

Investment Fund Services

IFSL CH Special Mandates Fund

Annual Report and Audited
Financial Statements

for the year ended 30 September 2024

IFSL CH SPECIAL MANDATES FUND

CONTACT INFORMATION

Registered Office

Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

Authorised Corporate Director (ACD)

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
Helen Redmond
Sally Helston
Simon Chalkley - appointed, 27 November 2024
Guy Sears (Independent Non-Executive) - resigned, 25 March 2024
Katherine Damsell (Independent Non-Executive) - appointed, 25 March 2024
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 & Depository Services Limited
250 Bishopsgate
London
EC2M 4AA

Authorised and regulated by the Financial Conduct Authority.

Administrator and Registrar (from 1 June 2024)

SS&C Financial Services International Limited
New Marlborough House
55-57 Chorley New Road
Bolton
BL1 4QR

Auditor

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

Administrator and Registrar (to 1 June 2024)

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

IFSL CH SPECIAL MANDATES FUND

CONTENTS	PAGE
AUTHORISED STATUS	1
GENERAL INFORMATION	1
AUTHORISED CORPORATE DIRECTOR'S STATEMENT	5
STATEMENT OF AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES	5
STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY	6
INDEPENDENT AUDITOR'S REPORT	7
NOTES TO THE FINANCIAL STATEMENTS - ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES	10
INDIVIDUAL SUB-FUNDS	
IFSL CHURCH HOUSE TENAX ABSOLUTE RETURN STRATEGIES FUND	13
IFSL CHURCH HOUSE UK SMALLER COMPANIES FUND	32
The statements for each of the above sub-funds are set out in the following order:	
AUTHORISED INVESTMENT MANAGER'S REPORT	
COMPARATIVE TABLE	
SYNTHETIC RISK AND REWARD INDICATOR	
PORTFOLIO STATEMENT	
FINANCIAL STATEMENTS	
STATEMENT OF TOTAL RETURN	
STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	
BALANCE SHEET	
NOTES TO THE FINANCIAL STATEMENTS	
DISTRIBUTION TABLE	

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 three sub-funds: IFSL Church House Tenax Absolute Return Strategies Fund; IFSL Church House UK Smaller Companies Fund; and IFSL Church House Human Capital 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

Important information

On 15 May 2024, a new sub-fund was launched; IFSL Church House Human Capital Fund. The launch period of the sub-fund ran from 15 May 2024 to 12 June 2024. The sub-fund first priced on 13 June 2024 at 100.00 pence.

The first interim accounting date of the sub-fund will be 31 March 2025, with the first distribution payment made on 31 May 2025.

The first annual accounting date of the sub-fund will be 30 September 2025.

IFSL Church House Tenax Absolute Return Strategies Fund

Investment objective

The investment objective of the sub-fund is to provide a positive absolute return (after any charges have been taken out of the sub-fund) over any rolling twelve-month period 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 any rolling twelve-months, or any other period.

Investment policy

The sub-fund is actively managed, which means the Investment Manager decides which investments to buy or sell and when. The sub-fund 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: bonds (which are loans typically issued by companies and governments), shares of companies, other funds, money market instruments (which are short-term loans) and deposits.

Up to 10% of the sub-fund may be invested in units/shares in other funds (which could include other funds managed by the Authorised Corporate Director, the Investment Manager or one of their associates).

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 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 shares of companies in which the sub-fund invests may be from companies anywhere in the world. The bonds may include floating rate notes (a debt instrument with a variable interest rate), index linked (a bond whose interest payment varies depending on the performance of a specific index) or convertible securities (bonds that can convert into shares).

The sub-fund may hold up to 20% in cash to enable the ready settlement of liabilities, for the efficient management of the portfolio or in pursuit of the sub-fund's investment objective.

The sub-fund does not invest in derivatives, however other funds purchased may have the ability to use derivatives to varying degrees.

IFSL CH SPECIAL MANDATES FUND

GENERAL INFORMATION

IFSL Church House Tenax Absolute Return Strategies Fund (continued)

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 Church House UK Smaller Companies Fund

Investment objective

The investment objective of the sub-fund is to provide capital growth, which is profit on investments held, over the long term (at least five years).

Investment policy

The sub-fund is actively managed, which means the Investment Manager decides which investments to buy or sell and when.

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

Up to 20% of the sub-fund may be invested in other assets, including the shares of companies with a market capitalisation of £2bn or more at the time of initial purchase, the shares of overseas companies (developed markets only), bonds (which are loans typically issued by companies and governments) and money market instruments (which are short-term loans).

The sub-fund may hold up to 20% in cash to enable the ready settlement of liabilities, for the efficient management of the portfolio or in pursuit of the sub-fund's investment objective.

The sub-fund does not invest in derivatives.

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 is most closely aligned with funds 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.

Funds in the IA UK Smaller Companies sector are required to hold at least 80% in smaller companies at all times, whereas the sub-fund will invest at least 80% in smaller companies at the time of initial purchase, meaning the Investment Manager may continue to hold these companies as they grow in size. The sub-fund may therefore have less exposure to smaller companies than the average fund in the sector. This may at times cause performance to diverge away from the sector average. Investors should consider this when assessing performance.

IFSL Church House Human Capital Fund

Investment objective

The investment objective of the sub-fund is to provide capital growth, which is profit on investments held, over the long term (at least five years).

Investment policy

The sub-fund is actively managed, which means the Investment Manager decides which investments to buy or sell and when.

At least 90% of the sub-fund will be invested directly in the shares of companies in developed markets with no geographic limitations.

IFSL CH SPECIAL MANDATES FUND

GENERAL INFORMATION

IFSL Church House Human Capital Fund (continued)

Investment policy (continued)

The Investment Manager will construct a concentrated portfolio of up to 30 holdings in companies that demonstrate strong human capital and entrepreneurship characteristics. Human Capital refers to the skills, knowledge, experience, and abilities that people possess, which are valuable and contribute to their productivity and economic potential and entrepreneurship refers to the skill in spotting opportunities to start/develop and own a business.

This means the Investment Manager will be investing in companies that in their opinion demonstrate certain qualities, for example:

- A proven, and highly motivated management team
- A history of growing by acquiring other businesses
- Opportunities for continuous growth
- Strong and consistent profit margins
- The ability to generate significant cash

The sub-fund may hold up to 10% in cash to enable the ready settlement of liabilities, for the efficient management of the portfolio or in pursuit of the sub-fund's investment objective.

The sub-fund does not invest in derivatives.

Investment strategy

A concentrated portfolio of investments will be meticulously chosen based on a comprehensive assessment of a company's human capital and entrepreneurial qualities.

The Investment Manager will utilise a blend of quantitative metrics and qualitative analysis. Quantitative metrics involves numerical measures used to assess and evaluate. Qualitative analysis is the study of non-numeric data, focusing on qualities, behaviours, and characteristics to understand and interpret information beyond numbers.

This approach aims to identify companies that have a history of nurturing and leveraging their human capital characteristics for sustained growth, typically resulting in the sub-fund having a high exposure to shares of companies with medium and small market capitalisation.

Assessing performance

The sub-fund is not managed to a benchmark, however the Authorised Corporate Director ("ACD") conducts an annual assessment of value on the sub-fund which is designed to help investors understand whether the charges are justified in the context of the overall service delivered.

As part of this assessment the ACD will carefully consider the performance taking the focused nature of the sub-fund into consideration, investors should refer to this annually to assess the performance of the sub-fund.

The assessment is published at the latest on 31 December each year on the ACD's website, www.ifslfunds.com. Alternatively, you can contact the ACD directly for a copy of this assessment.

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-fund's of the Company are assessed and reported on, in a composite report which the ACD publishes on the website www.ifslfunds.com. The latest report was published on 31 December 2024.

Taskforce on climate related financial disclosures

A statement of the climate-related financial disclosures is published on the website <https://www.ifslfunds.com/tcfd-reporting>.

IFSL CH SPECIAL MANDATES FUND

GENERAL INFORMATION

Changes in prospectus

On 9 April 2024, the sub-fund's investment objectives and policies were updated to make it clearer to investors how the sub-fund's are managed. This update does not change the way the sub-fund's are managed in any way and is for clarification purposes only.

On 1 June 2024, SS&C Financial Services International Limited became the administrator and registrar of the Company. Prior to this date the administrator and registrar was IFSL.

On 1 July 2024, the calculation method of the Annual Management Charge (AMC) and Depositary fees was changed from monthly to daily. This change will slightly vary the fees, resulting in either a small increase or decrease dependent upon how the sub-fund's value changes throughout a calendar month. Our aim is to ensure that the fees paid accurately reflect the amount due and any difference between the two calculation methods is expected to be minimal.

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 1,600,000 shares valued at £2,502,400 in IFSL Church House UK Smaller Companies Fund as at 30 September 2024 (30 September 2023: 1,750,000 shares valued at £2,311,750).

