

IFSL

—— Fund Services ——

IFSL Brunsdon OEIC

Annual Report and Audited Financial Statements
for the year from 1st March 2018 to 28th February 2019

Issue date: 26 June 2019



IFSL Brunsdon OEIC

Contact Information

The Company

IFSL Brunsdon OEIC

Registered and Head Office of the Company

Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

Authorised Corporate Director (ACD) and Registrar

Investment Fund Services Limited (IFSL)
Marlborough House
59 Chorley New Road
Bolton
BL1 4QP
(Authorised and regulated by the Financial Conduct Authority (FCA))

Investor Support: 0808 178 9321

Directors of IFSL

Andrew Staley
Nicholas FJ Cooling
Allan Hamer
Wayne D Green
Dom Clarke
Helen Redmond
Helen Derbyshire
Richard Goodall (appointed 7th December 2018)
Guy Sears (Non-Executive Director)
David Kiddie (Non-Executive Director – appointed 14th December 2018)

Depository

NatWest Trustee and Depository Services Limited
250 Bishopsgate
London
EC2M 4AA
(Authorised and regulated by the FCA)

Auditor

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

Investment Manager

Brooks Macdonald Asset Management Limited
72 Welbeck Street
London
W1G 0AY
(Authorised and regulated by the FCA)

Custodian

BNP Paribas Securities Services
10 Harewood Avenue
London
NW1 6AA
(Authorised and supervised in France by the Autorité de Contrôle Prudentiel and by the Autorité des Marchés Financiers and authorised and subject to limited regulation by the FCA for the conduct of its investment business in the UK)

IFSL Brunsdon OEIC

Contents

	Page
Report of the Authorised Corporate Director (ACD)	4
Authorised Corporate Director's Statement	6
Statement of the Authorised Corporate Director's Responsibilities	6
Statement of the Depositary's Responsibilities and Report of the Depositary	7
Independent Auditor's Report to the Members of IFSL Brunsdon OEIC	8
Investment Manager's Review – Summary of the Markets	10
Notes to the Financial Statements – Accounting, Distribution and Risk Management Policies	11
 IFSL Brunsdon Cautious Growth Fund	
Fund Information: <i>Investment Objective; Investment Policy; and Synthetic Risk and Reward Indicator</i>	14
Investment Manager's Review (including: Portfolio Changes)	15
Comparative Table	16
Portfolio Statement	18
Statement of Total Return	19
Statement of Change in Net Assets Attributable to Shareholders	19
Balance Sheet	20
Notes to the Financial Statements	21
Distribution Table	26
 IFSL Brunsdon Adventurous Growth Fund	
Fund Information: <i>Investment Objective; Investment Policy; and Synthetic Risk and Reward Indicator</i>	27
Investment Manager's Review (including: Portfolio Changes)	28
Comparative Table	29
Portfolio Statement	31
Statement of Total Return	32
Statement of Change in Net Assets Attributable to Shareholders	32
Balance Sheet	33
Notes to the Financial Statements	34
Distribution Table	39
 General Information	40

IFSL Brunsdon OEIC

Report of the Authorised Corporate Director (ACD)

Constitution and Authorised Status

IFSL Brunsdon OEIC (the Company) is an open-ended investment company with variable capital (ICVC) incorporated under the Open-Ended Investment Companies Regulations 2001 (OEIC Regulations). The Company is a Non-UCITS Retail Scheme as defined in the Collective Investment Schemes Sourcebook (COLL) and the Investment Funds Sourcebook (FUND) and is also an umbrella company for the purposes of the OEIC Regulations. The Company is incorporated in England and Wales with registered number IC000895. The Company was authorised by an order made by the Financial Conduct Authority (FCA) with effect from 10th June 2011.

The Company currently has two sub-funds: IFSL Brunsdon Cautious Growth Fund; and IFSL Brunsdon Adventurous Growth Fund.

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

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

Cross Holdings

The sub-funds of the Company do not hold shares in other sub-funds of the Company.

