

Investment Fund Services

# IFSL Trade Union Unit Trust

Annual Report and Audited  
Financial Statements

for the year ended 15 August 2023



TU Financial Management Services Ltd

## **IFSL TRADE UNION UNIT TRUST**

### **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)

#### **Directors of IFSL**

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

#### **Depositary** (in it's capacity as Trustee)

HSBC Bank plc  
8 Canada Square  
London  
E14 5HQ

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

#### **Investment Adviser**

abrdn Investments Limited  
280 Bishopsgate  
London  
EC2M 4AG

Authorised and regulated by the Financial Conduct Authority.

#### **Auditor**

Shipleys LLP  
10 Orange Street  
London  
WC2H 7DQ

## IFSL TRADE UNION UNIT TRUST

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## IFSL TRADE UNION UNIT TRUST

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 15 August 2023

#### Performance to 15 August 2023

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL Trade Union Unit Trust	(1.99)%	1.97%	11.68%	30.09%
Composite Benchmark <sup>A</sup>	(3.05)%	4.23%	32.19%	26.32%

<sup>A</sup> 60% FTSE All Share Index / 40% MSCI Europe ex. UK Index, +1%

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

##### Market review

European equities, excluding the United Kingdom (UK), made significant gains over the period as fears of rising inflation receded and hopes grew that central banks' interest-rate-raising programmes would soon end. Equities are alternatively known as company shares. Following a volatile period in August and September of 2022, markets rebounded late in the year as China's reopening following the end of its zero-Covid policy boosted sentiment and commodity prices. Commodities are raw materials which are used to create products for consumers, examples include energy, precious metals, and agricultural goods. Falls in energy prices across Europe helped to ease growth concerns and provided a boost to consumer and business confidence.

After a strong start to 2023, European and other major equity markets were volatile in March as the collapse of United States (US) based Silicon Valley Bank prompted investors to question the health of the global banking system. In Europe, contagion culminated in the takeover of Credit Suisse by UBS, with markets subsequently recovering much of their prior losses as confidence was restored. Markets continued to advance despite ongoing macroeconomic concerns. Share prices were supported by hopes for global growth, with continued strength in the US labour market and an expectation that China would stimulate its weakening economy. Advances in artificial intelligence boosted the technology sector, while financial companies also performed well following a resolution of March's banking crisis. Meanwhile, weakening commodity prices hit the energy and basic materials sectors.

In the eurozone, annual inflation peaked at a record high of 10.6% in October 2022 before falling back, reaching 5.3% by July 2023. The European Central Bank (ECB) raised interest rates on eight occasions during the 12 months, moving the deposit rate to 3.75%, a multi-decade high. ECB president Christine Lagarde said any future rate increases would be dependent on inflation and other economic data.

The UK stock market advanced over the period but fell behind its peers in Europe and the US due to persistently high inflation, concerns about economic growth and relative weakness in commodity prices. Annual inflation in Britain peaked at 11.1% in October 2022, a 40-year high. Although the pace of price rises in the UK slowed in the months that followed, inflation remained well above the 2% Bank of England (BoE) target throughout the period, with the Consumer Prices Index figure for July 2023 standing at 6.8%. The BoE raised interest rates repeatedly during the 12 months, taking the base rate to 5.25% by early August 2023. Investors forecast further increases in the second half of the year.

##### Portfolio review

For the 12 months to 15 August 2023, the Fund gained 1.97% in sterling terms. This was behind the benchmark's rise of 4.23%.

Ubisoft Entertainment was the biggest loser in performance terms. Its shares fell after Tencent increased its stake in the company in September, effectively removing the potential for a takeover bid. In addition, disappointing trading performance towards the end of 2022 led Ubisoft to warn on future profits and alter its strategy to focus on just a handful of high-budget, high-profile games.

Croda International shares declined after the company was impacted by ongoing destocking trends, which meant that many of its customers were taking steps to reduce their inventories in order to reduce costs. Diageo underperformed the market along with other defensive stocks.

Conversely, Novo Nordisk was the best-performing holding as demand for its GLP-1 diabetes treatment remained strong and sales of the company's obesity drug Wegovy continued to surpass expectations. AVEVA Group also added to returns after it accepted a takeover bid from Schneider Electric. Insurer Hannover Re outperformed after publishing a succession of positive trading statements.

