

IFSL Church House Investment Grade Fixed Interest Fund

Interim Report and Unaudited Financial Statements

for the six month period ended
30 September 2023

IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

CONTACT INFORMATION

Authorised Fund Manager (AFM) and Registrar

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

Investor Support: (0808) 178 9321 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

Directors of IFSL

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

Investment Manager

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

Authorised and regulated by the Financial Conduct Authority.

Trustee

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

Authorised and regulated by the Financial Conduct Authority.

Auditor

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

IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

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AUTHORISED INVESTMENT MANAGER'S REPORT

for the six month period ended 30 September 2023

Performance to 30 September 2023

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL Church House Investment Grade Fixed Interest Fund	1.07%	7.00%	(4.50)%	3.29%
IA Sterling Corporate Bond	(0.84)%	7.10%	(14.12)%	(2.33)%

External Source of Economic Data: Morningstar (A Income - quoted price to quoted price, net income reinvested).

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 unit class is calculated in sterling.

Investment commentary

The Investment Grade Fixed Interest portfolio benefitted from its positioning at the short-dated end, where the markets were much calmer, avoiding the drama in longer-dated securities.

<u>Portfolio holdings split by duration of securities</u>	<u>September 2023</u>	<u>March 2023</u>
Short-dated Securities (less than 7 years)	73%	76%
Medium-dated Securities (7 to 15 years)	23%	19%
Long-dated Securities (over 15 years)	4%	5%
Duration of Portfolio	2.9	2.9

At the end of March 2023, the portfolio was 24% invested in floating rate notes (FRN), this is broadly similar today and the Fund has benefitted from quarterly reset coupons which have risen in line with SONIA/base rates.

The list below is of the top holdings in the portfolio. It is little changed from the last half year, though the 'TSB Covered (SONIA) 5.869% 09/29' – a floating rate note – is new to the list, having come to the market in early September. We also sold the Virgin Money 4% bond, due in 2026 partly to fund the purchase of a new Virgin Money bond with an attractive 7.625% coupon and 2029 maturity. They all reach maturity (pay back) between 2025 and 2033, with the possible exception of the SSE bonds, which are 'hybrid' and can live longer.

Top 15 Holdings as at 29 September 2023:

Deutsche Pfandbriefbank 7.625% 12/2025	2.80%
Bank of America 7% 7/2028	2.70%
Goldman Sachs 7.25% 4/2028	2.50%
SSE Hybrid 3.74% 2026/2049	2.40%
M&G 5.625% 10/2031	2.10%
EIB (SONIA) 6.097% 01/2027	2.10%
CPPIBC Float 6.201% 06/2026	2.10%
TSB Covered (SONIA) 5.869% 09/2029	2.00%
BP Pnc 4.25% 3/2027	1.80%
Lloyds 6.625% 6/2033	1.80%
Soc Gen 6.25% 6/2033	1.60%
Santander UK 7.098% 11/2027	1.60%
United Overseas Bank Covered 6.033%	1.60%
Canadian Imperial Bank (SONIA) 5.983%	1.60%
Bayerische Landesbank Covered 5.125%	1.60%

Source: Church House Investments Limited

Geopolitical event risk has risen but appears to be relatively contained from a market perspective. The real story for financial markets leading into the fourth quarter was the continuing falls in Gilts at the longer-dated end of the market, taking their interest yields up to the levels for shorter periods (flattening the yield curve, a 'bear steepening!'). Major western Central Banks are pausing their increases in base interest rates left, right and centre amidst hopes that we have found terminal rates, although recent data hasn't necessarily gone their way. Unfortunately, we look set for 'higher for longer', but this is better than 'higher and higher'. China's situation forced them to the front of macro considerations as their post COVID restrictions rebound has not materialised, and there is speculation about the potential for exported deflation. Their overheated property sector, 25% of the Chinese economy, is starting to look increasingly precarious and Evergrande (the biggest Chinese property developer who defaulted on \$300bn of debt), filing for bankruptcy in the US coincided with Country Garden (the second biggest Chinese property developer) suspending payments on thirteen bonds, putting their \$150bn debt pile in jeopardy too. The Chinese Central Bank's response has been to tinker with rates in a meaningless way, which will not resolve the situation. We remain thankful that these debt obligations are largely held internally.