Important Information

On 12th March 2019 the following share classes were closed by the ACD:

IFSL Brunsdon Cautious Growth Fund: Retail Accumulation

IFSL Brunsdon Adventurous Growth Fund: Retail Accumulation

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

Leverage

In accordance with the Alternative Investment Fund Managers Directive (AIFMD) we are required to disclose the 'leverage' of each sub-fund. Leverage is defined as any method by which a sub-fund increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined in two ways: 'gross method'; and 'commitment method'. Each sub-fund must not exceed maximum exposures under both methods. 'Gross method' exposure is calculated as the sum of all positions of a sub-fund (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes. 'Commitment method' is also calculated as the sum of all positions of a sub-fund (both positive and negative), but after netting off any derivative and security positions as specified by AIFMD rules.

The total amount of leverage calculated as at 28th February 2019 is as follows:

IFSL Brunsdon Cautious Growth Fund

Gross method: 89.88% (28th February 2018: 92.22%)

Commitment method: 89.88% (28th February 2018: 92.22%)

IFSL Brunsdon Adventurous Growth Fund

Gross method: 93.42% (28th February 2018: 97.72%)

Commitment method: 93.42% (28th February 2018: 97.72%)

The maximum level of leverage which may be employed on behalf of the sub-fund when calculated in accordance with the gross method is 210%.

The maximum level of leverage which may be employed on behalf of the sub-fund when calculated in accordance with the commitment method is 110%.

IFSL Brunsdon OEIC

Report of the Authorised Corporate Director (ACD) (continued)

Remuneration Policy

In line with the requirement of the AIFMD, Investment Fund Services Limited 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 the AIFMD. 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 Alternative Investment Funds (AIFs) it manages.

The quantitative remuneration disclosures as at 30th September 2018 (the Alternative Investment Fund Manager's (AIFM) year-end) are set out below.

	Number of Identified Staff	Total Remuneration Paid £	Fixed Remuneration Paid £	Variable Remuneration Paid £
Remuneration paid to staff of the Alternative Investment Fund Manager (AIFM) who have a material impact on the risk profile of the AIF				
Senior management	8	469,498	339,879	129,619
Risk takers and other identified staff	8	125,409	80,083	45,326
Allocation of total remuneration of the employees of the AIFM to the AIF				
Senior management	0.08	11,279	8,165	3,114
Risk takers and other identified staff	5.03	42,267	16,042	26,225

The total number of staff employed by the AIFM was 148 as at 30th September 2018. The total remuneration paid to those staff was £6,491,736, of which £2,660,087 is attributable to the AIFM. This information is provided for the purpose of Regulation 107(1)(a) of the AIFM regulations but not for the purposes of Regulations 107(1)(b) and (c) of the AIFM regulations.

The allocation of remuneration to the AIFM is based on Assets Under Management (AUM), as staff work for two AIFMs. The allocation of remuneration to the AIF is based on AUM where staff are not directly allocated to the AIF. The way these disclosures are calculated may change in the future.

IFSL Brunsdon OEIC

Authorised Corporate Director's Statement

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

Allan Hamer
Joint Managing Director

Wayne D Green
Joint Managing Director

Investment Fund Services Limited (IFSL)
Authorised Corporate Director of IFSL Brunsdon OEIC

26 June 2019

Statement of the Authorised Corporate Director's Responsibilities

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

In preparing the financial statements the ACD is required to:

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

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

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

Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of IFSL Brunsdon OEIC ("the Company") for the Year Ended 28th February 2019

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services
250 Bishopsgate
London
EC2M 4AA

26 June 2019

IFSL Brunsdon OEIC

Independent Auditor's Report to the Members of IFSL Brunsdon OEIC

Opinion

We have audited the financial statements of IFSL Brunsdon OEIC (the Company) for the year ended 28th February 2019 which comprise the Statement of Total Return and the Statement of Change in Net Assets Attributable to Shareholders together with the Balance Sheet for each of the Company's sub-funds, the accounting, distribution and risk management policies to the Company, the related notes to each sub-fund and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company comprising its sub-funds as at 28th February 2019 and of the net revenue and the net capital losses on the scheme property of the Company comprising its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the ACD's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the ACD has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for the period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on Other Matters Prescribed by the Rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation;
- the information given in the ACD's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records.

