

IFSL Church House Balanced Equity Income Fund

Interim Report

for the six months ended 30 September 2022

## Contents

Page

Report of the Manager	2
Accounting policies of IFSL Church House Balanced Equity Income Fund	3
Investment Manager's report	4
Portfolio changes	7
Portfolio statement	8
Risk and reward profile	11
Performance information	12
Financial statements:	
Statement of total return	14
Statement of change in net assets attributable to unitholders	14
Balance sheet	15
Further information	16
Appointments	17

## IFSL Church House Balanced Equity Income Fund Report of the Manager

The Manager, presents the Interim Report for IFSL Church House Balanced Equity Income Fund (formerly SVS Church House Balanced Equity Income Fund) for the six months ended 30 September 2022.

IFSL Church House Balanced Equity Income Fund ('the Trust' or 'the Fund') is an authorised unit trust scheme further to an authorisation order dated 22 January 2002 and is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL'), as published by the Financial Conduct Authority ('FCA').

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

On 24 February 2022, Russian troops started invading Ukraine. In response, multiple jurisdictions have imposed economic sanctions on Russia and Belarus. In addition, a growing number of public and private companies have announced voluntary actions to curtail business activities with Russia and Belarus. As Manager we continue to monitor the events as they unfold. In particular, IFSL Church House Balanced Equity Income Fund does not have direct exposure to the Russian market.

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

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

### Investment objective and policy

The aim of the Fund is to provide income and capital growth over the long term (at least five years).

The Fund is actively managed. At least 70% of the Fund's assets are invested in shares of UK companies (those incorporated or domiciled in the UK). The focus of the Fund is on larger capitalisation companies, which the Manager defines as those with a market capitalisation of at least £1 billion at the time of purchase. Up to 30% of the Fund may be invested in other assets: the shares of companies with a smaller capitalisation, sterling denominated fixed interest securities (including floating rate notes, index linked or convertible fixed interest securities), money market instruments and cash.

### Changes affecting the Fund in the period

There were no fundamental or significant changes to the Fund in the period.

Smith & Williamson Fund Administration Limited changed name to Evelyn Partners Fund Solutions Limited on 10 June 2022.

Further information in relation to the Fund is illustrated on page 16.

### Changes affecting the Fund subsequent to the period

As at 1 October 2022, the following changes were made to the Fund, name changed to IFSL Church House Balanced Equity Income Fund and Investment Fund Services Limited became Manager of the Fund.

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



Allan Hamer

Directors

Investment Fund Services Limited

30 November 2022



Helen Redmond

## Accounting policies of IFSL Church House Balanced Equity Income Fund (unaudited) *for the six months ended 30 September 2022*

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments. They have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') and in accordance with the Statement of Recommended Practice for UK Authorised Funds ('the SORP') published by The Investment Association in May 2014 and amended in June 2017.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2022 and are described in those annual financial statements.

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

## Investment Manager's report

### Investment performance

Capital performance*over	6 Months	3 Years	5 Years
IFSL Church House Balanced Equity Income Fund A Income**	-14.9%	-17.0%	-14.9%

\* Percentage change in bid price of Income units at 12pm to 30 September 2022.

\*\* 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 takes account of all ongoing charges, but not entry charges. The past performance of this unit class is calculated in sterling.

Source: Bloomberg and Evelyn Partners Fund Solutions Limited.

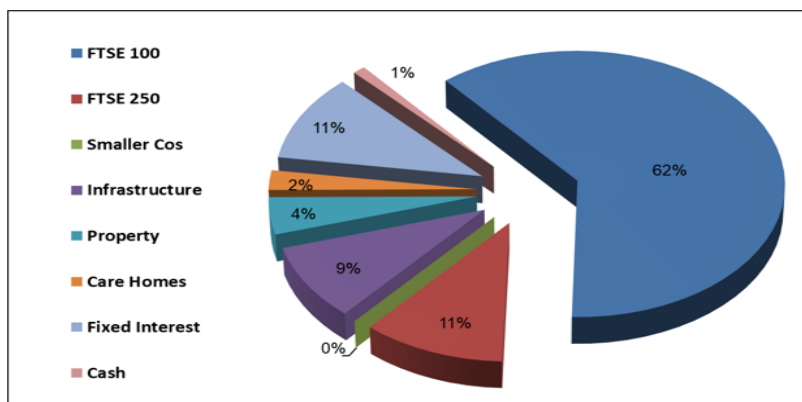
The benchmark produced the following performance over the period from 1 April 2022 to 30 September 2022:

FTSE 350 Higher Yield Index	-5.40%
IA Mixed Investment 40%-85% Shares sector	-9.20%

Source: FE fundinfo.

