales</u>	<u>Proceeds (£)</u>
Close Brothers Group	283,765
Liontrust Asset Management	281,960
Frontier Developments	209,667
Craneware	188,116
Simulations Plus	160,990
RWS Holdings	153,490
Big Technologies	136,242
Strix Group	100,004
VNV Global	65,447
Peel Hunt	39,569
Other sales	49,669
Total sales for the year	1,668,919

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE UK SMALLER COMPANIES FUND

COMPARATIVE TABLE

<u>A Accumulation shares</u>	Year to 30.09.2023	Year to 30.09.2022	Year to 30.09.2021
Change in net assets per share	pence	pence	pence
Opening net asset value per share	120.88	173.20	123.24
Return before operating charges*	9.08	(50.13)	52.21
Operating charges	(1.86)	(2.19)	(2.25)
Return after operating charges*	7.22	(52.32)	49.96
Distributions on accumulation shares	(2.01)	(1.64)	(0.57)
Retained distributions on accumulation shares	2.01	1.64	0.57
Closing net asset value per share	128.10	120.88	173.20

* after direct transaction costs of: 0.13 0.11 0.20

Performance

Return after charges^A 5.97% (30.21)% 40.54%

Other information

Closing net asset value (£) 5,760,026 5,256,087 7,443,510
 Closing number of shares 4,496,372 4,348,063 4,297,618
 Operating charges 1.41%^B 1.45% 1.47%
 Direct transaction costs 0.10% 0.07% 0.13%

Prices (pence per share)

Highest share price 142.70 174.70 183.20
 Lowest share price 118.00 120.30 124.60

B Accumulation shares

Change in net assets per share	Year to 30.09.2023	Year to 30.09.2022	Year to 30.09.2021
	pence	pence	pence
Opening net asset value per share	124.58	177.81	126.09
Return before operating charges*	9.37	(51.57)	53.43
Operating charges	(1.41)	(1.66)	(1.71)
Return after operating charges*	7.96	(53.23)	51.72
Distributions on accumulation shares	(2.59)	(2.27)	(1.15)
Retained distributions on accumulation shares	2.59	2.27	1.15
Closing net asset value per share	132.54	124.58	177.81

* after direct transaction costs of: 0.13 0.11 0.20

Performance

Return after charges^A 6.39% (29.94)% 41.02%

Other information

Closing net asset value (£) 6,078,502 4,476,086 5,876,154
 Closing number of shares 4,586,304 3,592,813 3,304,690
 Operating charges 1.03%^B 1.07% 1.09%
 Direct transaction costs 0.10% 0.07% 0.13%

Prices (pence per share)

Highest share price 147.30 179.60 188.10
 Lowest share price 121.70 124.00 127.60

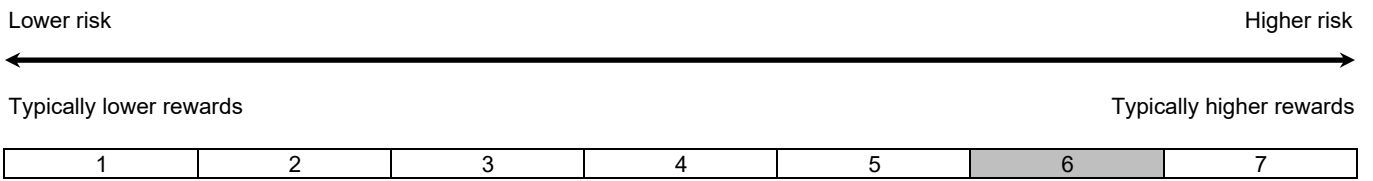
^A The return after charges is calculated using the underlying investments bid prices.

^B These figures have been annualised.

Operating charges are the same as the ongoing charges and are the total expenses paid by each share 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 sub-fund. These amounts are expressed as a percentage of the average net asset value over the year and the average shares in issue for the pence per share figures.