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 2024 (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	9	1,081,108	962,506	118,602
Risk takers and other identified staff	4	462,168	394,482	67,686
Allocation of total remuneration of the employees of the ACD to the Company				
Senior management	0.11	13,144	11,702	1,442
Risk takers and other identified staff	0.05	5,619	4,796	823

The total number of staff employed by the ACD was 160 as at 30 September 2024. The total remuneration paid to those staff was £12,940,045, of which £4,003,974 is attributable to the ACD.

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 ACD'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.



Allan Hamer
Director



Helen Redmond
Director

Investment Fund Services Limited
31 January 2025

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 2024.

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 (SI 2001/1228) (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 Corporate Director ("the ACD") are carried out (unless they conflict with the

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 ACD:

- (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 & Depositary Services Limited
250 Bishopsgate
London
EC2M 4AA

31 January 2025

IFSL CH SPECIAL MANDATES FUND

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 Fund ("the Company") comprising each of its presented sub-funds for the year ended 30 September 2024, 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 presented sub-funds as at 30 September 2024 and of the net revenue and the net capital gains on the scheme property of the Company comprising each of its presented sub-funds 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 (the "FRC") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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.

IFSL CH SPECIAL MANDATES FUND

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 Company, the rules of the Collective Investment Schemes Sourcebook of the FCA and the Trust Deed;
- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the 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 ACD's 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), Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the Company's Trust Deed and the Prospectus.
- 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 amounts available for distribution. We identified fraud risks in relation to the incomplete or inaccurate revenue recognition through incorrect classification of special dividends and the resulting impacts to amounts available for distribution. In response to our fraud risks, we tested the appropriateness of management's classification of a sample of 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

31 January 2025

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 2024

1.1 ACCOUNTING POLICIES

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

These accounting policies apply to IFSL Church House Tenax Absolute Return Strategies Fund and IFSL Church House UK Smaller Companies Fund.

The first annual accounting period for IFSL Church House Human Capital Fund will end on 30 September 2025, there are therefore no financial statements for this sub-fund for the year ended 30 September 2024.

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 30 September 2024 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 2024

ACCOUNTING POLICIES (continued)

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 30 September 2024 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 2024

RISK MANAGEMENT POLICIES (continued)

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 2024

Performance to 30 September 2024

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL Church House Tenax Absolute Return Strategies	4.36%	10.55%	3.03%	9.13%

External Source of Economic Data: Morningstar (A 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.

Investment commentary

Performance statement

The sub-fund does not have a specific benchmark. Over the year to 30 September 2024, the A Accumulation shares returned 10.55%.

Over the same period, the Investment Association (IA) Targeted Absolute Return sector gained 8.3%. Whilst the sub-fund does not have a specific benchmark, you may want to consider its performance against this IA sector.

Market review

The year to September 2024 has been markedly less volatile than the previous period and the central banks held their base interest rates at the higher levels for almost the entire year. Whilst longer dated Gilts ended flat over the year, the shorter dated bonds have seen yields shrink from 4.50 % to 3.80%.

A quarter-point cut to the base rate came in the UK in August and the US followed soon after with a half-point reduction. At the same time appetite for credit risk* remained buoyant with credit spreads*, the yield premium received for investing in corporate and financial bonds over sovereign debt, tightening from 1.6% to 1.2%. The level of new issuance picked up in August/September but at £36bn year to date is well below the £44bn for the same period last year.

The UK equity market lagged the major international markets over the period, notably the US equity market, though the FTSE 100 Index did end up 10%.

Sub-fund performance review

The equity holdings have performed well with UK banks including Barclays & Santander having a particularly good run. The commercial property investments, Land Securities, Primary Health Properties and Shaftesbury Capital also put in a strong performance. Our infrastructure holdings remain under a cloud as does the whole Investment Trust sector.

The coupons on the AAA floating rate notes* (FRN) have continued to benefit from high and stable short-term interest rates providing high levels of income for the sub-fund. The fixed interest bonds in the fund have benefitted from an outperformance of corporate bonds relative to Gilts.

Portfolio activity

See below for the changes to asset allocation over the year.

2024	29-Sep-23	28-Mar-24	30-Sep-24	YTD
Cash	0.2%	1.1%	0.7%	0.5%
Gilt / AAA Fixed	0.0%	1.4%	1.1%	-1.0%
FRN (AAA)	20.0%	11.8%	10.5%	-2.1%
Floating Rate	0.0%	0.0%	0.0%	0.0%
Fixed Interest	48.4%	54.7%	58.9%	7.3%
Index-Linked	0.5%	0.6%	0.7%	0.1%
Infrastructure	5.6%	4.5%	5.3%	-0.6%
Convert / ZDP	9.1%	7.4%	4.0%	-6.2%
Alternative / Hedge	0.0%	0.0%	0.0%	0.0%
Property / Real	4.1%	5.3%	4.6%	-0.4%
Equity	12.1%	13.1%	14.1%	2.3%

Source: Church House

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

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 30 September 2024

Investment commentary (continued)

Portfolio activity (continued)

We are continuing to edge down the proportion held in FRN, now at 10.5% of the portfolio versus 20% at the end of September 2023. For example, we sold our holding in a AAA Virgin Money FRN due to repay in 2025 and bought a AAA fixed rate issue for Bayerische Landesbank, due to repay in 2026, paying 5.125%. The interest rate paid on the FRN will 'float' down with rates generally, now our return is fixed. We bought a new issue for Coventry Building Society paying 5.875% and maturing in 2030. We have reduced our holdings of convertibles by 6% and increased the proportion allocated to equity by 2.3%.

Investment outlook

Given the geopolitical risks in the Middle East, the forthcoming US elections and the Chancellor's inaugural budget, there is plenty of room for market volatility. However, interest rates have peaked, we expect further cuts from the Bank of England and the other major central banks over the next few months. Inflation is back under control and there is a good chance that the Fed will have achieved a 'soft landing' for the US economy, while the UK looks ever more like a beacon of stability in a troubled Europe.

Church House Investments Limited

21 October 2024

Glossary of investment terms*

Credit risk - the risk of financial loss from a borrower's failure to repay a loan.

Credit spread - the higher yield investors demand for taking on credit risk.

Floating Rate Notes - a debt security with a variable interest rate.

Distributions

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>A Income (pence per share)</u>				
Net income paid 31 May	2.634994	2.0272	0.4250	0.4300
Net income paid 30 November	2.521296	2.4979	0.9790	0.4930
<u>A Accumulation (pence per share)</u>				
Net accumulation paid 31 May	2.859453	2.1307	0.4370	0.4360
Net accumulation paid 30 November	2.794926	2.6697	1.0210	0.5090
<u>B Income (pence per share)</u>				
Net income paid 31 May	2.950152	2.3297	0.6650	0.6530
Net income paid 30 November	2.854733	2.8154	1.2200	0.7340
<u>B Accumulation (pence per share)</u>				
Net accumulation paid 31 May	3.301314	2.5131	0.7090	0.6970
Net accumulation paid 30 November	3.259059	3.0888	1.3030	0.7750
<u>C Income (pence per share)</u>				
Net income paid 31 May	3.029573	2.4176	0.7410	0.7310
Net income paid 30 November	2.945128	2.8930	1.2920	0.8140
<u>C Accumulation (pence per share)</u>				
Net accumulation paid 31 May	3.419881	2.6182	0.7920	0.7760
Net accumulation paid 30 November	3.386096	3.2003	1.3900	0.8600

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

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 30 September 2024

Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
Caledonia Investments	2,270,775
Bayerische Landesbank 5.125% 01.06.26	1,997,400
Coventry Building Society 5.875% 12.03.30	1,996,840
Credit Agricole 5.375% 15.01.29	1,996,660
TRATON Finance Luxembourg 5.625% 16.01.29	1,992,760
Aviva 6.125% 12.09.54	1,988,800
Aviva 6.875% 27.11.53	1,982,800
Schroders 6.346% 18.07.34	1,600,000
New York Life Global Funding 4.95% 07.12.29	1,496,850
Pension Insurance Corporation 6.875% 15.11.34	1,494,255
Other purchases	5,906,778
Total purchases for the year	24,723,918
<u>Largest sales</u>	<u>Proceeds (£)</u>
CPPIB Capital FRN 15.06.26	6,131,768
Aberforth Split Level Income Trust ZDP	4,199,250
DBS Bank FRN 17.11.25	4,034,300
United Overseas Bank FRN 21.09.26	4,032,840
Bank of Nova Scotia FRN 14.03.25	4,026,600
Primary Health Properties 2.875% 15.07.25	3,903,500
John Lewis 6.125% 21.01.25	3,762,056
SEGRO	3,496,336
Workspace Group 2.25% 11.03.28	2,987,810
TSB Bank FRN 22.06.28	2,977,550
Other sales	47,731,128
Total sales for the year	87,283,138