### Investment activities

After a comparatively calm first six months of 2022, the IFSL Church House Balanced Equity Income Fund was shaken by the dramatic re-pricing in fixed interest markets and the knock-on effect this had had on infrastructure and property investments and, of course, the fixed interest holdings in the portfolio. The areas that are supposed to provide the 'balance' did the opposite. To be clear about this, we are not concerned with the long-term prospects and dividend/interest paying capabilities of these investments, just that in the short-term they have been, rather dramatically, 're-priced'. Here is the overall disposition at the end of the Fund's first half:



Source: Church House Investment Management.

Over the three months to the end of June, we saw weakness in the mining and materials companies, notably Rio Tinto, which fell back with metals prices, but also the packaging company DS Smith and Croda International, though it is quite hard to see many similarities between these three. Halma, 3i Group and Howden Joinery Group were also poor performers, loosely grouped under 'Industrials' there is precious little similarity here either. We added to Howden Joinery Group at the end of June, considering that the 35% fall in their share price was overdone. Greggs was another casualty, suffering a further 26% fall.

The staple goods companies provided some positive performance for us, both Unilever and Reckitt Benckiser Group gained around 7%. The pharmaceutical companies, AstraZeneca and GSK gained by a similar amount. The same was not true of Smith & Nephew, which slipped again. GSK are 'spinning-off' their consumer health side, Haleon (Panadol, Voltaren, Sensodyne et al) in the next few weeks. This was the business that Unilever tried to buy from GSK for £50 billion last year, it looks likely to have a lower value in the market. BAE Systems was a positive contributor again though, if anything, they appear to be 'talking down' expectations.

## Investment Manager's report (continued)

### Investment activities (continued)

Top 15 holdings - 30 September 2022	
AstraZeneca	6.0%
Unilever	4.4%
Diageo	4.3%
GSK	3.6%
RELX	3.5%
BAE Systems	3.3%
Croda International	2.9%
Reckitt Benckiser Group	2.8%
Aviva	2.7%
Bunzl	2.6%
BBGI Global Infrastructure	2.6%
SDCL Energy Efficiency Income Trust	2.5%
National Grid	2.5%
Halma	2.5%
Barclays	2.5%

Source: Church House Investment Management.

Over the latter three months to the end of September, we sold the remaining holdings in Compass Group and Rentokil Initial, good companies, but not ones that are going to provide the level of dividends (and dividend growth) that we seek. We have also sold the disappointing Smith & Nephew.

Relative to its size in the portfolio, the big negative has been GSK, which suffered a steep fall. The period had started well with the successful divestment of Haleon, which is now a separately listed FTSE 100 company. But then their shares began a steep fall (down 27% over the quarter) with growing concerns over US litigation surrounding Zantac, the ulcer and heartburn drug. GSK have stated that the US Food and Drug Administration had concluded that there was no causal association between Zantac and the development of cancer.

We sold the holding in Haleon that we received in the spin-off and added to GSK with the proceeds, considering that 'new GSK' may be in a position to provide a growing dividend. The long-standing holdings in Diageo and Unilever provided some of the few positive returns, as did Sage Group. We added further to Howden Joinery Group along with Lloyds Banking Group and Reckitt Benckiser Group and, in energy saving and infrastructure, to Harmony Energy Income Trust and SDCL Energy Efficiency Income Trust.

### Investment strategy and outlook

An appalling quarter on so many fronts ended at just about the worst point possible for investors. It had started reasonably well with an improvement in equity and bond markets through July and early August. Putin's 'gas attack' on Europe in mid-August put paid to this, and energy prices leapt again, adding to concerns here as UK inflation for July breached the 10% mark.