Our sector allocation had a positive impact on the Fund's performance overall. We benefited from an overweight holding in technology names, as well as from our underweight exposure to both the real estate sector, which performed poorly due to continued interest-rate rises, and the telecommunications sector. However, a lack of holding in the energy sector, in which we have no investments, as well as the Fund's underweight exposure to the financial sector detracted from relative returns.

## IFSL TRADE UNION UNIT TRUST

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 15 August 2023

#### Investment commentary (continued)

##### Outlook

The outlook for the global economy and for corporate earnings remains fragile. The delayed impact of significant monetary tightening to fight inflation is beginning to take hold, bringing with it signs of slowing inflation alongside a cooling economy as credit conditions tighten and consumer excess savings are eroded. While recession is not inevitable, especially as labour markets remain strong, we are clearly late in the interest-rate cycle and the degree of uncertainty around the outlook is likely to bring further volatility as the market adjusts to new and often contradictory information. In this context, estimates for the European market, excluding energy, to deliver mid to high single digit earnings growth in 2023 still look overly optimistic.

Against this backdrop, we believe that the case for our quality-led approach is stronger than ever. The valuation reduction witnessed last year is behind us and quality tends to outperform from this stage in the market cycle. With the stock-market valuation of many businesses in relation to those companies' earnings having contracted to historically low levels, the focus is shifting to the resilience of earnings going forward. We have proven that our Fund's holdings deliver much stronger and more consistent earnings growth than the market, or indeed European gross domestic product (GDP), over the cycle – giving us confidence in their ability to deliver long-term outperformance regardless of the external environment. Moreover, our emphasis on what we believe to be the highest quality companies in Europe also translates into businesses with superior pricing power, leaving the portfolio well-positioned for a period of persistently high inflation. We have bought more of these companies over the past year and are excited by the earnings potential of multiple holdings purchased during a period of discounted valuations.

Aberdeen Asset Managers Limited  
21 September 2023

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## IFSL TRADE UNION UNIT TRUST

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 15 August 2023

#### Distributions

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>A Income (pence per unit)</u>				
Net income paid 15 April	-	-	-	-
Net income paid 15 October	8.6522	3.1167	3.8192	4.6376
<u>TU Income (pence per unit)</u>				
Net income paid 15 October	-	N/A	N/A	N/A

#### Portfolio changes

##### Purchases

	<u>Cost (£)</u>
Hiscox	2,222,620
Unilever	1,825,036
Coca-Cola HBC	1,510,071
Sage Group	1,301,319
Experian	747,748
Croda International	733,993
Halma	726,900
Dechra Pharmaceuticals	724,885
Adyen	334,657
Total purchases for the year	10,127,229

##### Sales

	<u>Proceeds (£)</u>
AVEVA Group	4,171,453
Nestlé	2,139,539
Rentokil Initial	1,444,568
Spirax-Sarco Engineering	1,309,332
ASML Holding	1,092,078
RELX	795,609
London Stock Exchange Group	793,684
Prosus	385,178
Novo Nordisk 'B'	344,622
AstraZeneca	73,132
Other sales	600,523
Total sales for the year	13,149,718

## **IFSL TRADE UNION UNIT TRUST**

### **AUTHORISED STATUS**

IFSL Trade Union Unit Trust (the Fund) is an authorised unit trust scheme within the meaning of the Financial Services and Markets Act 2000 and is a UCITS scheme operating 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 capital growth, that is, to increase the value of an investment, over a minimum of 5 years, together with some income, which is money paid out of an investment such as dividends from shares.

The Fund aims to outperform the benchmark (60% FTSE All Share Index and 40% MSCI Europe ex UK Index) by 1% each year over any 3 year period, with income reinvested and after any charges have been taken out of the Fund. However, there is no certainty this will be achieved.

#### **Investment policy**

At least 80% of the Fund will be invested in the shares of companies listed on UK and European stock markets, with between 50-70% invested in the UK and 30-50% elsewhere in Europe.

The Fund is actively managed which means the Investment Manager decides which investments to buy or sell and when. Investment decisions are taken based on individual company research in addition to the Investment Manager's view on global economic and market conditions.

The Investment Manager uses the FTSE All Share and MSCI Europe ex UK indices as a reference point when constructing the portfolio and for risk management purposes.

From time to time the Fund may also hold other funds (which could include other funds managed by the Manager or the Investment Manager), which themselves invest in UK and European companies although this will not exceed 5%.

The Fund will typically hold a small cash balance (less than 5%) to enable the ready settlement of liabilities, for the efficient management of the Fund and in pursuit of the Fund's objectives although may occasionally exceed this figure. The Fund may also use money market funds for cash management purposes.