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

COMPARATIVE TABLE

<u>A Income shares</u>	Year to 30.09.2024	Year to 30.09.2023	Year to 30.09.2022
Change in net assets per share	pence	pence	pence
Opening net asset value per share	141.00	139.46	157.52
Return before operating charges*	16.78	7.93	(14.57)
Operating charges	(1.92)	(1.86)	(2.09)
Return after operating charges*	14.86	6.07	(16.66)
Distributions on income shares	(5.16)	(4.53)	(1.40)
Closing net asset value per share	150.70	141.00	139.46
* after direct transaction costs of:	0.03	0.02	0.03
Performance			
Return after charges ^A	10.54%	4.35%	(10.58)%
Other information			
Closing net asset value (£)	14,129,087	13,023,712	13,753,251
Closing number of shares	9,375,636	9,236,616	9,862,081
Operating charges	1.30% ^B	1.29% ^B	1.36%
Direct transaction costs	0.02%	0.02%	0.03%
Prices (pence per share)			
Highest share price	154.00	151.10	158.80
Lowest share price	138.70	137.80	140.40
<u>A Accumulation shares</u>	Year to 30.09.2024	Year to 30.09.2023	Year to 30.09.2022
Change in net assets per share	pence	pence	pence
Opening net asset value per share	153.18	146.81	164.23
Return before operating charges*	18.37	8.34	(15.22)
Operating charges	(2.11)	(1.97)	(2.20)
Return after operating charges*	16.26	6.37	(17.42)
Distributions on accumulation shares	(5.65)	(4.80)	(1.46)
Retained distributions on accumulation shares	5.65	4.80	1.46
Closing net asset value per share	169.44	153.18	146.81
* after direct transaction costs of:	0.03	0.02	0.03
Performance			
Return after charges ^A	10.61%	4.34%	(10.61)%
Other information			
Closing net asset value (£)	14,751,922	16,201,262	17,650,604
Closing number of shares	8,706,387	10,576,577	12,022,481
Operating charges	1.30% ^B	1.29% ^B	1.36%
Direct transaction costs	0.02%	0.02%	0.02%
Prices (pence per share)			
Highest share price	170.30	159.10	165.50
Lowest share price	150.70	145.00	146.80

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

^B 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 30.09.2024	Year to 30.09.2023	Year to 30.09.2022
Change in net assets per share	pence	pence	pence
Opening net asset value per share	143.84	142.26	160.71
Return before operating charges*	17.10	8.11	(15.00)
Operating charges	(1.40)	(1.38)	(1.56)
Return after operating charges*	15.70	6.73	(16.56)
Distributions on income shares	(5.80)	(5.15)	(1.89)
Closing net asset value per share	153.74	143.84	142.26
* after direct transaction costs of:	0.03	0.02	0.03
Performance			
Return after charges ^A	10.91%	4.73%	(10.30)%
Other information			
Closing net asset value (£)	20,882,006	19,598,258	20,034,954
Closing number of shares	13,582,315	13,624,943	14,082,918
Operating charges	0.93% ^B	0.94% ^B	1.00%
Direct transaction costs	0.02%	0.02%	0.02%
Prices (pence per share)			
Highest share price	157.30	154.30	162.10
Lowest share price	141.60	140.60	143.50
<u>B Accumulation shares</u>	Year to 30.09.2024	Year to 30.09.2023	Year to 30.09.2022
Change in net assets per share	pence	pence	pence
Opening net asset value per share	160.96	153.73	171.46
Return before operating charges*	19.30	8.73	(16.05)
Operating charges	(1.58)	(1.50)	(1.68)
Return after operating charges*	17.72	7.23	(17.73)
Distributions on accumulation shares	(6.56)	(5.60)	(2.01)
Retained distributions on accumulation shares	6.56	5.60	2.01
Closing net asset value per share	178.68	160.96	153.73
* after direct transaction costs of:	0.03	0.02	-
Performance			
Return after charges ^A	11.01%	4.70%	(10.34)%
Other information			
Closing net asset value (£)	25,419,028	24,824,363	28,821,290
Closing number of shares	14,226,253	15,422,579	18,748,205
Operating charges	0.93% ^B	0.94% ^B	1.00%
Direct transaction costs	0.02%	0.02%	0.02%
Prices (pence per share)			
Highest share price	179.50	166.70	172.90
Lowest share price	158.40	151.90	153.70

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

^B 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 30.09.2024	Year to 30.09.2023	Year to 30.09.2022
Change in net assets per share	pence	pence	pence
Opening net asset value per share	143.83	142.26	160.71
Return before operating charges*	17.09	8.09	(15.04)
Operating charges	(1.21)	(1.21)	(1.38)
Return after operating charges*	15.88	6.88	(16.42)
Distributions on income shares	(5.97)	(5.31)	(2.03)
Closing net asset value per share	153.74	143.83	142.26

* after direct transaction costs of: 0.03 0.02 0.03

Performance

Return after charges^A 11.04% 4.84% (10.22)%

Other information

Closing net asset value (£)	35,871,379	47,290,665	62,490,235
Closing number of shares	23,332,458	32,878,498	43,927,099
Operating charges	0.80% ^B	0.82% ^B	0.88%
Direct transaction costs	0.02%	0.02%	0.02%

Prices (pence per share)

Highest share price	157.40	154.40	162.10
Lowest share price	141.60	140.60	143.60

C Accumulation shares

Change in net assets per share	Year to 30.09.2024	Year to 30.09.2023	Year to 30.09.2022
	pence	pence	pence
Opening net asset value per share	162.57	155.05	172.78
Return before operating charges*	19.45	8.84	(16.22)
Operating charges	(1.37)	(1.32)	(1.51)
Return after operating charges*	18.08	7.52	(17.73)
Distributions on accumulation shares	(6.81)	(5.82)	(2.18)
Retained distributions on accumulation shares	6.81	5.82	2.18
Closing net asset value per share	180.65	162.57	155.05

* after direct transaction costs of: 0.03 0.02 0.03

Performance

Return after charges^A 11.12% 4.85% (10.26)%

Other information

Closing net asset value (£)	75,652,178	113,613,249	250,496,590
Closing number of shares	41,877,425	69,886,534	161,557,478
Operating charges	0.80% ^B	0.82% ^B	0.88%
Direct transaction costs	0.02%	0.02%	0.02%

Prices (pence per share)

Highest share price	181.50	168.30	174.20
Lowest share price	160.00	153.20	155.10

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

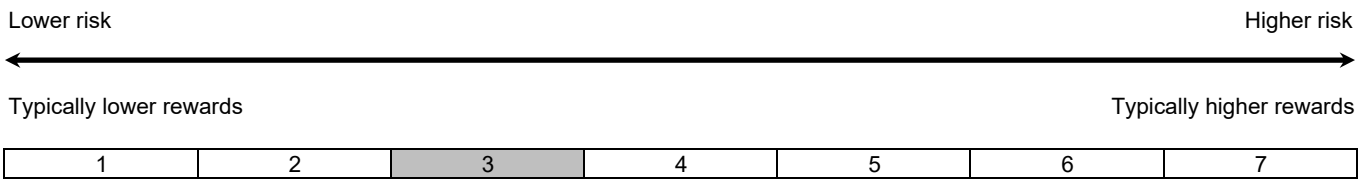
^B On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each share class in the year. Where it is considered unsuitable to use the total expenses paid by each share class in the year to calculate the OCF because of material changes to the sub-fund's charges an estimate will be calculated instead. The OCFs disclosed in the Key Investor Information Document (KIID) (available on IFSL's website, www.ifslfunds.com) give an estimate of future costs.