Gilts don't often hit the headlines, but that all changed in the week following Kwasi Kwarteng's 'Fiscal Statement' on 23 September 2022. This was a shockingly inept display from the new government, how did they expect markets to react, particularly the gilt market, when they announce 'spend, spend, spend' with no indication of how this was to be paid for. The price of gilts duly collapsed and it was true to say that the gilt market had fallen into disarray and was not functioning properly. This was the moment when the Bank of England ('BoE'), correctly, stepped in to provide a backstop and some order was restored. The result is that available rates of interest for longer periods have reversed the falls of the past twelve years since the financial crisis of 2008/2009. The shock was that it happened so quickly, leaving holders of longer-dated gilts (and other fixed interest securities) nursing heavy capital losses.

Inflation is still the key to all this. Led by the US Federal Reserve, central banks, including the BoE, have been raising their base interest rates in an attempt to tackle it, and we expect to see more increases.

Here, and in Europe, consumers and businesses are to be shielded from the prospect of massive jumps in fuel prices (though these are abating somewhat), which will provide significant relief. But central bank (and inept political) actions mean that a mild recession in the US looks likely now, while the European economy is already in recession as is, probably, ours.

## Investment Manager's report (continued)

### Investment strategy and outlook (continued)

The better side of the coin is that, for the first time in years, there are decent returns on offer across UK asset classes. We consider that the equity market, along with gilt and credit markets, have now 'priced-in' a lot of bad news (it has been relentless). We expect to see the value in the Fund reflected in better returns, and dividends, over the course of the year ahead.

Church House Investments Limited  
28 October 2022

## Portfolio changes

for the six months ended 30 September 2022

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

	Cost
	£
Purchases:	
GSK	995,379
UK Treasury Gilt 1.5% 22/07/2026	448,140
Lloyds Banking Group	439,026
Harmony Energy Income Trust	395,643
Howden Joinery Group	382,458
Aviva	308,194
SDCL Energy Efficiency Income Trust	228,000
Tritax Big Box REIT	211,185
Reckitt Benckiser Group	131,666
Schroders	115,756
	<u>3,655,447</u>
	Proceeds
	£
Sales:	
Smith & Nephew	1,215,424
BB Healthcare Trust	636,460
Rentokil Initial	607,145
Compass Group	567,030
Haleon	379,162
	<u>3,405,221</u>



## Portfolio statement

as at 30 September 2022

	Nominal value or holding	Market value £	% of total net assets
Investment			
Debt Securities* 10.52% (10.16%)			
Aa3 to A1 0.85% (0.93%)			
Southern Water Services Finance 3.706% 31/03/2034**	£218,000	491,508	0.85
A2 to A3 0.00% (1.99%)		-	-
Aa3 to A1 2.74% (0.00%)			
UK Treasury Gilt 1.5% 22/07/2026	£500,000	448,410	0.77
UK Treasury Index Linked 4.125% 22/07/2030**	£350,000	1,145,527	1.97
		1,593,937	2.74
Baa1 to Baa2 4.53% (3.25%)			
Barclays 3.75% 22/11/2030**	£1,500,000	1,305,825	2.25
Virgin Money UK 2.625% 19/08/2031**	£1,000,000	774,830	1.33
Yorkshire Building Society 3.375% 13/09/2028**	£700,000	551,698	0.95
		2,632,353	4.53
Baa3 and below 2.40% (3.99%)			
Heathrow Funding 3.334% 09/12/2039	£250,000	444,982	0.77
Phoenix Group Holdings 5.75% Perpetual**	£700,000	524,209	0.90
SSE 3.74% Perpetual**	£500,000	426,720	0.73
		1,395,911	2.40
Total debt securities		6,113,709	10.52
Equities - United Kingdom 79.06% (76.67%)			
Equities - incorporated in the United Kingdom 79.06% (76.67%)			
Materials 6.53% (6.94%)			
Croda International	26,500	1,708,190	2.94
DS Smith	335,000	860,615	1.48
Rio Tinto	25,000	1,224,000	2.11
		3,792,805	6.53
Industrials 10.76% (10.35%)			
BAE Systems	240,000	1,895,520	3.26
Bunzl	55,000	1,517,450	2.61
Howden Joinery Group	160,000	808,000	1.39
RELX	92,500	2,035,925	3.50
		6,256,895	10.76
Consumer Discretionary 5.97% (7.26%)			
Bellway	39,000	663,780	1.14
Berkeley Group Holdings	32,500	1,071,525	1.84
Greggs	50,000	856,000	1.47
Kingfisher	400,000	881,200	1.52
		3,472,505	5.97

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

\*\* Variable interest security.