#### **Performance target**

The performance target is the level of performance the Fund aims to deliver.

The Manager believes the target is appropriate based on the investment policy of the Fund and the constituents of each index.

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

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

#### **Assessment of value**

The Manager is required to carry out an assessment of value at least annually and publish its findings in a report to investors. IFSL Trade Union Unit Trust is assessed and reported on, in a separate report which the Manager publishes on the website [www.ifslfunds.com](http://www.ifslfunds.com). The next report is expected to be published by 30 November 2023.

#### **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.

## IFSL TRADE UNION UNIT TRUST

### GENERAL INFORMATION

#### Remuneration policy

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

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

	<b>Number of identified staff</b>	<b>Total remuneration paid</b>	<b>Fixed remuneration paid</b>	<b>Variable remuneration paid</b>
		£	£	£
<b>Remuneration paid to staff of the Authorised Fund Manager (AFM) who have a material impact on the risk profile of the Trust</b>				
Senior management	7	757,911	667,666	90,245
Risk takers and other identified staff	2	245,763	203,403	42,360
<b>Allocation of total remuneration of the employees of the AFM to the Trust</b>				
Senior management	0.05	5,501	4,846	655
Risk takers and other identified staff	0.02	1,783	1,476	307

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

The allocation of remuneration to the AFM is based on Assets Under Management (AUM). The allocation of remuneration to the Trust is based on AUM where staff are not directly allocated to the Trust and the figures disclosed only include remuneration paid to individuals directly employed by the UCITS manager's group. The way these disclosures are calculated may change in the future.



## IFSL TRADE UNION UNIT TRUST

### 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  
20 November 2023

### STATEMENT OF AUTHORISED FUND MANAGER'S RESPONSIBILITIES

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

In preparing those financial statements the AFM is required to:

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

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

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

## IFSL TRADE UNION UNIT TRUST

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

#### Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Unitholders of the IFSL Trade Union Unit Trust of the ("the Trust") for the Period Ended 15 August 2023

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

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

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

The Depositary must ensure that:

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

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

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

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

(ii) has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the Regulations and the Scheme documents of the Trust.

HSBC Bank plc

20 November 2023

## IFSL TRADE UNION UNIT TRUST

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL TRADE UNION UNIT TRUST

#### Opinion

We have audited the financial statements of the IFSL Trade Union Unit Trust ('the Fund'), for the year ending 15 August 2023 which comprise the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the Statement of Total Return, the related notes and the Distribution Tables. 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 in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Association (the 'Statement of Recommended Practice for Authorised Funds').

In our opinion the financial statements:

- give a true and fair view of the state of the Fund's affairs as at 15 August 2023 and of the net revenue and net capital gains on the property of the Fund for the year then ended;
- have been properly prepared in accordance with the Prospectus, the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority and United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### 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. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's 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 Fund Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the Fund Manager with respect to going concern are described in the relevant sections of this report.

#### 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 Fund Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Fund Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Fund Manager's report have been prepared in accordance with applicable legal requirements.

## IFSL TRADE UNION UNIT TRUST

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL TRADE UNION UNIT TRUST

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

In the light of the knowledge and understanding of the Fund and its environment obtained in the course of the audit, we have not identified material misstatements in the Fund Manager's report.

We have nothing to report in respect of the following matters to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Fund Manager remuneration specified by law are not made; or
- we have not received all the information and explanations required for our audit.

#### Responsibilities of the Authorised Fund Manager

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

In preparing the financial statements, the Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Fund Manager either intends to liquidate the Fund or to cease activity, or have 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are those that relate to the reporting framework (United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, the IMA SORP 2014) and the relevant tax and other compliance regulations in the jurisdictions in which the Fund operates.
- We understood how the Fund is complying with those frameworks by making enquiries of management, and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of relevant correspondence received from regulatory and legal bodies.
- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur through enquiring with management during the planning and execution phase of our audit. We also considered the programs and controls that the Fund Manager has established to address risks identified, or that otherwise prevent, deter and detect fraud and how senior management monitors those programs and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk including revenue recognition. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of the finance team and management; and focused testing.