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE UK SMALLER COMPANIES FUND

SYNTHETIC RISK AND REWARD INDICATOR



This indicator aims to give you a measure of the price movement of the sub-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 sub-fund has been measured as 6 because its investments have experienced high volatility in the past. During the year the synthetic risk and reward indicator has changed from 5 to 6.

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE UK SMALLER COMPANIES FUND

PORTFOLIO STATEMENT

as at 30 September 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
COMMUNICATION SERVICES (30 September 2022 - 3.68%)		
120,000 Trustpilot Group	120,360	1.02
Total Communication Services	<u>120,360</u>	<u>1.02</u>
CONSUMER DISCRETIONARY (30 September 2022 - 19.01%)		
12,500 Bellway	286,000	2.42
60,000 Fuller Smith & Turner	358,800	3.03
1,600 Games Workshop Group	168,800	1.43
24,000 Greggs	587,040	4.96
75,000 Pets at Home Group	249,000	2.10
40,000 Redrow	198,960	1.68
135,000 Trainline	373,410	3.15
43,000 Young & Co's Brewery 'A'	460,100	3.89
Total Consumer Discretionary	<u>2,682,110</u>	<u>22.66</u>
CONSUMER STAPLES (30 September 2022 - 7.29%)		
40,000 Barr	195,000	1.65
11,000 Cranswick	386,760	3.27
31,000 Fevertree Drinks	374,480	3.16
Total Consumer Staples	<u>956,240</u>	<u>8.08</u>
FINANCIALS (30 September 2022 - 13.83%)		
95,000 Beazley	525,825	4.44
55,000 Polar Capital Holdings	256,850	2.17
14,500 Rathbones Group	256,070	2.16
Total Financials	<u>1,038,745</u>	<u>8.77</u>
HEALTH CARE (30 September 2022 - 9.04%)		
10,000 Bioventix	380,000	3.21
40,000 Ergomed	536,800	4.53
Total Health Care	<u>916,800</u>	<u>7.74</u>
INDUSTRIALS (30 September 2022 - 18.06%)		
55,000 Ashtead Technology Holdings	233,750	1.97
69,546 Big Technologies	143,265	1.21
20,000 Diploma	602,800	5.09
7,500 Judges Scientific	660,000	5.58
85,000 Porvair	494,700	4.18
Total Industrials	<u>2,134,515</u>	<u>18.03</u>
INFORMATION TECHNOLOGY (30 September 2022 - 13.55%)		
60,000 Bytes Technology Group	300,000	2.53
245,000 dotDigital Group	187,425	1.58
20,000 Kainos Group	228,800	1.93
22,500 Keywords Studios	344,925	2.91
27,000 Softcat	395,010	3.34
131,849 TT Electronics	222,825	1.88
Total Information Technology	<u>1,678,985</u>	<u>14.17</u>
REAL ESTATE (30 September 2022 - 5.40%)		
33,000 Big Yellow Group	307,890	2.60
110,000 Helical	239,800	2.03
275,000 Primary Health Properties	255,612	2.16
179,522 Shaftesbury Capital	204,835	1.73
Total Real Estate	<u>1,008,137</u>	<u>8.52</u>

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE UK SMALLER COMPANIES FUND

PORTFOLIO STATEMENT

as at 30 September 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
OVERSEAS EQUITIES (30 September 2022 - 7.31%)		
140,000 Somero Enterprises	380,800	3.22
Total Overseas Equities	<u>380,800</u>	<u>3.22</u>
Portfolio of investments	10,916,692	92.21
Net other assets	<u>921,836</u>	<u>7.79</u>
Total net assets	<u><u>11,838,528</u></u>	<u><u>100.00</u></u>

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 CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE UK SMALLER COMPANIES FUND