## Portfolio statement (continued)

as at 30 September 2022

	Nominal value or holding	Market value £	% of total net assets
Investment			
Equities (continued)			
Equities - incorporated in the United Kingdom (continued)			
Consumer Staples 14.57% (12.40%)			
Britvic	150,000	1,074,750	1.85
Cranswick	26,000	696,280	1.20
Diageo	65,000	2,468,050	4.25
Reckitt Benckiser Group	27,500	1,643,400	2.83
Unilever	65,000	2,579,850	4.44
		<u>8,462,330</u>	<u>14.57</u>
Health Care 9.59% (10.38%)			
AstraZeneca	35,000	3,479,000	5.99
GSK	160,000	2,089,280	3.60
		<u>5,568,280</u>	<u>9.59</u>
Financials 16.05% (15.88%)			
3i Group	75,000	819,750	1.41
Aviva	400,000	1,552,800	2.67
Barclays	1,000,000	1,443,000	2.48
Close Brothers Group	102,500	950,688	1.64
Lloyds Banking Group	2,500,000	1,034,750	1.78
Phoenix Group Holdings	200,000	1,053,200	1.81
Rathbone Brothers	74,000	1,212,120	2.09
Schroders	323,529	1,259,498	2.17
		<u>9,325,806</u>	<u>16.05</u>
Information Technology 4.86% (4.68%)			
Halma	70,000	1,431,500	2.46
Sage Group	200,000	1,394,400	2.40
		<u>2,825,900</u>	<u>4.86</u>
Communication Services 1.46% (1.89%)			
BT Group	700,000	849,100	1.46
Utilities 2.48% (2.69%)			
National Grid	155,000	1,442,740	2.48
Noisivarec <sup>^</sup>	750,000	-	-
ULTra PRT <sup>^</sup>	2,620	-	-
		<u>1,442,740</u>	<u>2.48</u>
Real Estate 6.79% (4.20%)			
Land Securities Group	175,000	912,800	1.57
Primary Health Properties	500,000	566,500	0.98
Shaffesbury	115,535	424,013	0.73
Target Healthcare REIT	1,490,000	1,361,860	2.34
Tritax Big Box REIT	500,000	678,500	1.17
		<u>3,943,673</u>	<u>6.79</u>
Total equities - United Kingdom		<u>45,940,034</u>	<u>79.06</u>

<sup>^</sup> Noisivarec and ULTra PRT: The fair value pricing committee considers it appropriate to include the securities in the portfolio of investments with no value. The value is based on the sufficient doubt over the continued viability of the businesses.

## Portfolio statement (continued)

as at 30 September 2022

Investment	Nominal value or holding	Market value £	% of total net assets
Closed-Ended Funds 9.13% (12.75%)			
Closed-Ended Funds - United Kingdom 6.55% (10.30%)			
Closed-Ended Funds - incorporated in the United Kingdom 4.71% (8.50%)			
Harmony Energy Income Trust	850,000	918,000	1.58
SDCL Energy Efficiency Income Trust	1,433,166	1,444,631	2.49
Triple Point Energy Efficiency Infrastructure Company	500,000	372,500	0.64
Total closed-ended funds - incorporated in the United Kingdom		<u>2,735,131</u>	<u>4.71</u>
Closed-Ended Funds - incorporated outwith the United Kingdom 1.84% (1.80%)			
GCP Infrastructure Investments	1,100,000	<u>1,069,200</u>	<u>1.84</u>
Total closed-ended funds - United Kingdom		<u>3,804,331</u>	<u>6.55</u>
Closed-Ended Funds - Luxembourg 2.58% (2.45%)			
BBGI Global Infrastructure	950,000	<u>1,501,000</u>	<u>2.58</u>
Total closed-ended funds		<u>5,305,331</u>	<u>9.13</u>
Portfolio of investments		57,359,074	98.71
Other net assets		746,962	1.29
Total net assets		<u>58,106,036</u>	<u>100.00</u>

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

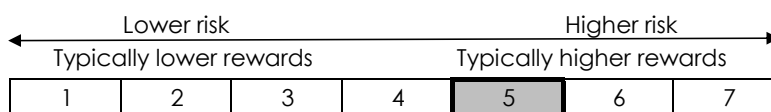
The comparative figures in brackets are as at 31 March 2022.