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 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
DEBT SECURITIES (30 September 2023 - 66.49%)		
AAA to AA (30 September 2023 - 18.23%)		
2,000,000 Bank of Montreal FRN 09.03.27	2,022,620	1.08
2,000,000 Bayerische Landesbank 5.125% 01.06.26	2,016,300	1.08
3,000,000 Clydesdale Bank FRN 22.03.26	3,010,170	1.61
2,000,000 European Investment Bank FRN 18.01.27	2,035,220	1.09
1,500,000 HSBC FRN 25.08.27	1,507,530	0.81
3,000,000 National Australia Bank FRN 15.12.25	3,022,830	1.62
4,000,000 Nationwide Building Society FRN 24.02.31	3,955,840	2.12
2,000,000 TSB Bank FRN 22.06.28	1,990,600	1.07
2,000,000 United Overseas Bank FRN 21.09.26	2,019,580	1.08
Total AAA to AA	21,580,690	11.56
A to A- (30 September 2023 - 5.79%)		
2,000,000 Crédit Agricole 5.375% 15.01.29	2,020,000	1.08
4,750,000 Derwent London 1.875% 17.11.31	3,833,155	2.05
2,000,000 NatWest Group 2.057% 09.11.28	1,842,500	0.99
3,000,000 NatWest Group 3.619% 29.03.29	2,880,000	1.54
3,000,000 Nordea Bank 1.625% 09.12.32	2,700,000	1.45
1,600,000 Schrodgers 6.346% 18.07.34	1,635,280	0.88
2,500,000 Society of Lloyds (The) 4.875% 07.02.47	2,458,075	1.32
1,000,000 UBS Group 7% 30.09.27	1,036,250	0.55
200,000 Wales & West Utilities Finance 2.496%	368,857	0.20
Total A to A-	18,774,117	10.06
BBB+ to BBB (30 September 2023 - 18.00%)		
1,500,000 AA Bond Co 8.45% 31.01.28	1,593,750	0.85
2,000,000 Aviva 6.125% 12.09.54	1,987,080	1.06
2,000,000 Aviva 6.875% 27.11.53	2,102,500	1.13
4,000,000 Barclays 6.369% 31.01.31	4,184,560	2.24
3,500,000 Beazley Insurance 5.5% 10.09.29	2,594,744	1.39
1,500,000 Bunzl Finance 1.5% 30.10.30	1,247,325	0.67
2,000,000 Coventry Building Society 5.875% 12.03.30	2,038,800	1.09
2,500,000 Haleon UK Capital 2.875% 29.10.28	2,354,050	1.26
2,000,000 Heathrow Funding 2.75% 13.10.29	1,818,620	0.97
2,000,000 Hiscox 6% 22.09.27	2,049,660	1.10
3,000,000 ING Groep 6.25% 20.05.33	3,071,250	1.63
2,925,000 Intercontinental Hotels Group 3.75% 14.08.25	2,886,068	1.55
3,000,000 Investec 2.625% 04.01.32	2,747,040	1.47
2,000,000 Legal & General Group 5.625% Perp	1,840,000	0.99
3,000,000 Lloyds Banking Group 6.625% 02.06.33	3,084,570	1.65
2,000,000 M&G 5.625% 20.10.51	1,931,420	1.03
3,000,000 Natwest Group 2.105% 28.11.31	2,812,500	1.51
1,000,000 NatWest Group 7.416% 06.06.33	1,055,000	0.57
2,000,000 Pension Insurance Corporation 5.625% 20.09.30	1,942,700	1.04
1,500,000 Pension Insurance Corporation 6.875% 15.11.34	1,517,040	0.81
650,000 RL Finance Bonds No. 3 6.125% 13.11.28	666,042	0.36
2,000,000 Rothesay Life 6.875% Perp	1,960,000	1.05
1,500,000 Rothesay Life 7.734% 16.05.33	1,617,345	0.87
3,000,000 Rothesay Life 5% Perp	2,430,000	1.30
2,000,000 Southern Gas Networks 1.25% 02.12.31	1,547,260	0.83
2,000,000 TRATON Finance Luxembourg 5.625% 16.01.29	2,007,980	1.08
1,000,000 United Utilities Water Finance 0.875% 28.10.29	821,040	0.44
1,500,000 Virgin Money UK 2.625% 19.08.31	1,426,875	0.76
2,000,000 Volkswagen Financial Services 4.25% 09.10.25	1,976,620	1.06
2,500,000 Whitbread Group 2.375% 31.05.27	2,323,800	1.24
2,000,000 Whitbread Group 3.375% 16.10.25	1,959,580	1.05
1,000,000 Yorkshire Building Society 7.375% 12.09.27	1,040,410	0.56
Total BBB+ to BBB	64,635,629	34.61

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

PORTFOLIO STATEMENT

as at 30 September 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
DEBT SECURITIES (continued)		
BBB- to Unrated (30 September 2023 - 24.47%)		
2,300,000 Anglian Water (Osprey) Financing 2% 31.07.28	1,807,731	0.97
4,500,000 Berkeley Group 2.5% 11.08.31	3,591,855	1.92
2,500,000 BlackStone Private Credit 4.875% 14.04.26	2,454,850	1.31
3,000,000 British Telecommunications 8.375% 20.12.83	3,225,000	1.73
2,800,000 Deutsche Pfandbriefbank 7.625% 08.12.25	2,789,024	1.49
3,000,000 Grainger 3% 03.07.30	2,614,770	1.40
3,000,000 Heathrow Funding 2.625% 16.03.28	2,755,320	1.48
1,400,000 NGG Finance 5.625% 18.06.73	1,396,500	0.75
550,000 Tesco 1.982% 24.03.36	935,990	0.50
2,000,000 Travis Perkins 3.75% 17.02.26	1,922,840	1.03
Total BBB- and below	23,493,880	12.58
Total Debt Securities	128,484,316	68.81
CONVERTIBLE BONDS (30 September 2023 - 7.42%)		
4,000,000 Capital & Counties Properties 2% 30.03.26	3,813,360	2.04
2,000,000 Derwent London 1.5% 12.06.25	1,952,240	1.05
500,000 Nexi Spa 1.75% 24.04.27	392,081	0.21
1,400,000 Trainline 1% 14.01.26	1,316,896	0.71
Total Convertible Bonds	7,474,577	4.01
UNITED KINGDOM EQUITIES (30 September 2023 - 9.63%)		
Consumer Staples (30 September 2023 - 1.50%)		
Financials (30 September 2023 - 4.11%)		
500,000 Aviva	2,428,500	1.30
1,400,000 Barclays	3,153,500	1.69
375,000 Standard Chartered	2,995,500	1.60
Total Financials	8,577,500	4.59
Real Estate (30 September 2023 - 4.02%)		
450,000 Land Securities Group	2,916,000	1.56
2,000,000 Primary Health Properties	2,022,000	1.08
2,500,000 Shaftesbury Capital	3,680,000	1.97
Total Real Estate	8,618,000	4.61
Utilities (30 September 2023 - Nil)		
50,000 National Grid	514,500	0.28
Total Utilities	514,500	0.28
Total United Kingdom Equities	17,710,000	9.48
OVERSEAS EQUITIES (30 September 2023 - 1.59%)		
4 Brookfield Infrastructure Partners	105	-
100,000 Investor 'B'	2,294,993	1.23
Total Overseas Equities	2,295,098	1.23
CLOSED END INVESTMENTS (30 September 2023 - 7.27%)		
1,950,000 BBGI Global Infrastructure	2,562,300	1.37
65,000 Caledonia Investments	2,232,750	1.20
3,000,000 GCP Infrastructure Investments	2,349,000	1.26
2,200,000 Gresham House Energy Storage Fund	1,144,000	0.61
3,400,000 Harmony Energy Income Trust	1,754,400	0.94
79,800 RIT Capital Partners	1,450,764	0.78
3,500,000 SDCL Energy Efficiency Income Trust	2,198,000	1.18
Total Closed End Investments	13,691,214	7.34

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

PORTFOLIO STATEMENT

as at 30 September 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
COLLECTIVE INVESTMENT SCHEMES (30 September 2023 - 7.02%)		
875,000 IFSL Church House Esk Global Equity 'B' ^A	4,121,250	2.21
3,600,000 IFSL Church House Investment Grade Fixed Interest ^A	3,880,800	2.08
1,550,000 IFSL Church House UK Equity Growth 'Z' Income ^A	3,400,700	1.82
450,000 IFSL Church House UK Equity Growth 'Z' Accumulation ^A	1,273,500	0.68
1,600,000 IFSL Church House UK Smaller Companies 'B' ^A	2,502,400	1.34
Total Collective Investment Schemes	15,178,650	8.13
UNQUOTED SECURITIES (30 September 2023 - 0.00%)		
10 Prime Infrastructure ^B	-	-
Total Unquoted Securities	-	-
Portfolio of investments	184,833,855	99.00
Net other assets	1,871,745	1.00
Total net assets	186,705,600	100.00

^A A related party of the Authorised Corporate Director, Investment Fund Services Limited.

^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

STATEMENT OF TOTAL RETURN

for the year ended 30 September 2024

	Notes	30 September 2024		30 September 2023	
		£	£	£	£
Income:					
Net capital gains	2		13,580,230		8,017,083
Revenue	4	9,833,352		13,307,007	
Expenses	5	<u>(1,792,475)</u>		<u>(2,594,063)</u>	
Net revenue before taxation		8,040,877		10,712,944	
Taxation	6	<u>(78,445)</u>		<u>(79,714)</u>	
Net revenue after taxation			<u>7,962,432</u>		<u>10,633,230</u>
Total return before distributions			21,542,662		18,650,313
Distributions	7		(7,962,432)		(10,633,230)
Change in net assets attributable to shareholders from investment activities			<u>13,580,230</u>		<u>8,017,083</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 September 2024

	30 September 2024		30 September 2023	
	£	£	£	£
Opening net assets attributable to shareholders		234,551,509		393,246,924
Amount receivable on issue of shares	5,169,260		8,669,332	
Amounts payable on cancellation of shares	(71,294,668)		(181,571,593)	
Amounts payable on share class conversions	<u>(278)</u>		<u>(166)</u>	
		(66,125,686)		(172,902,427)
Change in net assets attributable to shareholders from investment activities		13,580,230		8,017,083
Retained distribution on accumulation shares		4,699,547		6,189,929
Closing net assets attributable to shareholders		<u>186,705,600</u>		<u>234,551,509</u>

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

BALANCE SHEET
as at 30 September 2024

	Notes	30 September 2024 £	30 September 2023 £
Assets:			
Fixed Assets:			
Investments	14	184,833,855	233,198,519
Current Assets:			
Debtors	8	2,586,989	3,118,879
Cash and bank balances		1,546,267	1,031,876
Total assets		<u>188,967,111</u>	<u>237,349,274</u>
Current Liabilities:			
Creditors:			
Bank overdrafts		593,617	-
Distributions payable on income shares		1,311,297	1,565,494
Other creditors	9	356,597	1,232,271
Total liabilities		<u>2,261,511</u>	<u>2,797,765</u>
Net assets attributable to shareholders		<u>186,705,600</u>	<u>234,551,509</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 2024

1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES

Please refer to the notes applicable to the Company on pages 10 to 12.