Matters on which we are Required to Report by Exception

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the Financial Conduct Authority rules requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

Responsibilities of the Authorised Corporate Director (ACD)

As explained more fully in the ACD's responsibilities statement set out on page 6, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the Company's ability to continue as a going concern, disclose, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our Report

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

Ernst & Young LLP
Statutory Auditor
Edinburgh

26 June 2019

Notes:

1. the maintenance and integrity of the Investment Fund Services Limited website is the responsibility of the ACD; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

While 2017 was generally positive for risk assets, 2018 saw broad pressure on asset prices as investors fretted over multiple risks, including the potential for a slowdown in global growth, a less accommodative monetary policy backdrop, protectionist trade policy and various other political risks in Europe. Despite strong corporate performance, the vast majority of equity markets ended the year with losses for the first time since 2011.

Throughout 2018, US equity markets found support from strong corporate performance, which was helped by both the strength of the domestic economy and the tax reforms implemented by the government. However, bouts of weakness were catalysed by fears surrounding the Federal Reserve tightening its monetary policy stance throughout the year and in the final quarter, against a backdrop of rising interest rates and quantitative tightening. Political concerns also added to the volatility.

Emerging markets had a challenging year. This was the result of a confluence of headwinds, including tightening global financial conditions, a stronger US dollar, fears of a slowdown in the Chinese economy, and concerns about the adverse effects of trade protectionism. This caused crises in a few vulnerable emerging market economies in the middle of 2018, most notably Turkey and Argentina. However, having lagged their developed-world counterparts throughout most of 2018, the emerging markets finally saw some respite in the final months of the year, as China implemented economic stimulus measures and the threat of protectionism appeared to lessen.

Japanese equities were one of the poorest performers in 2018, held back by some domestic economy weakness and concerns surrounding the slowdown in China. The yen also strengthened, providing another headwind, despite the Bank of Japan keeping its policy stance highly accommodative.

In the UK, Brexit developments continued to dominate the headlines. A draft secession deal between the UK and EU was agreed, but significant divisions within the Conservative government prevail. As a result, markets priced in a greater chance of the UK leaving the EU without a deal in place. Meanwhile, domestic growth has remained subdued but positive, allowing the UK to raise interest rates above their post-global financial crisis lows. Against this backdrop, both sterling and UK equities were weak. However, gilts performed better and were one of the few asset classes to make gains in absolute terms, benefitting from their safe-haven status and the government's ongoing commitment to financial responsibility, despite the Chancellor announcing the "end of austerity" in his Budget.

Europe also had a difficult year politically. In Italy, a populist coalition was formed, putting the country at loggerheads with the EU over its budget spending plans, while in Germany Angela Merkel managed to form a new coalition government, but lost ground in a number of regional elections, resulting in confirmation that she would be stepping down at the end of her latest term as Chancellor. Meanwhile in France, the government was put under pressure by the 'gilets jaunes' (yellow vest) protests. Together with weakening external demand, these factors caused the region's economic expansion to lose steam towards the end of the year. Despite this, the European Central Bank tapered its net asset purchases to zero at the end of the year, given that the threat of deflation appears to have been mitigated on the Continent; however, eurozone policymakers are expected to keep their stance accommodative for some time. Against this backdrop, European equities and the euro were both weak; German bunds saw strength as a safe-haven asset, but Italian government bonds came under significant pressure.

Within fixed income, higher-quality sovereign bonds were the strongest performers in 2018, being some of the few asset classes to achieve positive absolute returns over the year. Corporate bonds generally outperformed equities, but high yield came under greater pressure amid concerns over the sustainability of global growth and worries about the level of leverage that has been built into corporate bond markets against the shifting policy backdrop.