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

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

## Risk and reward profile (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 is used.



Past data may not be a reliable indication of the future risk profile of the Fund. The risk category may change in the future and is not guaranteed. The lowest category does not mean risk free. The value of investments and the income from them may fall as well as rise and you may not get back the amount you originally invested.

This Fund has been measured as 5 because its investments have experienced moderate to high volatility in the past. The Fund's volatility is affected by various risks, including:

- The Fund will be exposed to stock markets and market conditions can change rapidly. Prices can move irrationally and be affected unpredictably by diverse factors, including political and economic events.
- The Fund has exposure to bonds, the prices of which will be impacted by factors including; changes in interest rates, inflation expectations and perceived credit quality.
- When interest rates rise, bond values generally fall. This risk is generally greater for longer term bonds and for bonds with perceived lower credit quality.
- The Fund invests mainly in the UK therefore investments will be vulnerable to sentiment in that market which may strongly affect the value of the Fund.

Risks which are not adequately captured by the risk indicator include:

- In certain market conditions some assets may be less predictable than usual. This may make it harder to sell at a desired price and/or in a timely manner.
- In extreme market conditions redemptions in the underlying funds or the Fund itself may be deferred or suspended.

All or part of the fees and expenses may be charged to the capital of the Fund rather than being deducted from income. Future capital growth may be constrained as a result of this.

Dividends paid by companies are not guaranteed and can be cancelled, which may impact the Fund's ability to deliver an income to investors.

A more detailed description of the risks that apply to this Fund can be found in the Fund's prospectus

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

## Performance information

Number of units in issue	30.09.22	31.03.22	31.03.21	31.03.20
A units income	25,656,297	25,467,493	25,030,101	25,865,641
A units accumulation	921,678	974,280	1,112,245	1,171,661
B units income	5,759,500	5,636,227	3,963,564	1,326,671
B units accumulation	2,258,967	2,280,632	2,220,461	1,684,725
Net Asset Value ('NAV')	£	£	£	£
Total NAV of the Fund	58,106,036	67,506,126	61,727,466	49,326,534
NAV attributable to A units income unitholders	40,010,134	46,536,947	44,527,512	40,061,217
NAV attributable to A units accumulation unitholders	2,435,302	2,960,995	3,203,881	2,865,236
NAV attributable to B units income unitholders	9,366,576	10,722,596	7,315,254	2,124,111
NAV attributable to B units accumulation unitholders	6,294,024	7,285,588	6,680,819	4,275,970
NAV per unit (based on bid value) ^	p	p	p	p
A units income	155.9	182.7	177.9	154.9
A units accumulation	264.2	303.9	288.1	244.5
B units income	162.6	190.2	184.6	160.1
B units accumulation	278.6	319.5	300.9	253.8
Highest and lowest published prices and distributions				
		Distribution per unit	Highest offer price	Lowest bid price
Financial year to 31 March		p	p	p
2020	A units income	5.795	197.3	136.6
2020	A units accumulation	8.914	306.8	212.4
2020	B units income	6.556	204.0	141.4
2020	B units accumulation	10.106	318.0	220.4
2021	A units income	4.263	180.1	148.3
2021	A units accumulation	6.771	288.5	234.2
2021	B units income	4.864	187.1	153.3
2021	B units accumulation	7.779	301.4	243.1
2022	A units income	4.990	197.0	170.5
2022	A units accumulation	8.129	323.7	280.1
2022	B units income	5.748	205.0	177.7
2022	B units accumulation	9.425	339.7	294.3
Financial period to 30 September 2022	A units income	2.925	187.4	158.2
Financial period to 30 September 2022	A units accumulation	4.859	311.6	263.1
Financial period to 30 September 2022	B units income	3.303	195.2	165.2
Financial period to 30 September 2022	B units accumulation	5.545	327.7	277.4