2 NET CAPITAL GAINS

30 September 2024 **30 September 2023**
£ £

The net gains on investments during the year comprise:

Non-derivative securities gains	13,576,772	8,053,683
Other currency gains/(losses)	1,298	(32,118)
Renewal commission	3,948	-
Transaction charges	(1,788)	(4,482)
Net capital gains	13,580,230	8,017,083

3 PURCHASES, SALES AND TRANSACTION COSTS

30 September 2024 **30 September 2023**
£ £

Purchases excluding transaction costs:

Collective Investment Schemes	-	113,712
Equities	5,863,137	8,744,977
Debt securities	18,833,972	55,819,449
	<u>24,697,109</u>	<u>64,678,138</u>
Equities: Commissions	2,482	5,739
Taxes and other charges	24,327	24,066
Total purchases transaction costs	<u>26,809</u>	<u>29,805</u>
Purchases including transaction costs	24,723,918	64,707,943

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

Equities: Commissions	0.04%	0.07%
Taxes and other charges	0.41%	0.28%

Sales excluding transaction costs:

Collective Investment Schemes	3,297,100	6,851,595
Equities	17,895,838	29,409,302
Structured products	-	9,996,000
Debt securities	66,104,989	180,983,222
	<u>87,297,927</u>	<u>227,240,119</u>
Equities: Commissions	(14,771)	(15,531)
Taxes and other charges	(18)	(82)
Total sales transaction costs	<u>(14,789)</u>	<u>(15,613)</u>
Sales net of transaction costs	87,283,138	227,224,506

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

Equities: Commissions	0.08%	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	0.01%	0.01%
Taxes and other charges	0.01%	0.01%
	<u>0.02%</u>	<u>0.02%</u>

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: 1,788 4,482

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 0.43% 0.54%

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2024

4 REVENUE	30 September 2024	30 September 2023
	£	£
UK dividends	1,042,989	1,515,661
UK dividends (unfranked)	594,263	788,580
Overseas dividends	412,448	479,500
Overseas dividends (unfranked)	-	21,884
Interest on debt securities	7,628,799	10,516,948
Bank interest	154,853	38,768
Total revenue	<u>9,833,352</u>	<u>13,361,341</u>
5 EXPENSES	30 September 2024	30 September 2023
	£	£
Payable to the ACD and associates:		
ACD's periodic charge	1,663,636	2,432,186
Registration fees	2,516	3,712
KIID production costs	2,376	4,722
ACD's fee rebate	(25,366)	-
	<u>1,643,162</u>	<u>2,440,620</u>
Other expenses:		
Depository's fees	51,010	81,119
Safe custody fees	6,320	16,174
Financial Conduct Authority fee	150	2,213
Audit fee	8,520	7,920
Third party system providers fees	33,677	42,874
Bank interest	49,636	54,334
Non-executive directors' fees	-	1,207
Platform charges	-	(1,816)
OOP Expense	-	3,752
	<u>149,313</u>	<u>207,777</u>
Total expenses	<u>1,792,475</u>	<u>2,648,397</u>
6 TAXATION	30 September 2024	30 September 2023
	£	£
a Analysis of the tax charge for the year		
UK corporation tax at 20%	70,333	66,297
Overseas tax	8,112	13,417
Total tax charge for the year (see note 6(b))	<u>78,445</u>	<u>79,714</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	8,040,877	10,712,944
UK corporation tax at 20% (2023: 20%)	<u>1,608,175</u>	<u>2,142,589</u>
Effects of:		
Revenue not subject to taxation	(291,035)	(399,032)
Interest distribution allowable for taxation	(1,246,807)	(1,677,260)
Overseas tax	8,112	13,417
Total tax charge for the year (see note 6(a))	<u>78,445</u>	<u>79,714</u>
c Provision for deferred taxation		
No provision for deferred tax has been made in the current or prior accounting year.		

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2024

7 DISTRIBUTIONS

30 September 2024 **30 September 2023**
£ **£**

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

Interim	4,044,575	4,735,389
Final	3,436,286	4,560,818
Deduct: Amounts received on issue of shares	(52,724)	(72,809)
Add: Amounts deducted on cancellation of shares	534,573	1,410,885
Equalisation on conversions	(277)	(166)
Revenue brought forward	(1)	(887)
Distributions	<u>7,962,432</u>	<u>10,633,230</u>

8 DEBTORS

30 September 2024 **30 September 2023**
£ **£**

Amounts receivable for issue of shares	41,363	11,036
Accrued income	2,525,502	3,077,222
Taxation recoverable	19,366	30,621
Prepaid expenses	758	-
Total debtors	<u>2,586,989</u>	<u>3,118,879</u>

9 OTHER CREDITORS

30 September 2024 **30 September 2023**
£ **£**

Amounts payable for cancellation of shares	200,526	1,020,721
ACD's periodic charge and registration fees	133,343	156,109
Accrued expenses	20,825	25,644
Corporation tax payable	1,903	29,797
Total other creditors	<u>356,597</u>	<u>1,232,271</u>

10 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 from/to the ACD in respect of share transactions at the year end are disclosed in notes 8 and 9, respectively. 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 £291,904 (2023: £1,165,794).

As at 30 September 2024 the sub-fund held IFSL Church House Esk Global Equity 'B', which is a related party of the ACD, Investment Fund Services Limited. The holdings and the associated transactions in the current and previous accounting years were as follows:

- The value of purchases transactions was nil (2023 - nil) and sales transactions was £1,400,950 (2023 - £2,837,025).
- Revenue receivable for the year was £34,999 (2023 - £49,764) and the outstanding amount was nil (2023 - nil).
- The aggregate value of investments held at the year-end was £4,121,250 (2023 - £4,875,600).

As at 30 September 2024 the sub-fund held IFSL Church House Investment Grade Fixed Interest, which is a related party of the ACD, Investment Fund Services Limited. The holdings and the associated transactions in the current and previous accounting years were as follows:

- The value of purchases transactions was nil (2023 - nil) and sales transactions was £1,199,600 (2023 - £1,607,250).
- Revenue receivable for the year was £209,598 (2023 - £228,946) and the outstanding amount was nil (2023 - nil).
- The aggregate value of investments held at the year-end was £3,880,800 (2023 - £4,906,750).

As at 30 September 2024 the sub-fund held IFSL Church House UK Equity Growth 'Z' Income, which is a related party of the ACD, Investment Fund Services Limited. The holdings and the associated transactions in the current and previous accounting years were as follows:

- The value of purchases transactions was nil (2023 - nil) and sales transactions was £494,950 (2023 - £193,700).
- Revenue receivable for the year was £37,245 (2023 - £41,652) and the outstanding amount was nil (2023 - nil).
- The aggregate value of investments held at the year-end was £3,400,700 (2023 - £3,339,000).

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2024

RELATED PARTIES (continued)

As at 30 September 2024 the sub-fund held IFSL Church House UK Equity Growth 'Z' Accumulation, which is a related party of the ACD, Investment Fund Services Limited. The holdings and the associated transactions in the current and previous accounting years were as follows:

- a) The value of purchases transactions was nil (2023 - £113,712) and sales transactions was nil (2023 - nil).
- b) Revenue receivable for the year was £11,810 (2023 - £11,195) and the outstanding amount was nil (2023 - nil).
- c) The aggregate value of investments held at the year-end was £1,273,500 (2023 - £1,065,600).

As at 30 September 2024 the sub-fund held IFSL Church House UK Smaller Companies 'B', which is a related party of the ACD, Investment Fund Services Limited. The holdings and the associated transactions in the current and previous accounting years were as follows:

- a) The value of purchases transactions was nil (2023 - nil) and sales transactions was £201,600 (2023 - £384,520).
- b) Revenue receivable for the year was £40,905 (2023 - £44,844) and the outstanding amount was nil (2023 - nil).
- c) The aggregate value of investments held at the year-end was £2,502,400 (2023 - £2,311,750).