**IFSL TRADE UNION UNIT TRUST**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL TRADE UNION UNIT TRUST**

**Use of our report**

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



**Robert Wood**  
Senior Statutory Auditor

For and on behalf of Shipleys LLP  
Chartered Accountant and Statutory Auditor  
10 Orange Street  
Haymarket  
London  
WC2H 7DQ

20 November 2023

## IFSL TRADE UNION UNIT TRUST

### COMPARATIVE TABLE

#### A Income units

Change in net assets per unit	Year to 15.08.2023 pence	Year to 15.08.2022 pence	Year to 15.08.2021 pence
Opening net asset value per unit	899.47	984.50	827.96
Return before operating charges*	25.01	(72.17)	170.04
Operating charges	(7.39)	(9.74)	(9.68)
Return after operating charges*	17.62	(81.91)	160.36
Distributions on income units	(8.65)	(3.12)	(3.82)
Closing net asset value per unit	908.44	899.47	984.50

0.48                      0.70                      0.96

#### Performance

Return after charges <sup>A</sup>	1.96%	(8.32)%	19.37%
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#### Other information

Closing net asset value (£)	57,769,193	75,186,341	83,928,028
Closing number of units	6,359,190	8,358,968	8,524,918
Operating charges	0.82% <sup>D</sup>	1.07% <sup>D</sup>	1.09% <sup>D</sup>
Direct transaction costs	0.05%	0.08%	0.11%

#### Prices (pence per unit)

Highest unit price	972.40	1,011.00	988.80
Lowest unit price	792.60	780.10	816.80

#### TU Income units

Change in net assets per unit	Period to 15.08.2023 <sup>B</sup> pence
Opening net asset value per unit	927.90
Return before operating charges*	(10.45)
Operating charges	-
Return after operating charges*	(10.45)
Distributions on income units	-
Closing net asset value per unit	917.45

\* after direct transaction costs of: -

#### Performance

Return after charges <sup>A</sup>	(1.13)%
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#### Other information

Closing net asset value (£)	15,234,542
Closing number of units	1,660,530
Operating charges	1.07% <sup>C,D</sup>
Direct transaction costs	0.00%

#### Prices (pence per unit)

Highest unit price	927.90
Lowest unit price	917.50

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

<sup>B</sup> This share class launched on 14 August 2023 at 927.90 pence and commenced pricing on 14 August 2023.

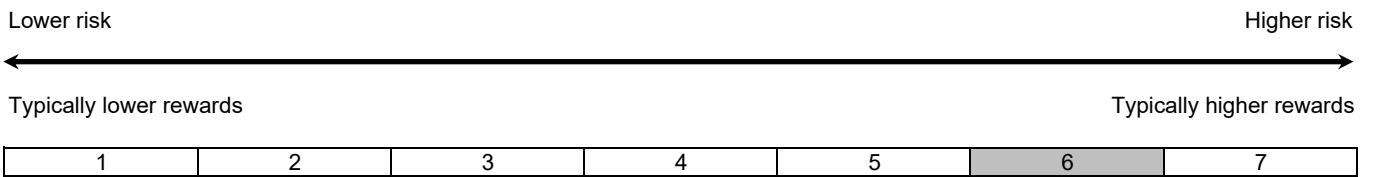
<sup>C</sup> These figures have been annualised.