STATEMENT OF TOTAL RETURN
for the year ended 30 September 2023

	Notes	30 September 2023		30 September 2022	
		£	£	£	£
Income:					
Net capital gains/(losses)	2		336,784		(4,339,459)
Revenue	4	347,457		308,331	
Expenses	5	<u>(141,006)</u>		<u>(149,074)</u>	
Net revenue before taxation		206,451		159,257	
Taxation	6	<u>(5,712)</u>		<u>(6,618)</u>	
Net revenue after taxation			<u>200,739</u>		<u>152,639</u>
Total return before distributions			537,523		(4,186,820)
Distributions	7		(200,739)		(152,640)
Change in net assets attributable to shareholders from investment activities			<u>336,784</u>		<u>(4,339,460)</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 30 September 2023

	30 September 2023		30 September 2022	
	£	£	£	£
Opening net assets attributable to shareholders		9,732,173		13,319,664
Amounts receivable on issue of shares	2,704,866		1,350,454	
Amounts payable on cancellation of shares	<u>(1,145,298)</u>		<u>(751,645)</u>	
Amounts payable on share class conversions	<u>(14)</u>		<u>-</u>	
		1,559,554		598,809
Dilution adjustment		3,648		-
Change in net assets attributable to shareholders from investment activities		336,784		(4,339,460)
Retained distributions on accumulation shares		206,369		153,160
Closing net assets attributable to shareholders		<u>11,838,528</u>		<u>9,732,173</u>

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE UK SMALLER COMPANIES FUND

BALANCE SHEET
as at 30 September 2023

	Notes	30 September 2023 £	30 September 2022 £
Assets:			
Fixed Assets:			
Investments	15	10,916,692	9,456,425
Current Assets:			
Debtors	8	76,826	32,712
Cash and bank balances		910,652	262,459
Total assets		<u>11,904,170</u>	<u>9,751,596</u>
Current Liabilities:			
Creditors:			
Other creditors	9	65,642	19,423
Total liabilities		<u>65,642</u>	<u>19,423</u>
Net assets attributable to shareholders		<u><u>11,838,528</u></u>	<u><u>9,732,173</u></u>

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE UK SMALLER COMPANIES FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2023

1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES

Please refer to the notes applicable to the Company on pages 9 to 11.

2 NET CAPITAL GAINS/(LOSSES)

30 September 2023 **30 September 2022**
£ **£**

The net gains/(losses) on investments during the year comprise:

Non-derivative securities gains/(losses)	345,799	(4,333,442)
Other currency losses	(8,098)	(357)
Transaction charges	(917)	(5,660)
Net capital gains/(losses)	336,784	(4,339,459)

3 PURCHASES, SALES AND TRANSACTION COSTS

30 September 2023 **30 September 2022**
£ **£**

Purchases excluding transaction costs:

Equities	2,773,197	3,333,723
Equities: Commissions	1,842	2,384
Taxes and other charges	8,400	5,566
Total purchases transaction costs	10,242	7,950
Purchases including transaction costs	2,783,439	3,341,673

Purchases transaction costs expressed as a percentage of the principal amount:

Equities: Commissions	0.07%	0.07%
Taxes and other charges	0.30%	0.17%

Sales excluding transaction costs:

Equities	1,670,070	2,299,455
Equities: Commissions	(1,134)	(1,193)
Taxes and other charges	(17)	(14)
Total sales transaction costs	(1,151)	(1,207)
Sales net of transaction costs	1,668,919	2,298,248

Sales transaction costs expressed as a percentage of the principal amount:

Equities: Commissions	0.07%	0.05%
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	0.03%	0.03%
Taxes and other charges	0.07%	0.04%
	0.10%	0.07%

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 sub-fund. These exclude any differences between quoted bid and offer prices or internal administrative on holding costs.