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

## Performance information (continued)

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

A units income			
Payment date	p	Payment date	p
30.11.22	2.925	30.11.21	2.775
		31.05.22	2.215
A units accumulation			
Allocation date	p	Allocation date	p
30.11.22	4.859	30.11.21	4.491
		31.05.22	3.638
B units income			
Payment date	p	Payment date	p
30.11.22	3.303	30.11.21	3.163
		31.05.22	2.585
B units accumulation			
Allocation date	p	Allocation date	p
30.11.22	5.545	30.11.21	5.154
		31.05.22	4.271

### Ongoing charges figure ('OCF')

	30.09.22 <sup>^</sup>	31.03.22
A units income	1.71%	1.71%
A units accumulation	1.71%	1.71%
B units income	1.08%	1.08%
B units accumulation	1.08%	1.08%

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

Previously, the OCF included expenses incurred by underlying holdings of collective investment schemes in relation to the Fund (the synthetic OCF). Following guidance issued by the Investment Association on 2 July 2020, the synthetic OCF calculation has been expanded to include closed ended vehicles such as investment trusts.

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

<sup>^</sup> Annualised based on the expenses incurred during the period 1 April 2022 to 30 September 2022.

## Financial statements - IFSL Church House Balanced Equity Income Fund (unaudited)

### Statement of total return (unaudited)

for the six months ended 30 September 2022

	1 April 2022 to 30 September 2022		1 April 2021 to 30 September 2021	
	£	£	£	£
Income:				
Net capital (losses) / gains		(9,699,658)		2,877,514
Revenue	1,344,764		1,236,311	
Expenses	<u>(460,994)</u>		<u>(468,663)</u>	
Net revenue before taxation	883,770		767,648	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>883,770</u>		<u>767,648</u>
Total return before distributions		(8,815,888)		3,645,162
Distributions		(1,110,635)		(999,890)
Change in net assets attributable to unitholders from investment activities		<u>(9,926,523)</u>		<u>2,645,272</u>

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

for the six months ended 30 September 2022

	1 April 2022 to 30 September 2022		1 April 2021 to 30 September 2021	
	£	£	£	£
Opening net assets attributable to unitholders		67,506,126 *		61,727,466
Amounts receivable on issue of units	2,000,257		3,734,103	
Amounts payable on cancellation of units	<u>(1,643,868)</u>		<u>(1,689,985)</u>	
		356,389		2,044,118
Change in net assets attributable to unitholders from investment activities		(9,926,523)		2,645,272
Retained distributions on accumulation units		170,044		165,256
Closing net assets attributable to unitholders		<u>58,106,036</u>		<u>66,582,112 *</u>

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

Balance sheet (unaudited)  
as at 30 September 2022

	30 September 2022	31 March 2022
	£	£
Assets:		
Fixed assets:		
Investments	57,359,074	67,219,727
Current assets:		
Debtors	242,587	734,359
Cash and bank balances	1,522,373	288,448
Total assets	<u>59,124,034</u>	<u>68,242,534</u>
Liabilities:		
Creditors:		
Distribution payable	(940,683)	(709,801)
Other creditors	(77,315)	(26,607)
Total liabilities	<u>(1,017,998)</u>	<u>(736,408)</u>
Net assets attributable to unitholders	<u><u>58,106,036</u></u>	<u><u>67,506,126</u></u>



## Further information

### Distributions and reporting dates

Where net revenue is available it will be distributed/allocated semi-annually on 31 May (final) and 30 November (interim). In the event of a distribution, unitholders will receive a tax voucher.

XD dates:	1 April	final
	1 October	interim
Reporting dates:	31 March	annual
	30 September	interim

### Buying and selling units

The property of the Fund is valued at 12 noon on each business day, with the exception of Christmas Eve and New Year's Eve or a bank holiday in England and Wales or the last business day prior to those days annually where the valuation may be carried out at a time agreed in advance between the Manager and the Trustee. The price of units are calculated as at that time. Unit dealing is on a forward basis i.e. investors can buy and sell units at the next valuation point following receipt of the order.