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

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

**IFSL TRADE UNION UNIT TRUST**

**SYNTHETIC RISK AND REWARD INDICATOR** (for 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.

The 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 TRADE UNION UNIT TRUST

### PORTFOLIO STATEMENT

as at 15 August 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>BELGIUM</b> (15 August 2022 - 2.24%)		
83,695 Azelis Group	1,396,159	1.91
Total Belgium	<u>1,396,159</u>	<u>1.91</u>
<b>DENMARK</b> (15 August 2022 - 5.60%)		
32,353 Novo Nordisk 'B'	4,689,793	6.42
11,766 Ørsted	735,962	1.01
Total Denmark	<u>5,425,755</u>	<u>7.43</u>
<b>FRANCE</b> (15 August 2022 - 9.69%)		
37,011 Edenred	1,854,427	2.54
7,197 L'Oréal	2,513,515	3.44
2,721 LVMH Moët Hennessy Louis Vuitton	1,879,756	2.58
46,232 Ubisoft Entertainment	1,120,436	1.53
Total France	<u>7,368,134</u>	<u>10.09</u>
<b>GERMANY</b> (15 August 2022 - 3.88%)		
9,892 Hannover Rück	1,673,112	2.29
27,039 Nemetschek	1,468,766	2.01
Total Germany	<u>3,141,878</u>	<u>4.30</u>
<b>ITALY</b> (15 August 2022 - 1.94%)		
55,389 Amplifon	1,434,801	1.98
Total Italy	<u>1,434,801</u>	<u>1.98</u>
<b>JERSEY</b> (15 August 2022 - 2.27%)		
83,093 Experian	2,338,237	3.20
Total Jersey	<u>2,338,237</u>	<u>3.20</u>
<b>NETHERLANDS</b> (15 August 2022 - 9.80%)		
1,279 Adyen	1,664,378	2.28
6,789 ASML Holding	3,490,389	4.78
24,559 Prosus	1,376,098	1.89
Total Netherlands	<u>6,530,865</u>	<u>8.95</u>
<b>NORWAY</b> (15 August 2022 - 1.85%)		
87,901 Schibsted 'B'	1,319,748	1.81
Total Norway	<u>1,319,748</u>	<u>1.81</u>
<b>SWITZERLAND</b> (15 August 2022 - 8.14%)		
76,772 Coca-Cola HBC	1,774,969	2.43
4,437 Lonza Group	1,951,836	2.67
7,317 Sika	1,698,090	2.33
Total Switzerland	<u>5,424,895</u>	<u>7.43</u>
<b>UNITED KINGDOM</b> (15 August 2022 - 53.92%)		
51,608 AstraZeneca	5,604,629	7.68
31,809 Croda International	1,697,328	2.32
63,585 Dechra Pharmaceuticals	2,412,415	3.30
114,806 Diageo	3,817,300	5.23
55,492 Genus	1,280,755	1.75
96,045 Halma	2,002,538	2.74
194,891 Hiscox	2,042,458	2.80
134,238 Intermediate Capital Group	1,770,599	2.44
50,107 London Stock Exchange Group	4,112,783	5.63
273,364 Prudential	2,682,248	3.67
165,445 RELX	4,215,539	5.77
140,495 Sage Group	1,333,298	1.83
78,462 Unilever	3,173,788	4.35
119,389 Weir Group	2,135,272	2.92
Total United Kingdom	<u>38,280,950</u>	<u>52.43</u>



## IFSL TRADE UNION UNIT TRUST

### PORTFOLIO STATEMENT

as at 15 August 2023

	<b>Bid value £</b>	<b>Percentage of total net assets %</b>
<b>Portfolio of investments</b>	72,661,422	99.53
<b>Net other assets</b>	342,313	0.47
<b>Total net assets</b>	<u>73,003,735</u>	<u>100.00</u>

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

**IFSL TRADE UNION UNIT TRUST**

**STATEMENT OF TOTAL RETURN**

for the year ended 15 August 2023

	Notes	15 August 2023		15 August 2022	
		£	£	£	£
Income:					
Net capital gains/(losses)	4		1,034,113		(7,256,617)
Revenue	6	1,250,089		1,132,276	
Expenses	7	<u>(785,613)</u>		<u>(827,239)</u>	
Net revenue before taxation		464,476		305,037	
Taxation	8	<u>(31,119)</u>		<u>(44,513)</u>	
Net revenue after taxation			<u>433,357</u>		<u>260,524</u>
Total return before distributions			1,467,470		(6,996,093)
Distributions	9		(550,210)		(260,524)
Change in net assets attributable to unitholders from investment activities			<u>917,260</u>		<u>(7,256,617)</u>

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

for the year ended 15 August 2023

	15 August 2023		15 August 2022	
	£	£	£	£
Opening net assets attributable to unitholders		75,186,341		83,928,028
Amounts receivable on issue of units	231,487		664,355	
Amounts payable on cancellation of units	<u>(3,332,491)</u>		<u>(2,150,306)</u>	
		(3,101,004)		(1,485,951)
Change in net assets attributable to unitholders from investment activities		917,260		(7,256,617)
Unclaimed distributions		1,138		881
Closing net assets attributable to unitholders		<u>73,003,735</u>		<u>75,186,341</u>

**IFSL TRADE UNION UNIT TRUST**

**BALANCE SHEET**

as at 15 August 2023

	Notes	15 August 2023 £	15 August 2022 £
<b>Assets:</b>			
<b>Fixed Assets:</b>			
Investments	17	72,661,422	74,678,893
<b>Current Assets:</b>			
Debtors	10	291,458	281,761
Cash and bank balances		683,709	547,447
Total assets		<u>73,636,589</u>	<u>75,508,101</u>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Distribution payable		550,214	260,528
Bank overdrafts		7,199	1,100
Other creditors	11	75,441	60,132
Total liabilities		<u>632,854</u>	<u>321,760</u>
<b>Net assets attributable to unitholders</b>		<u><u>73,003,735</u></u>	<u><u>75,186,341</u></u>

## IFSL TRADE UNION UNIT TRUST

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 15 August 2023

#### 1 ACCOUNTING POLICIES

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

The financial statements have been prepared in compliance with Financial Reporting Standard 102 (FRS102) and in accordance with the Statement of Recommended Practice for UK 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 Trust. Monetary amounts in these financial statements are rounded to the nearest thousand 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 on the Trust's ability to continue as a going concern for the next twelve months from the date when the financial statements are authorised for issue. The authorised fund manager believes that the Trust has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.