After a disappointing final quarter of 2018, asset markets staged a broad and strong recovery in the first two months of 2019 as risks that had weighed on markets started to recede. Federal Reserve policymakers turned dovish at the start of the year, and US government officials managed to agree an end to the government shutdown. Furthermore, perceptions that the US and China were making progress on trade discussions were beneficial, alongside stimulus measures from the People's Bank of China.

However, risks continue to abound, with Brexit remaining a significant uncertainty as the government has been defeated in its meaningful vote on Brexit withdrawal agreement, despite surviving a vote of no confidence against the Prime Minister. Positives did emerge, however, as it is becoming clear that the appetite within Parliament for leaving the EU without a deal remains low.

IFSL Brunsdon OEIC

Notes to the Financial Statements – Accounting, Distribution and Risk Management Policies

for the year from 1st March 2018 to 28th February 2019

1.1 Accounting Policies

During the year under review, IFSL Brunsdon OEIC consisted of two sub-funds: IFSL Brunsdon Cautious Growth Fund; and IFSL Brunsdon Adventurous Growth Fund.

The accounting policies have been consistently applied throughout the year to all sub-funds.

Basis of Accounting

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

The financial statements are prepared in sterling, which is the functional currency of both sub-funds. Monetary amounts in the financial statements are rounded to the nearest thousand pounds.

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

The financial statements for the Company have been prepared on a going concern basis.

Revenue

Dividends from equities, preference shares and distributions receivable from onshore collective investment schemes are recognised when the security is quoted ex-dividend.

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

Bank interest is accounted for on an accruals basis. Interest earned from fixed interest securities is accounted for on an effective yield basis.

Allocation of Revenue

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

Expenses

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

Equalisation

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

Valuation

The valuation point was 12 o'clock midday on 28th February 2019 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 ACD'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. At the balance sheet date the percentage of net assets held in such securities was nil (2018: nil).

Where applicable, investment valuations exclude any element of accrued revenue.

Investments in collective investment schemes have been valued at cancellation price for dual priced funds or the single price for single priced funds. These are the last available published prices at the year end.

Taxation

Corporation tax has been provided for at 20% on taxable income less expenses. Deferred taxation is provided on a full provision basis arising from timing differences due to 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 o'clock midday on 28th February 2019 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 at the principal amounts.

1.2 Distribution Policies

The distribution policy of each sub-fund is to distribute or accumulate all available revenue, after deduction of expenses properly chargeable against revenue. Gains and losses on non-derivative instruments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution. Revenue recognised from holdings in accumulation shares in Collective Investment Schemes is included in the amount available for distribution.

1.3 Risk Management Policies

In pursuing the investment objectives as set out on pages 14 and 27, the sub-funds may hold a number of financial instruments. These comprise units and shares in collective investment schemes held in accordance with each sub-fund's investment policy, listed investments such as UK equities, investment trusts and fixed interest bonds; cash, liquid resources and short-term debtors and creditors that arise from its operations; shareholders' funds which represent investors' monies which are invested on their behalf; and temporary borrowings used to finance investment activity.

The main risks arising from the sub-funds' financial instruments and the ACD's policies for managing these risks are summarised below. The ACD reviews (and agrees with the Depositary) the policies for managing each of these risks as summarised below. The policies have remained unchanged since the beginning of the year to which these financial statements relate.

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

Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-funds hold. It represents the potential loss the sub-funds might suffer through holding positions in the face of price movement. The sub-funds' Investment Manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

Foreign Currency Risk

The sub-funds' financial assets and liabilities are substantially invested in other collective investments schemes, most, but not necessarily all of whose prices are quoted in sterling. The sub-funds may therefore have direct exposure to foreign currency risk in respect of part of its portfolio. In addition, the value of some of the sub-funds' underlying investments will be affected by movements in exchange rates against sterling, in respect of non-sterling denominated assets.

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

To manage foreign currency risk the sub-funds are permitted to invest in forward foreign currency exchange transactions for the purpose of reducing the exposure of the sub-funds to a foreign currency. Forward foreign currency exchange contracts will be listed in the Portfolio Statement for each sub-fund where applicable.