The reality of funding the US budget deficit is hitting home. The \$6tn needed from the sale of Treasury Bills is a huge number. However, simply funding through T-bills is not possible, so the longer end of the Treasury market (the US equivalent of UK Gilts) has had to bear the brunt of a trillion dollars of new bond issuance. Whilst this has been taken reasonably well overall, the last auction of thirty-year Treasury bonds was weak, and the net effect has been to push thirty-year interest yields higher by half a percent, which

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for the six month period ended 30 September 2023

equates to a fall in capital value of almost 9% for bond holders.

US housing market activity has fallen off a cliff as thirty-year fixed mortgage rates have risen to 7.9%. A major part of the supply of housing is stifled by existing mortgage holders having no wish to move and refinance at these higher levels. Before the recent Federal Reserve meeting, US five and ten-year Treasury yields hit their highest levels since 2007, pre the Global Financial Crisis, influenced by rising oil prices and a worrying Canadian inflation print. The Federal Reserve kept their funds target rate unchanged but still with a tightening bias just to keep everyone on their toes. We still appear to be on course for a further hike before the end of the year, but presumably this remains 'data dependent'. The Fed sounded noticeably more optimistic on economic activity for 2024, their forecasts only predicting the potential for just one 0.5% cut in their rates next year and then to remain on hold until 2025/2026. These forecasts are liable to move as we know, but either way the US economy looks resilient and might well achieve a 'soft-landing'.

The picture in the Eurozone is much more fuzzy. The ECB did deliver a 'dovish hike' of 0.25% to a 22-year high of 3.75% (against economists' consensus for a pause), to then hold at their next meeting. The ECB have probably found their terminal rate and weakening growth in major EU economies will be top of their minds, as too will be stubbornly high near-term inflation data (although underlying inflation pressures are easing, and forecasts show a more rapid fall). They did not change their stance on selling-down their bond holdings, being content to stop reinvesting maturing bonds under its Asset Purchase Facility, but still reinvesting maturing principal payments under the Pandemic Emergency Purchase Programme (PEPP). It's all the same balance sheet in my view. The Eurozone economy remains asymmetrically reversed as the olive oil economies still have solid growth, while Germany flounders. Greece regained investment grade status; they've come a long way since 2011.

The Bank of England held rates with better prints for CPI at 6.7% and GDP at 0.2%. To cover our budget deficit we need to raise £238bn through new Gilt issuance over the year, a fair proportion from our long end too. One year on from last year's Truss/Kwarteng puppet show and the long end of the Gilt market is seeing greatly reduced volumes (an 'illiquid ghost town' is the word), exacerbated by greatly reduced Liability Driven Investment activity.

The UK economy does not present a particularly pretty picture as we printed weaker July GDP numbers than expected, mainly due to a surprise drop in the contribution from services. The drop in industrial and construction activity was expected. Subsequent GDP numbers were a shade better. Unemployment increased slightly and it looks as though private sector wage growth has found a level, but overall average earnings growing at 8.5% remains punchy. A surprise and welcome drop in August inflation numbers, in particular a healthy drop in the core rate to 6.2%, almost putting us in range of other major economies, must have been a major contributor to the Monetary Policy Committee's (MPC's) surprise 5/4 split vote to hold rates at 5.25%. The picture was also clouded for a while by a rally in energy prices (largely prompted by industrial action in Australia and US oil inventory data), which fell back for a while, but are now rising again due to fears of a major escalation of Middle East tensions following the unfolding Israeli/Palestinian situation.