##### **Revenue**

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

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

Bank interest is accounted for on an accruals basis.

##### **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 on 15 August 2023 being the last valuation point of the accounting year.

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

Unlisted, unapproved, illiquid or suspended securities are valued at the authorised fund manager's best estimate of the amount that would be received from the immediate transfer at arm's length in a manner designed to show fair value. This modelling takes into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance, maturity of the company and other relevant factors.

##### **Taxation**

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

##### **Exchange rates**

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at 12:00 on 15 August 2023 being the last valuation point of the accounting year. Revenue and expenditure transactions are translated at the rates of exchange ruling on the dates of the transactions. Exchange differences on such transactions follow the same treatment as the principal amounts.

##### **Dilution adjustment**

The Trust is priced on a single price basis and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions and redemptions in and out of the Trust. This is known as "dilution". Under certain circumstances dilution may have a material adverse effect on the existing/continuing unitholders' interest in the Trust. In order to counter this and to protect unitholders' interests, the authorised fund manager will apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the Trust will make adjustments to counter the impact of dealing and other costs on occasions when these are deemed to be significant. Any dilution adjustment will be applied consistently and, in the usual course of business, automatically.

#### 2 DISTRIBUTION POLICIES

The distribution policy of the Trust is to distribute 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.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 15 August 2023

### 2 DISTRIBUTION POLICIES

#### Equalisation

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

#### Stock and special dividends

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue of the Trust. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of any distribution.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue of the Trust. Amounts recognised as capital are deducted from the cost of the investment. The tax accounting treatment follows the treatment of the principal amount.

### 3 RISK MANAGEMENT POLICIES

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

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

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

#### Market price risk

Market price risk is the risk that the value of the Trust'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 Trust holds. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements. The Trust's investment portfolio is exposed to market price fluctuations which are monitored by the authorised fund manager in pursuance of the investment objective and policy as set out in the Prospectus.

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

#### Foreign currency risk

The income and capital value of the Trust's investments can be affected by foreign currency translation movements as a significant proportion of the Trust's assets and income are denominated in currencies other than sterling which is the Trust's functional currency.

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

#### Credit and counterparty risk

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

#### Interest rate risk

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

## IFSL TRADE UNION UNIT TRUST

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 15 August 2023

#### 3 RISK MANAGEMENT POLICIES

##### Liquidity risk

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

#### 4 NET CAPITAL GAINS/(LOSSES)

15 August 2023

15 August 2022

£

£

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

Non-derivative securities gains/(losses)	1,008,730	(7,249,698)
Currency gains/(losses)	25,948	(4,884)
Transaction charges	(565)	(2,035)
<b>Net capital gains/(losses)</b>	<b>1,034,113</b>	<b>(7,256,617)</b>

#### 5 PURCHASES, SALES AND TRANSACTION COSTS

15 August 2023

15 August 2022

£

£

Purchases excluding transaction costs		
Equities	10,094,912	20,244,988
Corporate actions	-	-
	10,094,912	20,244,988
Equities: Commissions	5,888	10,446
Taxes and other charges	26,429	36,879
Total purchase transaction costs	32,317	47,325
<b>Purchases including transaction costs</b>	<b>10,127,229</b>	<b>20,292,313</b>

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

Equities: Commissions	0.06%	0.05%
Taxes and other charges	0.26%	0.18%

Sales excluding transaction costs

Equities	13,157,096	22,041,797
Corporate actions	-	9,603
	13,157,096	22,051,400
Equities: Commissions	(7,378)	(11,998)
Total sale transaction costs	(7,378)	(11,998)
<b>Sales net of transaction costs</b>	<b>13,149,718</b>	<b>22,039,402</b>

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

Equities: Commissions	0.06%	0.05%
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Total purchases and sales transaction costs expressed as a percentage of the average net asset value over the year:

Equities: Commissions	0.02%	0.03%
Taxes and other charges	0.04%	0.05%
	0.06%	0.08%

No significant in specie transfers were identified in the year.