The foreign currency exposure within the sub-funds is monitored to ensure that this is manageable and sensible.

Interest Rate Risk

The sub-funds hold various cash positions and any change to the interest rates relevant for particular positions may result in either revenue increasing or decreasing. There are no material amounts of non-interest bearing financial assets or liabilities, other than collective investment schemes investing in equities which do not have maturity dates or fixed interest investments which mature within one year.

Interest rate risk is managed through a limit framework and investment guidelines with which the sub-funds must comply. These include restrictions on position size, and the level of interest rate risk.

The Investment Manager continuously reviews interest rates and inflation expectations, the assessment of this may result in a change in investment strategy.

1.3 Risk Management Policies (continued)

Liquidity Risk

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

The ACD has an approved list of counterparties it uses for investment transactions which is reviewed on a regular basis.

Concentration Risk

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

Derivatives and other Financial Instruments

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

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

IFSL Brunsdon Cautious Growth Fund

Fund Information

Investment Objective

The investment objective of the sub-fund is to provide capital appreciation over the medium to long term.

Investment Policy

The investment objective is pursued through a policy of primarily investing in units/shares of other collective investment schemes (both regulated and unregulated funds) in order to gain exposure to both UK and overseas gilts, bonds and equities. The sub-fund will aim to exhibit low to medium volatility over the medium to long term. The sub-fund may also invest in transferable securities, money market instruments, cash and near cash and deposits.

The sub-fund may borrow and employ stock lending and underwriting techniques in accordance with the rules in the COLL. The sub-fund may invest in derivatives for the purposes of efficient portfolio management, including hedging.

Synthetic Risk and Reward Indicator (SRRI – all share classes)



The SRRI above aims to provide you with an indication of the overall risk and reward profile of the sub-fund. It is calculated based on the volatility of the sub-fund using weekly historic returns over the last five years. If five years data is not available for a sub-fund, the returns of a representative portfolio are used.

As the SRRI is calculated based on historical data it may not be a reliable indication of the future risk profile of the sub-fund. The risk category shown is not guaranteed and may change over time. The lowest rating does not mean a risk-free investment. 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 sub-fund has been measured as 3 because it has experienced low to moderate volatility historically. During the year the SRRI has remained unchanged.

IFSL Brunson Cautious Growth Fund

Investment Manager's Review

for the year from 1st March 2018 to 28th February 2019

The portfolio declined 0.45% over the year, with performance behind the IA 0-35% sector.

For much of the year, the portfolio's exposures to risk assets were a significant benefit to overall performance. However, in the fourth quarter, these risk assets declined, dragging down the performance of the portfolio.

Within the fixed interest portion of the portfolio, our underweight to gilts was a slight drag on relative performance although corporate debt, both domestic and global, had a larger negative impact as yields rose in a 'risk-off' environment. Our global fixed interest exposure also underperformed on a relative basis, largely due to the foreign currency hedge. It was pleasing to see that during the periods of market pressure at the start of 2018 and in the fourth quarter, the fund's alternatives positions were one of the best performers. These assets are in the portfolio to provide low correlation to equity and fixed interest and to provide a degree of insulation during periods of market stress.

We have made some significant changes to the portfolio over the year. We have reduced the fund's exposure to more aggressive areas of the fixed interest market by selling or reducing high yield, global corporate debt and UK corporate debt at the end of 2018 and into 2019. We have moved the proceeds of these sales to favour UK gilts, US Treasuries and global bond funds that have a significant exposure to global sovereign debt; favouring these lower risk assets should give the portfolio some protection if fixed income markets do come under pressure. We have maintained our exposure to alternatives but have significantly increased cash within the portfolio in case markets remain volatile.

Within our equity exposure, we have added the Guinness Global Equity fund to provide some diversification of approach. We also sold the portfolio's infrastructure position following its recovery from declines in the early part of 2018. Following a very difficult Q4 2018, we opted to reduce the portfolio's position in Artemis Global Income fund as markets rallied into 2019. Within UK equity, we sold an underperforming covered call writing fund at the start of the year, and later sold the Trojan Income fund in favour of the Liontrust Special Situations fund.