11 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 / Accumulation	1.25%
B Income / Accumulation	0.875%
C Income / Accumulation	0.75%

12 SHAREHOLDERS' FUNDS RECONCILIATION

During the year the ACD has issued, cancelled and converted shares from one share class to another as set out below:

	A Income	A Accumulation	B Income
Opening shares in issue at 1 October 2023	9,236,616	10,576,577	13,624,943
Shares issued	1,073,521	208,064	248,231
Shares cancelled	(1,059,682)	(1,551,105)	(396,047)
Shares converted	125,181	(527,149)	105,188
Closing shares in issue at 30 September 2024	<u>9,375,636</u>	<u>8,706,387</u>	<u>13,582,315</u>

	B Accumulation	C Income	C Accumulation
Opening shares in issue at 1 October 2023	15,422,579	32,878,498	69,886,534
Shares issued	354,887	242,923	1,147,289
Shares cancelled	(1,846,872)	(9,868,222)	(29,091,883)
Shares converted	295,659	79,259	(64,515)
Closing shares in issue at 30 September 2024	<u>14,226,253</u>	<u>23,332,458</u>	<u>41,877,425</u>

13 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 £9,241,693 (2023: £11,659,926). 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.

<u>Foreign currency exposure at 30 September 2024</u>	Investments	Net other assets	Total
	£	£	£
Euro	392,081	34,948	427,029
Swedish krona	2,294,993	5,263	2,300,256
US dollar	2,594,849	33,156	2,628,005
	<u>5,281,923</u>	<u>73,367</u>	<u>5,355,290</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 2024

RISK DISCLOSURES (continued)

Foreign currency risk (continued)

<u>Foreign currency exposure at 30 September 2023</u>	Investments £	Net other assets £	Total £
Danish krone	-	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 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 £267,765 (2023: £495,082). A five per cent increase would have an equal and opposite effect.

Interest rate risk

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

	30 September 2024 £	30 September 2023 £
<u>Financial assets fixed interest rate</u>		
Euro	392,081	3,507,360
UK sterling	112,048,918	119,640,586
US dollar	2,594,744	2,514,573
	<u>115,035,743</u>	<u>125,662,520</u>
<u>Financial assets floating rate^A</u>		
Euro	11,209	7,971
Swedish krona	5,251	4,163
UK sterling	26,333,758	53,577,278
US dollar	-	65,493
	<u>26,350,218</u>	<u>53,654,906</u>
<u>Financial assets non-interest bearing instruments</u>		
Danish krone	-	1,670
Euro	4,029	44,439
Swedish krona	2,301,645	3,493,005
UK sterling	45,241,456	54,229,778
US dollar	33,262	262,956
	<u>47,580,392</u>	<u>58,031,849</u>
<u>Financial liabilities floating rates^A</u>		
UK sterling	(593,617)	-
	<u>(593,617)</u>	<u>-</u>
<u>Financial liabilities non-interest bearing instruments</u>		
UK sterling	(1,667,136)	(2,797,765)
	<u>(1,667,136)</u>	<u>(2,797,765)</u>
	<u>186,705,600</u>	<u>234,551,509</u>

^A Floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to SONIA or an international equivalent borrowing rate. Interest on investments is variable based on the distribution received from underlying investments.

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 £2,824,896 (2023: £3,273,620). A half of one per cent decrease would have an equal and opposite effect.

Debt security credit analysis

	30 September 2024	30 September 2023
	Bid value (£)	
Investments of investment grade	121,939,976	112,016,875
Investments below investment grade	6,544,340	6,108,700
Unrated	7,474,577	55,253,225
Total of debt securities	<u>135,958,893</u>	<u>173,378,800</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 2024

RISK DISCLOSURES (continued)

Liquidity risk

30 September 2024 **30 September 2023**
 £ £

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

Within one year:	Bank overdrafts	593,617	-
	Distribution payable on income shares	1,311,297	1,565,494
	Other creditors	355,839	1,232,271
		<u>2,260,753</u>	<u>2,797,765</u>

14 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	30 September 2024		30 September 2023	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	33,696,312	-	43,321,019	-
Level 2 - Observable market data	151,137,543	-	189,877,500	-
Level 3 - Unobservable data	-	-	-	-
	<u>184,833,855</u>	<u>-</u>	<u>233,198,519</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.

15 POST BALANCE SHEET EVENTS

Since 30 September 2024, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)		
	30 September 2024 ^A	27 January 2025	Movement (%)
A Income	153.60	152.90	(0.46)%
A Accumulation	169.80	171.90	1.24%
B Income	156.90	156.20	(0.45)%
B Accumulation	179.10	181.50	1.34%
C Income	157.00	156.40	(0.38)%
C Accumulation	181.00	183.60	1.44%

^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 2023 to 31 March 2024

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

		Net revenue 31 March 2024 pence per share	Equalisation 31 March 2024 pence per share	Distribution paid 31 May 2024 pence per share	Distribution paid 31 May 2023 pence per share
A Income	Group 1	2.634994	-	2.634994	2.0272
	Group 2	1.357421	1.277573	2.634994	2.0272
A Accumulation	Group 1	2.859453	-	2.859453	2.1307
	Group 2	1.382482	1.476971	2.859453	2.1307
B Income	Group 1	2.950152	-	2.950152	2.3297
	Group 2	1.412168	1.537984	2.950152	2.3297
B Accumulation	Group 1	3.301314	-	3.301314	2.5131
	Group 2	1.717125	1.584189	3.301314	2.5131
C Income	Group 1	3.029573	-	3.029573	2.4176
	Group 2	1.734766	1.294807	3.029573	2.4176
C Accumulation	Group 1	3.419881	-	3.419881	2.6182
	Group 2	1.635749	1.784132	3.419881	2.6182

Final distribution for the period from 1 April 2024 to 30 September 2024

Group 1: shares purchased prior to 1 April 2024
 Group 2: shares purchased on or after 1 April 2024

		Net revenue 30 September 2024 pence per share	Equalisation 30 September 2024 pence per share	Distribution paid 30 November 2024 pence per share	Distribution paid 30 November 2023 pence per share
A Income	Group 1	2.521296	-	2.521296	2.4979
	Group 2	1.264104	1.257192	2.521296	2.4979
A Accumulation	Group 1	2.794926	-	2.794926	2.6697
	Group 2	1.922126	0.872800	2.794926	2.6697
B Income	Group 1	2.854733	-	2.854733	2.8154
	Group 2	1.953245	0.901488	2.854733	2.8154
B Accumulation	Group 1	3.259059	-	3.259059	3.0888
	Group 2	2.026938	1.232121	3.259059	3.0888
C Income	Group 1	2.945128	-	2.945128	2.8930
	Group 2	1.861480	1.083648	2.945128	2.8930
C Accumulation	Group 1	3.386096	-	3.386096	3.2003
	Group 2	2.027276	1.358820	3.386096	3.2003

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

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 30 September 2024

Performance to 30 September 2024

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL Church House UK Smaller Companies Fund	5.70%	16.98%	(13.16)%	8.88%
IA UK Smaller Companies sector	7.02%	15.75%	(20.07)%	18.81%

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.

Investment commentary

Performance statement

Over the year to 30 September 2024, shares in the sub-fund rose 16.98% ('B' Accumulation shares).

Over this period the IA UK Smaller Companies sector gained 15.75%. Whilst the sub-fund does not have a specific benchmark, you may want to consider its performance against this IA sector.

Market review

It has been a much improved 12 months for UK equities below the large cap FTSE 100 index, but individual stock volatility remains high and volumes sporadic. It has been a year characterised by some high-profile takeouts of UK small and mid-cap businesses at bargain prices (e.g. Keywords Studios and Redrow are two that we owned in the sub-fund that have been bought), more often than not by overseas buyers. While this has helped to boost valuations and interest in parts of the UK market, this market remains unloved and often overlooked by most global investors.

The AIM market continues to lag, hampered by underperformance from index heavyweights Fevertree Drinks and RWS Holdings and ongoing negative overhang from uncertainty as to how IHT relief from AIM investments will be treated in the upcoming UK Budget – any clarity here should be a catalyst for at least some upwards re-rating of quality AIM names.

Sub-fund performance review

Our top contributor to performance over the year was Lloyds underwriter Beazley, who have gone from strength-to-strength since taking the opportunity of raising equity in 2020 to deploy in beaten-up risk markets. They have proven nimble operators capable of balancing price and volumes to profitably grow their book through what have been a remarkable few years in the insurance industry.

Elsewhere among our top ten positions, pork producer Cranswick have enjoyed a good year, with shares now at all-time highs, as have Diploma and pub company Fuller, Smith & Turner. It has also been encouraging to see significant recovery in the fortunes of A.G. Barr and Trustpilot, both of whom had previously endured an extended period of share price pressure.

One the other hand, we have seen industrial businesses Somero and TT Electronics struggle in tougher macro conditions, as have a number of our UK tech names, who have seen none of the upside enjoyed by their US peers. As mentioned above, our AIM holdings such as Young & Co or Bioventix remain unloved due to wider concerns with this market and we would say are vulnerable to an opportunistic bid for their businesses at these levels.