### *A units income and A units accumulation*

The minimum initial investment in the Fund is £5,000. The minimum subsequent investment is £5,000. The Manager reserves the right to terminate holdings where the value is less than £3,000. The Manager may waive the minimum levels at its discretion.

### *B units income and B units accumulation\**

The minimum initial investment in the Fund is £100,000. The minimum subsequent investment is £100,000. The Manager reserves the right to terminate holdings where the value is less than £100,000. The Manager may waive the minimum levels at its discretion.

There is no initial charge applied on the purchase of units.

Prices of units and the estimated yield of the unit classes are published on the following website: [www.trustnet.com](http://www.trustnet.com) or may be obtained by calling 0808 178 9321.

### Benchmark

Unitholders may compare the performance of the Fund against the FTSE 350 Higher Yield Index and the IA Mixed Investment 40%-85% Shares sector.

Comparison of the Fund's performance against IA Mixed Investment 40%-85% Shares sector will give unitholders an indication of how the Fund is performing against other similar funds in this peer group sector. The Manager has selected the FTSE 350 Higher Yield Index as a comparator benchmark as the Manager believes it best reflects the asset allocation of the Fund.

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

The Fund produced the following performance<sup>^</sup> over the period from 1 April 2022 to 30 September 2022, based on cumulative returns:

A units income	-13.87%
A units accumulation	-13.85%
B units income	-13.60%
B units accumulation	-13.58%

<sup>^</sup> Source: FE fundinfo.

\* B units are only available to persons who distribute such units (or whom the Manager believes intend to do so) and/or who have entered into a written agreement with the Manager relating to the conditions for investment in such units.

## Appointments

Manager and Registered office - to 30 September 2022

St Vincent St Fund Administration (a trading name of Evelyn Partners Fund Solutions Limited (previously Smith & Williamson Fund Administration Limited))

45 Gresham Street

London, EC2V 7BG

Telephone 020 7131 4000

Authorised and regulated by the Financial Conduct Authority

Manager and Registered office - from 1 October 2022

Investment Fund Services Limited

Marlborough House

59 Chorley New Road

Bolton, BL1 4QP

Authorised and regulated by the Financial Conduct Authority

Administrator and Registrar - to 30 September 2022

St Vincent St Fund Administration (a trading name of Evelyn Partners Fund Solutions Limited (previously Smith & Williamson Fund Administration Limited))

206 St. Vincent Street

Glasgow, G2 5SG

Telephone 0141 222 1151 (Registration)

0141 222 1150 (Dealing)

Authorised and regulated by the Financial Conduct Authority

Administrator and Registrar - from 1 October 2022

Investment Fund Services Limited

Marlborough House

59 Chorley New Road

Bolton, BL1 4QP

Authorised and regulated by the Financial Conduct Authority

Directors of the Manager - to 30 September 2022

Brian McLean

Andrew Baddeley

Mayank Prakash – appointed 16 March 2022

Neil Coxhead - appointed 12 July 2022

James Gordon - resigned 29 July 2022

Independent Non-Executive Directors of the Manager - to 30 September 2022

Dean Buckley

Linda Robinson

Victoria Muir

Sally Macdonald - appointed 1 June 2022

Non-Executive Directors of the Manager - to 30 September 2022

Kevin Stopps - resigned 1 October 2021

Paul Wyse

## Appointments (continued)

### Directors of the Manager - from 1 October 2022

Allan Hamer  
Helen Derbyshire  
Helen Redmond  
Sally Helston

### Independent Non-Executive Directors of the Manager - from 1 October 2022

Guy Sears  
Sarah Peaston

### Non-Executive Director of the Manager - from 1 October 2022

Andrew Staley

### 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  
House A, Floor 0  
Gogarburn  
175 Glasgow Road  
Edinburgh, EH12 1HQ  
Authorised and regulated by the Financial Conduct Authority

### Auditor<sup>1</sup>

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

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

<sup>1</sup>The auditor of the Trust will change from Johnston Carmichael LLP to Ernst & Young LLP following the publication date of the accounts.