Going forward, we feel that 2019 has the potential to deliver strong positive returns, although volatility is likely to remain elevated. Some of the main lingering concerns from investors are political in nature and if we see a resolution to some of these, then risk assets have the capacity to outperform; we therefore feel it is appropriate to maintain the portfolio's exposure to equity assets.

Portfolio Changes

Largest Purchases	Cost (£'000)	Largest Sales	Proceeds (£'000)
iShares \$ Corp Bond UCITS ETF USD	3,997	ETFS Lombard IM Global Corporate Bond	3,517
JPM Unconstrained Bond 'I' Gross	3,250	MI TwentyFour Dynamic Bond 'M' Gross	3,236
iShares \$ Treasury Bond 3-7yr UCITS ETF USD	2,320	JPM Unconstrained Bond 'I' Gross	3,106
United Kingdom Treasury 0.75% 22.07.23	2,196	Fidelity MoneyBuilder Income 'Y'	2,246
United Kingdom Treasury 1.25% 22.07.27	2,191	M&G Optimal Income 'I' Sterling	2,130
Liontrust Special Situations 'Inst'	1,679	L&G LOIM Global Government Bond Fundamental	
Fundsmith Equity 'I'	1,650	UCITS ETF GBP Hedged	2,114
Guinness Global Equity Income 'Y' GBP	1,650	Lazard Global Listed Infrastructure Equity 'A' GBP	2,033
JOHCM UK Equity Income 'Y'	1,535	AXA US Short Duration High Yield 'ZI' Gross GBP	1,628
MI TwentyFour Dynamic Bond 'M' Gross	1,500	Trojan Income 'O'	1,574
		Fidelity UK Enhanced Income 'W'	1,267
Other purchases	4,800	Other sales	2,899
Total purchases for the year	26,768	Total sales for the year	25,750

IFSL Brunsdon Cautious Growth Fund

Comparative Table

	Retail Accumulation 28th February 2019 (Pence per Share)	Retail Accumulation 28th February 2018 (Pence per Share)	Retail Accumulation 28th February 2017 (Pence per Share)
Change in Net Assets per Share			
Opening net asset value per share	128.04	126.17	114.79
Return before operating charges*	1.30	4.06	13.49
Operating charges	(2.02)	(2.19)	(2.11)
Return after operating charges*	(0.72)	1.87	11.38
Distribution on accumulation shares	(1.91)	(2.27)	(2.10)
Retained distributions on accumulation shares	1.91	2.27	2.10
Closing net asset value per share	127.32	128.04	126.17
* after direct transaction costs of:	-	-	0.01
Performance			
Return after charges	(0.56%)	1.48%	9.90%
Other Information			
Closing net asset value (£'000)	494	668	980
Closing number of shares	387,961	521,480	776,825
Operating charges	1.57%	1.70%	1.76%
Direct transaction costs	0.00%	0.00%	0.01%
Prices	Pence per Share	Pence per Share	Pence per Share
Highest share price	131.00	131.00	126.60
Lowest share price	124.50	126.40	115.20

IFSL Brunsdon Cautious Growth Fund

Comparative Table (continued)

	C Accumulation 28th February 2019 (Pence per Share)	C Accumulation 28th February 2018 (Pence per Share)	C Accumulation 28th February 2017 (Pence per Share)
Change in Net Assets per Share			
Opening net asset value per share	111.44	109.62	99.51
Return before operating charges*	1.07	3.45	11.70
Operating charges	(1.48)	(1.63)	(1.59)
Return after operating charges*	(0.41)	1.82	10.11
Distribution on accumulation shares	(1.88)	(2.18)	(2.07)
Retained distributions on accumulation shares	1.88	2.18	2.07
Closing net asset value per share	111.03	111.44	109.62
* after direct transaction costs of:	-	-	0.01
Performance			
Return after charges	(0.37%)	1.66%	10.17%
Other Information			
Closing net asset value (£'000)	53,606	51,862	45,046
Closing number of shares	48,280,983	46,538,454	41,092,436
Operating charges	1.32%	1.45%	1.51%
Direct transaction costs	0.00%	0.00%	0.01%
Prices			
	Pence per Share	Pence per Share	Pence per Share
Highest share price	114.10	114.00	109.70
Lowest share price	108.50	109.80	99.90