The Sterling primary market has been unusually busy as a few foreign issuers took advantage of favourable cross-currency swap rates to issue in sterling and some high coupons have printed. We even saw some non-financial issuance from quality A-rated issuers such as Caterpillar and John Deere, which were well received with healthy order books and strong performance in the secondary market. Issuance across all currencies remains healthy.

Church House Investments Limited
2 November 2023

Glossary of certain terms used

Coupon	Annual interest rate paid on a bond.
Cross currency swap	An agreement between a buyer and seller to trade a financial instrument at a specified price in the future.
Duration of Portfolio	This is a measure of the interest rate sensitivity of a fixed interest portfolio. The figure means for a 1% rise in interest rates the portfolio would lose 2.9% in capital value, whilst for a 1% fall in interest rates the portfolio would gain 2.9% in capital value.
Floating rate notes (FRNs)	Bonds paying a floating interest rate for their entire term.
Pandemic Emergency Purchase Programme (PEPP)	A temporary asset purchase programme of public and private sector securities.
Quarterly reset coupons	The coupon is reset every three months, it should rise if interest rates have increased, or should fall if interest rates have decreased.
Secondary Market	Where investors buy and sell securities from other investors.
Yield	The interest an investor is expecting to earn over a given period of time on fixed interest securities.
Yield Curve	Tracks the difference between interest rates on fixed interest securities across different time periods. A normal yield curve is most common, reflecting higher interest rates for longer term securities. An inverted yield curve is when longer-term securities have lower yields than shorter-term securities. For most of the last 14 months, the UK has had an inverted yield curve. However, over the last 3-4 months, this yield curve has started to flatten (become less inverted), as longer dated interest rates have risen proportionately more the shorter dated interest rates.

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for the six month period ended 30 September 2023

Distributions

	Year 2023	Year 2022	Year 2021	Year 2020
<u>Income (pence per unit)</u>				
Net income paid last day of February	0.939098	0.629000	0.663000	0.588000
Net income paid 31 May	1.083084	0.634000	0.634000	0.578000
Net income paid 31 August	1.193748	0.715000	0.662000	0.613000
Net income paid 30 November	1.287432	0.802000	0.662000	0.702000
<u>Accumulation (pence per unit)</u>				
Net accumulation paid last day of February	1.413214	0.991000	1.014000	0.879000
Net accumulation paid 31 May	1.713904	1.000000	0.977000	0.870000
Net accumulation paid 31 August	2.067566	1.133000	1.025000	0.930000
Net accumulation paid 30 November	2.136137	1.278000	1.035000	1.079000
<u>XL Institutional Income (pence per unit)</u>				
Net income paid last day of February	0.974415	0.665000	0.696000	0.617000
Net income paid 31 May	1.113402	0.667000	0.666000	0.608000
Net income paid 31 August	1.238613	0.750000	0.695000	0.644000
Net income paid 30 November	1.333886	0.837000	0.697000	0.734000
<u>XL Institutional Accumulation (pence per unit)</u>				
Net accumulation paid last day of February	N/A	N/A	N/A	N/A
Net accumulation paid 31 May	N/A	N/A	N/A	N/A
Net accumulation paid 31 August	0.367023	N/A	N/A	N/A
Net accumulation paid 30 November	2.222268	N/A	N/A	N/A

Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
Yorkshire Building Society 6.375% 15.11.28	5,987,940
TSB Bank FRN 15.09.28	5,000,000
Caterpillar Financial Services 5.72% 17.08.26	4,250,000
Bayerische Landesbank 5.125% 01.06.26	3,988,640
Societe Generale 6.25% 22.06.33	3,969,640
Rothesay Life 7.734% 16.05.33	3,500,000
Yorkshire Building Society 7.375% 12.09.27	2,991,990
Northumbrian Water Finance 4.5% 14.02.31	2,845,800
Virgin Money UK 7.625% 23.08.29	2,487,650
Inchcape 6.5% 09.06.28	2,487,500
Other purchases	6,716,891
Total purchases for the period	44,226,051
<u>Largest sales</u>	<u>Proceeds (£)</u>
Virgin Money UK 4% 25.09.26	4,603,680
Rothesay Life 8% 30.10.25	4,286,370
Santander UK FRN 12.11.24	3,912,870
Liverpool Victoria Friendly Society 6.5% 22.05.43	3,436,420
Scottish Widows 5.5% 16.06.23	3,140,000
Bank of Montreal FRN 09.03.27	3,037,238
Shaftesbury Chinatown 2.348% 30.09.27	2,900,000
Yorkshire Building Society 6.375% 15.11.28	1,999,720
UK Treasury 2.25% 07.09.23	1,997,285
Caterpillar Financial Services 5.72% 17.08.26	1,261,362
Other sales	2,855,203
Total sales for the period	33,430,148

IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

AUTHORISED STATUS

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

GENERAL INFORMATION

Investment objective

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

Investment policy

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

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

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

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

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

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 Fund's investment policy puts it in the IA Sterling Corporate Bond sector. The Fund is not managed to a benchmark, however you may want to assess the Fund's performance compared to the performance of this sector.

Rights and terms attaching to each unit class

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

Changes in prospectus

There have been no significant changes since the last annual report.

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

DIRECTORS' STATEMENT

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



Allan Hamer
Director



Helen Redmond
Director

Investment Fund Services Limited
29 November 2023

IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

COMPARATIVE TABLE

Income units	Period to	Year to	Year to	Year to
Change in net assets per unit	30.09.2023	31.03.2023	31.03.2022	31.03.2021
	pence	pence	pence	pence
Opening net asset value per unit	103.43	111.56	116.66	110.16
Return before operating charges*	1.60	(3.66)	(1.51)	10.09
Operating charges	(0.46)	(0.93)	(1.00)	(0.98)
Return after operating charges*	1.14	(4.59)	(2.51)	9.11
Distributions on income units	(2.48)	(3.54)	(2.59)	(2.61)
Closing net asset value per unit	102.09	103.43	111.56	116.66

* after direct transaction costs of:

- - - -

Performance

Return after charges ^A	1.10%	(4.11)%	(2.15)%	8.27%
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Other information

Closing net asset value	163,261,316	168,876,251	183,458,268	266,914,843
Closing number of units	159,926,343	163,278,983	164,451,298	228,788,795
Operating charges	0.88% ^B	0.89%	0.84%	0.83%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

Prices (pence per unit)

Highest unit price	110.00	117.80	124.80	127.30
Lowest unit price	100.10	98.59	111.40	110.30

Accumulation units

Change in net assets per unit	Period to	Year to	Year to	Year to
	30.09.2023	31.03.2023	31.03.2022	31.03.2021
	pence	pence	pence	pence
Opening net asset value per unit	169.20	176.66	180.63	166.81
Return before operating charges*	2.90	(5.97)	(2.44)	15.28
Operating charges	(0.75)	(1.49)	(1.53)	(1.46)
Return after operating charges*	2.15	(7.46)	(3.97)	13.82
Distributions on accumulation units	(4.20)	(5.54)	(4.05)	(4.00)
Retained distributions on accumulation units	4.20	5.54	4.05	4.00
Closing net asset value per unit	171.35	169.20	176.66	180.63

* after direct transaction costs of:

- - - -

Performance

Return after charges ^A	1.27%	(4.22)%	(2.20)%	8.28%
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Other information

Closing net asset value	29,836,506	25,970,699	28,265,947	29,282,979
Closing number of units	17,412,346	15,349,251	16,000,502	16,211,359
Operating charges	0.88% ^B	0.89%	0.84%	0.83%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

Prices (pence per unit)

Highest unit price	181.50	186.50	194.30	195.60
Lowest unit price	166.00	158.40	175.50	167.00

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

^B These figures have been annualised.

IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

COMPARATIVE TABLE

XL Institutional Income units

Change in net assets per unit

	Period to 30.09.2023 pence	Year to 31.03.2023 pence	Year to 31.03.2022 pence	Year to 31.03.2021 pence
Opening net asset value per unit	104.27	112.36	117.38	110.73
Return before operating charges*	1.62	(3.71)	(1.54)	10.15
Operating charges	(0.33)	(0.71)	(0.76)	(0.76)
Return after operating charges*	1.29	(4.42)	(2.30)	9.39
Distributions on income units	(2.57)	(3.67)	(2.72)	(2.74)
Closing net asset value per unit	102.99	104.27	112.36	117.38

* after direct transaction costs of:

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Performance

Return after charges ^A	1.24%	(3.93)%	(1.96)%	8.48%
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Other information

Closing net asset value	56,590,184	46,352,737	42,281,181	56,216,510
Closing number of units	54,948,349	44,452,881	37,631,350	47,893,446
Operating charges	0.64% ^{B,C}	0.68%	0.64%	0.64%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

Prices (pence per unit)

Highest unit price	110.90	118.60	125.60	128.10
Lowest unit price	101.00	99.35	112.30	110.90

XL Institutional Accumulation units

Change in net assets per unit

	Period to 30.09.2023 ^D pence
Opening net asset value per unit	168.40
Return before operating charges*	3.52
Operating charges	(0.27)
Return after operating charges*	3.25
Distributions on accumulation units	(2.59)
Retained distributions on accumulation units	2.59
Closing net asset value per unit	171.65

* after direct transaction costs of:

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Performance

Return after charges ^A	1.93%
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Other information

Closing net asset value	155,469
Closing number of units	90,572
Operating charges	0.64% ^{B,C}
Direct transaction costs	0.00%

Prices (pence per unit)

Highest unit price	181.60
Lowest unit price	166.10

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

^B These figures have been annualised.

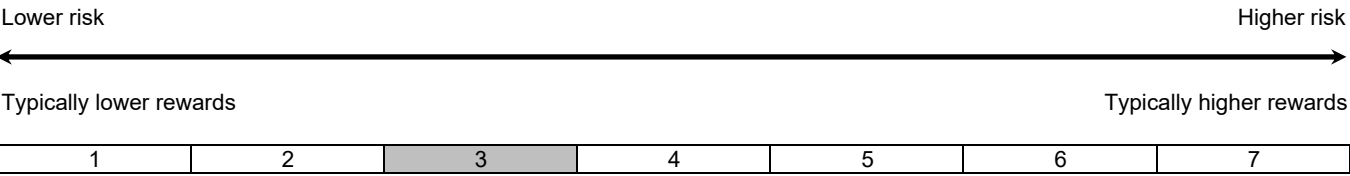
^C The annual management charge for XL Institutional Income and XL Institutional Accumulation units changed from 0.60% to 0.50% on 21 August 2023.

^D Opening net asset value per unit on 14 June 2023 being the first day of issue.

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

IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

SYNTHETIC RISK AND REWARD INDICATOR (all unit classes)