#### Transaction handling charges

565

2,035

#### 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

0.07%

0.06%

## IFSL TRADE UNION UNIT TRUST

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 15 August 2023

#### 6 REVENUE

	15 August 2023 £	15 August 2022 £
UK dividends	814,160	721,407
Overseas dividends	423,504	410,838
Bank credit interest	12,425	31
<b>Total revenue</b>	<u>1,250,089</u>	<u>1,132,276</u>

#### 7 EXPENSES

	15 August 2023 £	15 August 2022 £
Payable to the authorised fund manager or associate:		
Manager's periodic charge	733,687	773,034
Registration fees	13,041	14,050
	<u>746,728</u>	<u>787,084</u>
Payable to the trustee or associate:		
Trustee's fees	26,528	27,833
Safe custody fees	4,790	4,687
	<u>31,318</u>	<u>32,520</u>
Other expenses:		
Audit fee	7,499	7,501
Financial Conduct Authority fee	68	134
	<u>7,567</u>	<u>7,635</u>
<b>Total expenses</b>	<u>785,613</u>	<u>827,239</u>

#### 8 TAXATION

	15 August 2023 £	15 August 2022 £
a Analysis of the tax charge for the year		
Overseas tax	31,119	44,513
<b>Total tax charge</b> (see note 8(b))	<u>31,119</u>	<u>44,513</u>

#### b Factors affecting the tax charge for the year

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for a unit trust (20%). The differences are explained below.

Net revenue before taxation	464,476	305,036
Corporation tax at 20% (2022: 20%)	92,895	61,007
Effects of:		
Revenue not subject to taxation	(247,533)	(226,449)
Unrelieved excess management expenses	154,638	165,442
Overseas tax	31,119	44,513
<b>Total tax charge</b> (see note 8(a))	<u>31,119</u>	<u>44,513</u>

At 15 August 2023 the Trust has deferred tax assets of £3,058,765 (2022: £2,904,128) arising from surplus management expenses, which have not been recognised due to uncertainty over the availability of future taxable profits.

#### 9 DISTRIBUTIONS

	15 August 2023 £	15 August 2022 £
The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprise:		
Final	550,214	260,528
Revenue brought forward	(4)	(4)
<b>Distributions</b>	<u>550,210</u>	<u>260,524</u>
Net deficit of revenue for the year	(116,853)	-
<b>Net revenue after taxation for the year</b>	<u>433,357</u>	<u>260,524</u>

## IFSL TRADE UNION UNIT TRUST

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 15 August 2023

#### 10 DEBTORS

	15 August 2023 £	15 August 2022 £
Amounts receivable for issue of units	-	6,948
Accrued revenue	106,826	110,440
Taxation recoverable	184,632	164,373
<b>Total debtors</b>	<u>291,458</u>	<u>281,761</u>

#### 11 OTHER CREDITORS

	15 August 2023 £	15 August 2022 £
Amounts payable for cancellation of units	31,589	11,490
Accrued expenses	43,852	48,642
<b>Total other creditors</b>	<u>75,441</u>	<u>60,132</u>

#### 12 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities as at 15 August 2023 (2022: nil).

#### 13 RELATED PARTIES

The authorised fund manager is involved in all transactions in the shares of the Trust, the aggregate values of which are set out in the statement of change in net assets attributable to unitholders. Amounts due to/from the authorised fund manager in respect of unit transactions at the year end are disclosed in notes 10 and 11. Amounts paid to the authorised fund manager in respect of the manager's periodic charge and registration fees are disclosed in note 7.

The total amounts due to the authorised fund manager at the year end were £61,980 (2022: £35,545).

#### 14 UNIT CLASSES

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

A Income	0.75%
TU Income	1.00%

Effective from 14 August 2023, the Annual Management Charge (AMC) for A Income units decreased from 1.00% to 0.75%.