Transaction handling charges

These are charges payable to the depositary in respect of each transaction: £917 £5,660

Average portfolio dealing spread

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 0.99% 0.74%

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE UK SMALLER COMPANIES FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2023

4 REVENUE	30 September 2023	30 September 2022
	£	£
UK dividends	254,474	242,447
UK dividends (unfranked)	34,083	15,763
Overseas dividends	40,855	49,779
Bank interest	18,045	342
Total revenue	<u>347,457</u>	<u>308,331</u>
5 EXPENSES	30 September 2023	30 September 2022
	£	£
Payable to the ACD and associates:		
ACD's periodic charge	123,597	130,628
Registration fees	323	313
	<u>123,920</u>	<u>130,941</u>
Other expenses:		
Depository's fees	3,078	6,238
Non-executive directors' fees	445	935
Safe custody fees	400	384
Financial Conduct Authority fee	190	163
KIID fee	2,362	1,036
Audit fee	7,913	6,892
Third party system providers fees	866	-
Platform charges	(43)	902
FTSE Licence fee	390	1,560
OOP Expense	1,471	-
Bank interest	14	23
	<u>17,086</u>	<u>18,133</u>
Total expenses	<u>141,006</u>	<u>149,074</u>
6 TAXATION	30 September 2023	30 September 2022
	£	£
a Analysis of the tax charge for the year		
Overseas tax	5,712	6,618
Total tax charge (see note 8(b))	<u>5,712</u>	<u>6,618</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 an open ended investment company (20%). The differences are explained below.		
Net revenue before taxation	206,451	159,257
Corporation tax at 20% (2022: 20%)	41,290	31,851
Effects of:		
Revenue not subject to taxation	(59,066)	(58,445)
Unrelieved excess management expenses	17,776	26,594
Overseas tax	5,712	6,618
Total tax charge (see note 8(a))	<u>5,712</u>	<u>6,618</u>

At 30 September 2023 the sub-fund has deferred tax assets of £266,172 (2022: £248,396) arising from surplus management expenses, which have not been recognised due to uncertainty over the availability of future taxable profits.

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE UK SMALLER COMPANIES FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2023

7 DISTRIBUTIONS

30 September 2023 **30 September 2022**
£ **£**

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

Interim	73,768	60,698
Final	132,663	92,462
Deduct: Amounts received on issue of shares	(9,139)	(4,624)
Add: Amounts deducted on cancellation of shares	3,461	4,115
Equalisation on conversions	(14)	(11)
Distributions	200,739	152,640
Net revenue after taxation	200,739	152,639
Undistributed revenue brought forward	-	62
Undistributed revenue carried forward	-	(61)
	200,739	152,640

8 DEBTORS

30 September 2023 **30 September 2022**
£ **£**

Amounts receivable for issue of shares	6,536	6,923
Sales awaiting settlement	31,615	-
Accrued income	38,675	25,539
Prepaid expenses	-	250
Total debtors	76,826	32,712

9 OTHER CREDITORS

30 September 2023 **30 September 2022**
£ **£**

Amounts payable for cancellation of shares	1,461	-
Purchases awaiting settlement	43,232	-
ACD's periodic charge	10,203	9,569
Accrued expenses	10,746	9,854
Total other creditors	65,642	19,423

10 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities as at 30 September 2023 (2022: nil).

11 RELATED PARTIES

The ACD is involved in all transactions in the shares of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to shareholders and note 7. Amounts due to/(from) the ACD in respect of share transactions at the year end are disclosed in notes 8 and 9. Amounts paid to the ACD or associates in respect of the ACD's periodic charge and other fees are disclosed in note 5. Amounts due to the ACD at the year end are £5,128 (2022: £2,646).

12 SHARE CLASSES

The share classes in issue for the sub-fund and the annual management charge for each share class is as follows:

A Accumulation	1.25%
B Accumulation	0.875%

13 SHAREHOLDERS' FUNDS RECONCILIATION

During the year the ACD has issued, cancelled and converted shares as set out below:

	A Accumulation	B Accumulation
Opening shares in issue at 1 October 2022	4,348,063	3,592,813
Shares issued	492,684	1,531,183
Shares cancelled	(337,297)	(544,546)
Shares converted	(7,078)	6,854
Closing shares in issue at 30 September 2023	4,496,372	4,586,304

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE UK SMALLER COMPANIES FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2023

14 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £545,835 (2022: £472,821). A five per cent decrease would have an equal and opposite effect.