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

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

IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

PORTFOLIO STATEMENT

as at 30 September 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
DEBT SECURITIES (31 March 2023 - 94.73%)		
AAA TO AA (31 March 2023 - 25.52%)		
1,000,000 Bank of Montreal FRN 09.03.27	1,011,230	0.40
2,000,000 Bank of Nova Scotia FRN 14.03.25	2,014,400	0.81
1,500,000 Bank of Scotland 4.875% 20.12.24	1,484,670	0.59
4,000,000 Bayerische Landesbank 5.125% 01.06.26	3,973,480	1.59
5,000,000 Canada Pension Plan Investment Board FRN 15.06.26	5,114,050	2.05
4,000,000 CIBC FRN 15.12.25	4,037,960	1.62
1,250,000 Clydesdale Bank 4.625% 08.06.26	1,226,287	0.49
3,000,000 Clydesdale Bank FRN 22.01.27	2,976,120	1.19
3,000,000 Clydesdale Bank FRN 22.03.24	3,005,970	1.20
3,000,000 Clydesdale Bank FRN 22.03.26	3,008,730	1.21
3,000,000 DBS Bank FRN 17.11.25	3,026,490	1.21
2,750,000 European Investment Bank FRN 08.09.25	2,794,605	1.12
5,000,000 European Investment Bank FRN 18.01.27	5,122,750	2.05
1,500,000 HSBC FRN 25.08.27	1,506,900	0.60
2,000,000 National Australia Bank FRN 04.02.25	2,000,060	0.80
1,000,000 National Australia Bank FRN 15.12.25	1,009,300	0.40
2,000,000 Nationwide Building Society FRN 10.01.24	2,002,320	0.80
4,000,000 Nationwide Building Society FRN 24.02.31	3,927,040	1.57
1,000,000 Santander UK FRN 12.02.24	1,001,540	0.40
3,000,000 Santander UK FRN 12.11.24	3,007,020	1.20
781,000 TSB Bank FRN 15.02.24	782,695	0.31
5,000,000 TSB Bank FRN 15.09.28	5,002,650	2.00
4,000,000 United Overseas Bank FRN 21.09.26	4,031,080	1.61
Total AAA to AA	63,067,347	25.22
AA- TO A+ (31 March 2023 - 7.16%)		
6,400,000 Bank of America 7% 31.07.28	6,731,456	2.70
750,000 BG Energy Capital 5.125% 01.12.25	744,427	0.30
4,100,000 Royal Bank of Canada 3.625% 14.06.27	3,798,568	1.52
3,000,000 Royal Bank of Canada 5% 24.01.28	2,888,970	1.16
Total AA- to A+	14,163,421	5.68
A TO A- (31 March 2023 - 12.97%)		
3,000,000 Caterpillar Financial Services 5.72% 17.08.26	3,031,800	1.21
10,000 Close Brothers Finance 2.75% 19.10.26	8,973	-
4,000,000 Crédit Agricole 5.75% 29.11.27	3,940,000	1.58
3,000,000 Credit Suisse Group 7% 30.09.27	3,037,140	1.22
3,000,000 KBC Group 5.5% 20.09.28	2,917,710	1.17
3,000,000 Nationwide Building Society 6.178% 07.12.27	2,969,730	1.19
3,000,000 NatWest Group 3.619% 29.03.29	2,658,750	1.06
2,000,000 NatWest Markets 6.375% 08.11.27	2,017,940	0.81
2,700,000 Rio Tinto Finance 4% 11.12.29	2,488,779	1.00
4,000,000 Segro 2.375% 11.10.29	3,309,920	1.32
4,000,000 Societe Generale 6.25% 22.06.33	4,021,720	1.61
3,000,000 The Goldman Sachs Group 3.125% 25.07.29	2,588,010	1.04
6,000,000 The Goldman Sachs Group 7.25% 10.04.28	6,271,740	2.51
Total A to A-	39,262,212	15.72
BBB+ TO BBB (31 March 2023 - 38.06%)		
3,000,000 3i Group 3.75% 05.06.40	2,109,930	0.85
3,000,000 Aviva 4.375% 12.09.49	2,601,480	1.04
2,000,000 Aviva 5.125% 04.06.50	1,765,680	0.71
3,500,000 Barclays 6.369% 31.01.31	3,418,170	1.37
5,000,000 BP Capital Markets 4.25% Perp	4,425,000	1.77
7,100,000 Deutsche Pfandbriefbank 7.625% 08.12.25	7,021,119	2.81
1,078,000 Digital Stout Holding 4.25% 17.01.25	1,054,101	0.42
1,500,000 Direct Line Insurance Group 4% 05.06.32	1,095,375	0.44
2,995,000 Fidelity International 7.125% 13.02.24	2,995,300	1.20

IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

PORTFOLIO STATEMENT

as at 30 September 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
BBB+ TO BBB (continued)		
2,629,000 Heathrow Funding 6.75% 03.12.28	2,682,474	1.07
1,500,000 Hiscox 6% 22.09.27	1,490,355	0.60
2,500,000 Inchcape 6.5% 09.06.28	2,501,425	1.00
4,000,000 ING Groep 6.25% 20.05.33	3,805,000	1.52
2,500,000 InterContinental Hotels Group 3.375% 08.10.28	2,195,100	0.88
3,600,000 Investec 9.125% 06.03.33	3,653,424	1.46
2,000,000 Leeds Building Society 3.75% 25.04.29	1,737,820	0.70
4,500,000 Legal & General Group 5.625% Perp	3,549,375	1.42
4,500,000 Lloyds Banking Group 6.625% 02.06.33	4,379,940	1.75
5,750,000 M&G 5.625% 20.10.51	5,108,702	2.05
1,500,000 National Gas Transmission 5.75% 05.04.35	1,421,430	0.57
1,000,000 National Grid 3.5% 16.10.26	933,450	0.37
500,000 National Grid Electricity Distribution (West Midlands) 6% 09.05.25	497,790	0.20
3,000,000 Northumbrian Water Finance 4.5% 14.02.31	2,689,980	1.08
2,000,000 Pension Insurance 3.625% 21.10.32	1,475,700	0.59
1,500,000 Pension Insurance 4.625% 07.05.31	1,236,180	0.50
3,000,000 Phoenix Group Holdings 5.625% 28.04.31	2,635,740	1.05
2,584,000 Prudential 6.125% 19.12.31	2,538,212	1.02
3,500,000 Rothesay Life 7.734% 16.05.33	3,397,030	1.36
4,000,000 Santander UK Group Holdings 7.098% 16.11.27	4,003,160	1.60
1,350,000 Scotland Gas Networks 3.25% 08.03.27	1,237,801	0.50
250,000 SSE 8.375% 20.11.28	277,665	0.11
1,592,000 Standard Chartered 5.125% 06.06.34	1,380,742	0.55
1,500,000 Thames Water Utilities Finance 4% 19.06.25	1,395,000	0.56
2,500,000 Virgin Money UK 7.625% 23.08.29	2,533,700	1.01
4,000,000 Volkswagen Financial Services 4.25% 09.10.25	3,849,640	1.54
1,500,000 Volkswagen Financial Services 5.875% 23.05.29	1,454,310	0.58
3,000,000 Whitbread Group 2.375% 31.05.27	2,592,270	1.04
2,200,000 Whitbread Group 3% 31.05.31	1,719,630	0.69
2,250,000 Yorkshire Building Society 3.375% 13.09.28	1,929,375	0.77
4,000,000 Yorkshire Building Society 6.375% 15.11.28	3,902,840	1.56
3,000,000 Yorkshire Building Society 7.375% 12.09.27	3,015,840	1.21
Total BBB+ to BBB	103,707,255	41.52
BBB- TO UNRATED (31 March 2023 - 11.02%)		
3,500,000 Berkeley Group 2.5% 11.08.31	2,350,915	0.94
2,000,000 BlackStone Private Credit 4.875% 14.04.26	1,821,700	0.73
4,000,000 Rothesay Life 5% Perp	2,566,520	1.03
6,500,000 SSE 3.74% Perp	5,898,750	2.36
2,000,000 Tesco Corporate Treasury Services 1.875% 02.11.28	1,649,980	0.66
1,500,000 TP ICAP Finance 7.875% 17.04.30	1,454,100	0.58
1,500,000 Virgin Money UK 2.625% 19.08.31	1,282,500	0.51
Total BBB- To Unrated	17,024,465	6.81
Total Debt Securities	237,224,700	94.95
CLOSED ENDED FUNDS (31 March 2023 - 2.55%)		
3,455,499 GCP Infrastructure Investments	2,335,917	0.93
1,125,000 HICL Infrastructure	1,388,250	0.56
1,000,000 International Public Partnerships	1,230,000	0.49
Total Closed Ended Funds	4,954,167	1.98
COLLECTIVE INVESTMENT SCHEMES (31 March 2023 - 1.06%)		
40,000 WisdomTree Gilts 10Y 3x Daily Short ETF	2,664,000	1.07
Total Collective Investment Schemes	2,664,000	1.07
Portfolio of investments	244,842,867	98.00
Net other assets	5,000,608	2.00
Total net assets	249,843,475	100.00

IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

PORTFOLIO STATEMENT

as at 30 September 2023

Portfolio split by investment grade

Investments of investment grade	237,224,700	94.95
Investments below investment grade:	-	-
Unrated	-	-
Debt securities and convertible bonds	237,224,700	94.95
Other investments	7,618,167	3.05
Net other assets	5,000,608	2.00
Total net assets	249,843,475	100.00

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.

PORTFOLIO TRANSACTIONS

for the six month period ended 30 September 2023

£

Total purchases costs, including transaction charges	44,226,051
Total sales proceeds, net of transaction charges	33,430,148

IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

STATEMENT OF TOTAL RETURN

for the six month period ended 30 September 2023

	30 September 2023		30 September 2022	
	£	£	£	£
Income:				
Net capital losses		(2,721,045)		(26,793,511)
Revenue	6,443,112		3,964,202	
Expenses	(973,771)		(1,006,882)	
Net revenue before taxation	<u>5,469,341</u>		<u>2,957,320</u>	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>5,469,341</u>		<u>2,957,320</u>
Total return before distributions		2,748,296		(23,836,191)
Distributions		(5,952,658)		(3,458,962)
Change in net assets attributable to unitholders from investment activities		<u>(3,204,362)</u>		<u>(27,295,153)</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the six month period ended 30 September 2023

	30 September 2023		30 September 2022	
	£	£	£	£
Opening net assets attributable to unitholders	^A	241,199,687		254,005,396
Amount receivable on issue of units	33,850,461		11,336,328	
Amounts payable on cancellation of units	(22,713,356)		(11,930,673)	
Amounts payable on unit class conversions	<u>3</u>		<u>-</u>	
		11,137,108		(594,345)
Change in net assets attributable to unitholders from investment activities		(3,204,362)		(27,295,153)
Retained distribution on accumulation units		711,042		367,081
Closing net assets attributable to unitholders		<u>249,843,475</u>	^A	<u>226,482,979</u>

^A These figures are not the same as the comparatives are taken from the preceding interim period and not the last annual accounts.

IFSL CHURCH HOUSE INVESTMENT GRADE FIXED INTEREST FUND

BALANCE SHEET

as at 30 September 2023

	30 September 2023 £	31 March 2023 £
Assets:		
Fixed Assets:		
Investments	244,842,867	237,189,915
Current Assets:		
Debtors	6,603,884	6,024,833
Cash and bank balances	3,117,512	5,181,716
Total assets	<u>254,564,263</u>	<u>248,396,464</u>
Liabilities:		
Creditors:		
Bank overdraft	985,797	948,537
Distribution payable on income units	2,791,892	2,263,389
Other creditors	943,099	3,984,851
Total liabilities	<u>4,720,788</u>	<u>7,196,777</u>
Net assets attributable to unitholders	<u>249,843,475</u>	<u>241,199,687</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 30 September 2023

Basis for preparation

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

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

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

Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2023 and are described in those annual financial statements.

The investments of the Fund have been valued at their fair value at 12 noon on 29 September 2023.

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

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Investment Fund Services