Top 15 holdings

Diploma	6.57%
Judges Scientific	6.02%
Greggs	5.51%
Beazley	5.38%
Cranswick	4.48%
Porvair	4.42%
Keywords Studios	4.05%
Big Yellow Group	3.86%
Trainline	3.81%
Ashtead Technology Holdings	3.50%
Young & Co's Brewery 'A'	3.35%
Fuller Smith & Turner	3.34%
Somero Enterprises	3.20%
Softcat	3.11%
Bellway	2.87%

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

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 30 September 2024

Investment commentary (continued)

Portfolio activity

Over the year we waved goodbye (or are in the process of) to Ergomed, Redrow and Keywords Studios due to takeovers. Predominantly we have been recycling the proceeds back into existing positions where opportunities arise and have added to names such as Judges Scientific, Ashtead Technologies and Young's most significantly.

We introduced one new position to the Fund over the year – Raspberry Pi. The stock came to the market via an 'IPO' (initial public offering) in June, we began to buy in early August and have been slowly increasing our position since then, joining ARM and Sony, who are strategic investors in the business.

We took the decision to exit our position in Big Technologies in January on the back of a disappointing market update regarding a lost contract in Colombia.

Investment outlook

With inflation figures easing, the Bank of England starting to reduce base rates and a stable UK government presiding over affairs, there is plenty of reason for UK optimism. Given an alarming number of geopolitical concerns, not least, the upcoming US presidential election, one would hope that UK equities may reverse the recent trend of outflows. An argument furthered by the continued valuation discount of the UK stock market vs its international peers and evidenced by the high number of bids for UK companies.

As ever, there are potential risks to domestic markets. The new Chancellor's inaugural budget is imminent, in which changes to Capital Gains and Inheritance Tax rules could have profound implications. Tax rate rises, or changes to AIM stock Inheritance Tax protections, could lead to downward selling pressures on domestic markets.

We would hope that the balance is tipped in the favour of continued positive momentum building into 2025.

Church House Investments Limited
21 October 2024

Distributions

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>A Accumulation (pence per share)</u>				
Net accumulation paid 31 May	0.5107	0.6999	0.6060	0.2710
Net accumulation paid 30 November	1.3749	1.3102	1.0300	0.2990
<u>B Accumulation (pence per share)</u>				
Net accumulation paid 31 May	0.7978	0.9800	0.9410	0.5240
Net accumulation paid 30 November	1.7167	1.6080	1.3270	0.6260

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

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 30 September 2024

Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
Raspberry Pi Holdings	348,214
Ashtead Technology Holdings	151,212
Judges Scientific	109,628
Pets at Home Group	80,227
Big Yellow Group	78,434
Young & Co's Brewery 'A'	68,707
Rathbones Group	66,965
Trainline	60,821
Bytes Technology Group	49,672
Polar Capital Holdings	48,937
Other purchases	126,047
Total purchases for the year	1,188,864
<u>Largest sales</u>	<u>Proceeds (£)</u>
Ergomed	540,000
Big Technologies	76,380
Total sales for the year	616,380

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

COMPARATIVE TABLE

<u>A Accumulation shares</u>	Year to 30.09.2024	Year to 30.09.2023	Year to 30.09.2022
Change in net assets per share	pence	pence	pence
Opening net asset value per share	128.10	120.88	173.20
Return before operating charges*	23.27	9.08	(50.13)
Operating charges	(1.92)	(1.86)	(2.19)
Return after operating charges*	21.35	7.22	(52.32)
Distributions on accumulation shares	(1.89)	(2.01)	(1.64)
Retained distributions on accumulation shares	1.89	2.01	1.64
Closing net asset value per share	149.45	128.10	120.88

* after direct transaction costs of: 0.05 0.13 0.11

Performance

Return after charges^A 16.67% 5.97% (30.21)%

Other information

Closing net asset value (£) 6,318,469 5,760,026 5,256,087
 Closing number of shares 4,227,924 4,496,372 4,348,063
 Operating charges 1.36%^B 1.41%^B 1.45%
 Direct transaction costs 0.03% 0.10% 0.07%

Prices (pence per share)

Highest share price 154.80 142.70 174.70
 Lowest share price 120.10 118.00 120.30

B Accumulation shares

Change in net assets per share	Year to 30.09.2024	Year to 30.09.2023	Year to 30.09.2022
	pence	pence	pence
Opening net asset value per share	132.54	124.58	177.81
Return before operating charges*	24.11	9.37	(51.57)
Operating charges	(1.45)	(1.41)	(1.66)
Return after operating charges*	22.66	7.96	(53.23)
Distributions on accumulation shares	(2.51)	(2.59)	(2.27)
Retained distributions on accumulation shares	2.51	2.59	2.27
Closing net asset value per share	155.20	132.54	124.58

* after direct transaction costs of: 0.05 0.13 0.11

Performance

Return after charges^A 17.10% 6.39% (29.94)%

Other information

Closing net asset value (£) 7,193,988 6,078,502 4,476,086
 Closing number of shares 4,635,222 4,586,304 3,592,813
 Operating charges 0.99%^B 1.03%^B 1.07%
 Direct transaction costs 0.03% 0.10% 0.07%

Prices (pence per share)

Highest share price 160.70 147.30 179.60
 Lowest share price 124.20 121.70 124.00

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

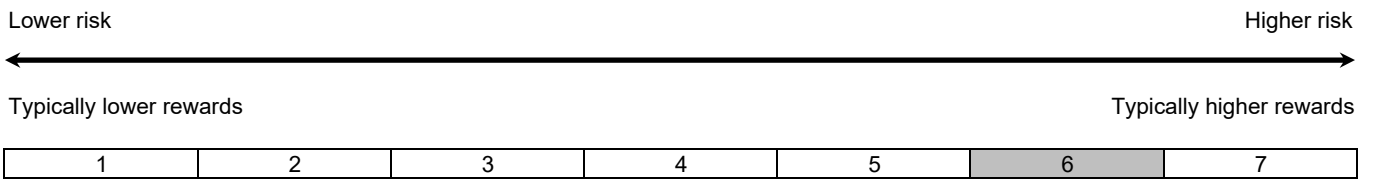
^B On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each share class in the year. Where it is considered unsuitable to use the total expenses paid by each share class in the year to calculate the OCF because of material changes to the sub-fund's charges an estimate will be calculated instead. The OCFs disclosed in the Key Investor Information Document (KIID) (available on IFSL's website, www.ifslfunds.com) give an estimate of future costs.

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 remained unchanged.

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

PORTFOLIO STATEMENT

as at 30 September 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
UNITED KINGDOM EQUITIES (30 September 2023 - 88.99%)		
Communication Services (30 September 2023 - 1.02%)		
140,000 Trustpilot Group	314,300	2.33
Total Communication Services	314,300	2.33
Consumer Discretionary (30 September 2023 - 22.66%)		
57,600 Barratt Developments	274,464	2.03
12,500 Bellway	388,000	2.87
60,000 Fuller Smith & Turner	451,200	3.34
1,600 Games Workshop Group	171,360	1.27
24,000 Greggs	744,480	5.51
100,000 Pets at Home Group	306,800	2.27
155,000 Trainline	514,910	3.81
50,000 Young & Co's Brewery 'A'	452,000	3.35
Total Consumer Discretionary	3,303,214	24.45
Consumer Staples (30 September 2023 - 8.08%)		
40,000 Barr	248,400	1.84
12,000 Cranswick	606,000	4.48
31,000 Fevertree Drinks	256,215	1.90
Total Consumer Staples	1,110,615	8.22
Financials (30 September 2023 - 8.77%)		
95,000 Beazley	727,225	5.38
66,000 Polar Capital Holdings	352,440	2.61
18,500 Rathbones Group	329,300	2.44
Total Financials	1,408,965	10.43
Health Care (30 September 2023 - 7.74%)		
10,000 Bioventix	380,000	2.81
Total Health Care	380,000	2.81
Industrials (30 September 2023 - 18.03%)		
82,500 Ashtead Technology Holdings	472,725	3.50
20,000 Diploma	887,600	6.57
8,750 Judges Scientific	813,750	6.02
90,000 Porvair	597,600	4.42
Total Industrials	2,771,675	20.51
Information Technology (30 September 2023 - 14.17%)		
70,000 Bytes Technology Group	359,450	2.66
245,000 dotDigital Group	211,435	1.56
20,000 Kainos Group	179,000	1.32
22,500 Keywords Studios	547,200	4.05
95,000 Raspberry Pi Holdings	364,040	2.69
27,000 Softcat	420,390	3.11
131,849 TT Electronics	122,356	0.91
Total Information Technology	2,203,871	16.30
Real Estate (30 September 2023 - 8.52%)		
41,250 Big Yellow Group	521,400	3.86
110,000 Helical	249,700	1.85
275,000 Primary Health Properties	278,025	2.06
179,522 Shaftesbury Capital	264,256	1.96
Total Real Estate	1,313,381	9.73
Total United Kingdom Equities	12,806,021	94.77