Foreign currency risk

At the year end date a portion of the net assets of the sub-fund were denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by exchange rate movements.

Foreign currency exposure at 30 September 2023

	Investments £	Net other assets £	Total £
Swedish Krona	-	31	31
US Dollar	-	9,705	9,705
	<u>-</u>	<u>9,736</u>	<u>9,736</u>

Foreign currency exposure at 30 September 2022

	Investments £	Net other assets £	Total £
Swedish Krona	73,425	-	73,425
US Dollar	195,512	8,757	204,269
	<u>268,937</u>	<u>8,757</u>	<u>277,694</u>

Foreign currency risk sensitivity

A five per cent decrease in the value of Sterling relative to the foreign currencies above would have the effect of increasing the return and net assets by £487 (2022: £13,885). A five per cent increase would have an equal and opposite effect.

Interest rate risk

	30 September 2023 £	30 September 2022 £
--	------------------------	------------------------

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

Financial assets floating rate	910,652	262,459
Financial assets non-interest bearing instruments	10,993,518	9,489,137
Financial liabilities non-interest bearing instruments	(65,642)	(19,423)
	<u>11,838,528</u>	<u>9,732,173</u>

Liquidity risk

	30 September 2023 £	30 September 2022 £
--	------------------------	------------------------

The following table provides a maturity analysis of the sub-fund's financial liabilities:

Within one year:		
Other creditors	65,642	19,423
	<u>65,642</u>	<u>19,423</u>

IFSL CH SPECIAL MANDATES FUND
IFSL CHURCH HOUSE UK SMALLER COMPANIES FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2023

15 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	30 September 2023		30 September 2022	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	10,916,692	-	9,456,425	-
Level 2 - Observable market data	-	-	-	-
Level 3 - Unobservable data	-	-	-	-
	<u>10,916,692</u>	<u>-</u>	<u>9,456,425</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 sub-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.

16 POST BALANCE SHEET EVENTS

Since 29 September 2023, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)			Movement (%)
	29 September 2023 ^A	22 January 2024		
A Accumulation	128.70	137.40		6.76%
B Accumulation	133.10	142.30		6.91%

^A These Net Asset Values differ from those in the Comparative Table as they are the quoted Net Asset Values.

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DISTRIBUTION TABLE

Interim distribution for the period from 1 October 2022 to 31 March 2023

Group 1: shares purchased prior to 1 October 2022

Group 2: shares purchased on or after 1 October 2022

		Net revenue 31 March 2023 pence per share	Equalisation 31 March 2023 pence per share	Distribution paid 31 May 2023 pence per share	Distribution paid 31 May 2022 pence per share
A Accumulation	Group 1	0.6999p	-	0.6999p	0.6060p
	Group 2	0.3104p	0.3895p	0.6999p	0.6060p
B Accumulation	Group 1	0.9800p	-	0.9800p	0.9410p
	Group 2	0.5968p	0.3832p	0.9800p	0.9410p

Final distribution for the period from 1 April 2023 to 30 September 2023

Group 1: shares purchased prior to 1 April 2023

Group 2: shares purchased on or after 1 April 2023

		Net revenue 30 September 2023 pence per share	Equalisation 30 September 2023 pence per share	Distribution paid 30 November 2023 pence per share	Distribution paid 30 November 2022 pence per share
A Accumulation	Group 1	1.3102p	-	1.3102p	1.0300p
	Group 2	0.5099p	0.8003p	1.3102p	1.0300p
B Accumulation	Group 1	1.6080p	-	1.6080p	1.3270p
	Group 2	1.1107p	0.4973p	1.6080p	1.3270p

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