#### 15 UNITHOLDERS' FUNDS RECONCILIATION

During the year the authorised fund manager has issued and cancelled units as set out below:

	A Income	TU Income
Opening units in issue at 16 August 2022	8,358,968	-
Unit issues	26,905	-
Unit cancellations	(366,153)	-
Unit conversions	(1,660,530)	1,660,530
Closing units in issue at 15 August 2023	<u>6,359,190</u>	<u>1,660,530</u>

#### 16 RISK DISCLOSURES

##### Market price risk sensitivity

A five per cent increase in the market prices of the Trust's portfolio would have the effect of increasing the return and net assets by £3,633,071 (2022: £3,733,945). 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 Trust 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 15 August 2023

	Investments £	Net current assets £	Total £
Danish Krone	5,425,756	47,075	5,472,831
Euro	19,871,838	72,966	19,944,804
Norwegian Krone	1,319,748	2,676	1,322,424
Swiss Franc	3,649,926	69,935	3,719,861
	<u>30,267,268</u>	<u>192,652</u>	<u>30,459,920</u>



## IFSL TRADE UNION UNIT TRUST

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 15 August 2023

Foreign currency exposure at 15 August 2022

	Investments £	Net current assets £	Total £
Danish Krone	4,207,703	57,673	4,265,376
Euro	20,721,437	53,926	20,775,363
Norwegian Krone	1,392,036	1,525	1,393,561
Swiss Franc	6,123,412	62,600	6,186,012
	<u>32,444,588</u>	<u>175,724</u>	<u>32,620,312</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 £1,522,996 (2022: £1,631,016). A five per cent increase would have an equal and opposite effect.

### RISK DISCLOSURES

#### Interest rate risk

The interest rate risk profile of financial assets and liabilities for the year ended 15 August 2023 consists of the following:

	Floating Rate Financial Assets £	Floating Rate Financial Liabilities £	Non-Interest Bearing Financial Assets £	Non-Interest Bearing Financial Liabilities £	Total £
Danish Krone	1	-	5,472,830	-	5,472,831
Euro	11,205	7,199	19,936,792	-	19,940,798
Norwegian krone	7	-	1,322,417	-	1,322,424
Sterling	672,496	-	42,500,980	625,655	42,547,821
Swiss Franc	-	-	3,719,861	-	3,719,861
	<u>683,709</u>	<u>7,199</u>	<u>72,952,880</u>	<u>625,655</u>	<u>73,003,735</u>

The interest rate risk profile of financial assets and liabilities for the year ended 15 August 2022 consists of the following:

	Floating Rate Financial Assets £	Floating Rate Financial Liabilities £	Non-Interest Bearing Financial Assets £	Non-Interest Bearing Financial Liabilities £	Total £
Danish Krone	4	-	4,265,372	-	4,265,376
Euro	-	-	20,776,391	-	20,776,391
Norwegian krone	4	-	1,393,558	-	1,393,562
Sterling	547,439	-	42,339,321	321,760	42,565,000
Swiss Franc	-	-	6,186,012	-	6,186,012
	<u>547,447</u>	<u>-</u>	<u>74,960,654</u>	<u>321,760</u>	<u>75,186,341</u>

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

#### Liquidity risk

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

	15 August 2023 £	15 August 2022 £
Within one year:		
Distribution payable	550,214	260,528
Bank overdrafts	7,199	1,100
Other creditors	75,441	60,132
	<u>632,854</u>	<u>321,760</u>

### 17 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	15 August 2023		15 August 2022	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	72,661,422	-	74,678,893	-
Level 2 - Observable market data	-	-	-	-
Level 3 - Unobservable data	-	-	-	-
	<u>72,661,422</u>	<u>-</u>	<u>74,678,893</u>	<u>-</u>

## IFSL TRADE UNION UNIT TRUST

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 15 August 2023

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 Trust classifies fair value measurement under the following levels:

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

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

Level 3 - Valuation techniques using unobservable inputs.

### 18 POST BALANCE SHEET EVENTS

Since 15 August 2023, the Net Asset Value per unit has changed as follows:

	Net Asset Value per unit (pence)			Movement (%)
	15 August 2023*	9 November 2023		
A Income	917.50	889.60		-3.04%
TU Income	917.50	898.50		-2.07%

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

### DISTRIBUTION TABLE

#### Interim distribution for the period from 16 August 2022 to 15 February 2023

	Net revenue 15 February 2023 pence per unit	Distribution paid 15 April 2023 pence per unit	Distribution paid 15 April 2022 pence per unit
A Income	-	-	-

#### Final distribution for the period from 16 February 2023 to 15 August 2023

	Net revenue 15 August 2023 pence per unit	Distribution paid 15 October 2023 pence per unit	Distribution paid 15 October 2022 pence per unit
A Income	8.6522p	8.6522p	3.1167p
TU Income	-	-	N/A

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