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

PORTFOLIO STATEMENT

as at 30 September 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
OVERSEAS EQUITIES (30 September 2023 - 3.22%)		
150,000 Somero Enterprises	432,000	3.20
Total Overseas Equities	<u>432,000</u>	<u>3.20</u>
Portfolio of investments	13,238,021	97.97
Net other assets	<u>274,436</u>	<u>2.03</u>
Total net assets	<u><u>13,512,457</u></u>	<u><u>100.00</u></u>

All investments are listed on recognised stock exchanges and are approved securities 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 2024

	Notes	30 September 2024		30 September 2023	
		£	£	£	£
Income:					
Net capital gains	2		1,748,630		336,784
Revenue	4	353,483		347,457	
Expenses	5	<u>(148,495)</u>		<u>(141,006)</u>	
Net revenue before taxation		204,988		206,451	
Taxation	6	<u>(8,964)</u>		<u>(5,712)</u>	
Net revenue after taxation			<u>196,024</u>		<u>200,739</u>
Total return before distributions			1,944,654		537,523
Distributions	7		(196,024)		(200,739)
Change in net assets attributable to shareholders from investment activities			<u>1,748,630</u>		<u>336,784</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 September 2024

	30 September 2024		30 September 2023	
	£	£	£	£
Opening net assets attributable to shareholders		11,838,528		9,732,173
Amounts receivable on issue of shares	808,482		2,704,866	
Amounts payable on cancellation of shares	(1,080,431)		(1,145,298)	
Amounts payable on share class conversions	<u>(137)</u>		<u>(14)</u>	
		(272,086)		1,559,554
Dilution adjustment		1,266		3,648
Change in net assets attributable to shareholders from investment activities		1,748,630		336,784
Retained distributions on accumulation shares		196,119		206,369
Closing net assets attributable to shareholders		<u>13,512,457</u>		<u>11,838,528</u>

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

BALANCE SHEET
as at 30 September 2024

	Notes	30 September 2024 £	30 September 2023 £
Assets:			
Fixed Assets:			
Investments	14	13,238,021	10,916,692
Current Assets:			
Debtors	8	43,121	76,826
Cash and bank balances		292,946	910,652
Total assets		<u>13,574,088</u>	<u>11,904,170</u>
Current Liabilities:			
Creditors:			
Other creditors	9	61,631	65,642
Total liabilities		<u>61,631</u>	<u>65,642</u>
Net assets attributable to shareholders		<u><u>13,512,457</u></u>	<u><u>11,838,528</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 2024

1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES

Please refer to the notes applicable to the Company on pages 10 to 12.

2 NET CAPITAL GAINS

30 September 2024 30 September 2023
£ £

The net gains on investments during the year comprise:

Non-derivative securities gains	1,748,846	345,799
Other currency losses	(1)	(8,098)
Transaction charges	(215)	(917)
Net capital gains	1,748,630	336,784

3 PURCHASES, SALES AND TRANSACTION COSTS

30 September 2024 30 September 2023
£ £

Purchases excluding transaction costs:

Equities	1,184,514	2,773,197
Equities: Commissions	777	1,842
Taxes and other charges	3,573	8,400
Total purchases transaction costs	4,350	10,242
Purchases including transaction costs	1,188,864	2,783,439

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

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

Sales excluding transaction costs:

Equities	76,393	1,670,070
Corporate actions	540,000	-
	616,393	1,670,070
Equities: Commissions	(11)	(1,134)
Taxes and other charges	(2)	(17)
Total sales transaction costs	(13)	(1,151)
Sales net of transaction costs	616,380	1,668,919

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

Equities: Commissions	0.01%	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	0.00%	0.03%
Taxes and other charges	0.03%	0.07%
	0.03%	0.10%

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: 215 917

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 0.72% 0.99%

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2024

4 REVENUE	30 September 2024	30 September 2023
	£	£
UK dividends	249,192	254,474
UK dividends (unfranked)	37,967	34,083
Overseas dividends	33,034	40,855
Bank interest	33,290	18,045
Total revenue	<u>353,483</u>	<u>347,457</u>
5 EXPENSES	30 September 2024	30 September 2023
	£	£
Payable to the ACD and associates:		
ACD's periodic charge	134,401	123,597
Registration fees	301	323
KIID production costs	1,187	2,362
	<u>135,889</u>	<u>126,282</u>
Other expenses:		
Depository's fees	3,377	3,078
Safe custody fees	177	400
Financial Conduct Authority fee	150	190
Audit fee	7,920	7,913
Third party system providers fees	982	866
Non-executive directors' fees	-	445
Platform charges	-	(43)
FTSE Licence fee	-	390
OOP Expense	-	1,471
Bank interest	-	14
	<u>12,606</u>	<u>14,724</u>
Total expenses	<u>148,495</u>	<u>141,006</u>
6 TAXATION	30 September 2024	30 September 2023
	£	£
a Analysis of the tax charge for the year		
Overseas tax	8,964	5,712
Total tax charge for the year (see note 6(b))	<u>8,964</u>	<u>5,712</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	<u>204,988</u>	<u>206,451</u>
UK corporation tax at 20% (2023: 20%)	40,998	41,290
Effects of:		
Revenue not subject to taxation	(56,445)	(59,066)
Unrelieved excess management expenses	15,447	17,776
Overseas tax	8,964	5,712
Total tax charge for the year (see note 6(a))	<u>8,964</u>	<u>5,712</u>
c Provision for deferred taxation		
At 30 September 2024 the sub-fund has deferred tax assets of £281,619 (2023: £266,172) 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 2024

13 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 £661,901 (2023: £545,835). 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 2024

	Investments £	Net other assets £	Total £
Swedish krona	-	50	50
US dollar	-	7,613	7,613
	-	7,663	7,663

Foreign currency exposure at 30 September 2023

	Investments £	Net other assets £	Total £
Swedish krona	-	31	31
US dollar	-	9,705	9,705
	-	9,736	9,736

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 £383 (2023: £487). A five per cent increase would have an equal and opposite effect.

Interest rate risk

30 September 2024

30 September 2023

£

£

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

Financial assets floating rate ^A	292,946	910,652
Financial assets non-interest bearing instruments	13,281,142	10,993,518
Financial liabilities non-interest bearing instruments	(61,631)	(65,642)
	13,512,457	11,838,528

^A Floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to SONIA or an international equivalent borrowing rate. Interest on investments is variable based on the distribution received from underlying investments.

As most of the sub-fund's financial assets are non-interest bearing, an interest rate sensitivity analysis has not been included.

Liquidity risk

30 September 2024

30 September 2023

£

£

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

Within one year:	Other creditors	61,631	65,642
		61,631	65,642

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2024

14 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	30 September 2024		30 September 2023	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	13,238,021	-	10,916,692	-
Level 2 - Observable market data	-	-	-	-
Level 3 - Unobservable data	-	-	-	-
	<u>13,238,021</u>	<u>-</u>	<u>10,916,692</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.

15 POST BALANCE SHEET EVENTS

Since 30 September 2024, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)			Movement (%)
	30 September 2024 ^A	27 January 2025		
A Accumulation	150.00	142.80		(4.80)%
B Accumulation	155.70	148.50		(4.62)%

^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 UK SMALLER COMPANIES FUND

DISTRIBUTION TABLE

Interim distribution for the period from 1 October 2023 to 31 March 2024

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

		Net revenue 31 March 2024 pence per share	Equalisation 31 March 2024 pence per share	Distribution paid 31 May 2024 pence per share	Distribution paid 31 May 2023 pence per share
A Accumulation	Group 1	0.5107	-	0.5107	0.6999
	Group 2	0.1170	0.3937	0.5107	0.6999
B Accumulation	Group 1	0.7978	-	0.7978	0.9800
	Group 2	0.4300	0.3678	0.7978	0.9800

Final distribution for the period from 1 April 2024 to 30 September 2024

Group 1: shares purchased prior to 1 April 2024
 Group 2: shares purchased on or after 1 April 2024

		Net revenue 30 September 2024 pence per share	Equalisation 30 September 2024 pence per share	Distribution paid 30 November 2024 pence per share	Distribution paid 30 November 2023 pence per share
A Accumulation	Group 1	1.3749	-	1.3749	1.3102
	Group 2	0.3417	1.0332	1.3749	1.3102
B Accumulation	Group 1	1.7167	-	1.7167	1.6080
	Group 2	0.6810	1.0357	1.7167	1.6080

Investment Fund Services Limited
Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP

Investor Support: (0808) 178 9321 (FREEPHONE)

Email. ifslclientsupport@ifslfunds.com

Website. www.ifslfunds.com

Fax. (01204) 533 045

Investment Fund Services Limited Registered in England No. 06110770
Authorised and regulated by the Financial Conduct Authority and a
member of The Investment Association.

Investment Fund Services