Ongoing charges are the same as the ongoing charges figure (OCF) and are the total expenses paid by each share class in the year. Direct transaction costs are the total charges for the year included in the purchase and sale of investments in the portfolio of the sub-fund.

IFSL Brunson Cautious Growth Fund

Portfolio Statement

as at 28th February 2019

Holding	Investment	Market Value £'000	Percentage of Total Net Assets %
	UK Large Cap Equities (28th February 2018: 9.08%)		
1,084,475	JOHCM UK Equity Income 'Y'	1,382	2.55
389,918	Liontrust Special Situations 'Inst'	1,581	2.92
15,677	Vanguard FTSE UK All Share Index 'Inst Plus' GBP	1,964	3.63
		4,927	9.10
	Global Equities (28th February 2018: 10.72%)		
803,381	Artemis Global Income 'I' GBP	1,041	1.92
1,146,998	BNY Mellon Newton Global Income 'U'	1,659	3.07
2,132,388	Fidelity Index World 'P'	3,315	6.13
433,627	Fundsmith Equity 'I'	1,756	3.24
126,245	Guinness Global Equity Income 'Y' GBP	1,636	3.02
		9,407	17.38
	Thematic Equities (28th February 2018: 3.73%)		
	UK Corporate Bonds (28th February 2018: 17.41%)		
284,034	PIMCO UK Income Bond 'Inst' GBP	2,937	5.43
2,384,120	Royal London Sterling Credit 'Z'	3,228	5.97
		6,165	11.40
	High Yield Bonds (28th February 2018: 9.34%)		
18,038	Legg Mason WA Macro Opportunities Bond 'Premier' GBP Hedged	2,119	3.92
		2,119	3.92
	Global Corporate Bonds (28th February 2018: 18.65%)		
47,280	iShares \$ Corp Bond UCITS ETF USD	3,975	7.35
252,509	Jupiter Dynamic Bond 'I' GBP Hedged	2,760	5.10
14,370	MI TwentyFour Dynamic Bond 'M' Gross	1,486	2.75
		8,221	15.20
	Sovereign Bonds (28th February 2018: 3.96%)		
24,180	iShares \$ Treasury Bond 3-7yr UCITS ETF USD	2,288	4.23
609,500	United Kingdom Treasury 1.50% 22.07.47	568	1.05
2,214,500	United Kingdom Treasury 1.25% 22.07.27	2,227	4.12
2,228,000	United Kingdom Treasury 0.75% 22.07.23	2,207	4.08
		7,290	13.48
	Alternatives (28th February 2018: 8.97%)		
2,073,945	Investec Diversified Income 'J' Sterling	2,620	4.84
1,423,706	Merian Global Equity Absolute Return 'R' GBP Hedged	2,321	4.29
230,594	Neuberger Berman Uncorrelated Strategies 'IS' GBP	2,361	4.36
		7,302	13.49
	Real Estate (28th February 2018: 7.36%)		
987,923	F&C Commercial Property Trust	1,199	2.22
73,110	F&C Real Estate Securities 'B' GBP	1,995	3.69
		3,194	5.91
	Hedge (28th February 2018: 3.03%)		
	Portfolio of Investments	48,625	89.88
	Net Current Assets	5,475	10.12
	Total Net Assets	54,100	100.00

IFSL Brunsdon Cautious Growth Fund

Statement of Total Return

for the year from 1st March 2018 to 28th February 2019

	Notes	28th February 2019		28th February 2018	
		£'000	£'000	£'000	£'000
Income					
Net capital losses	2		(1,180)		(247)
Revenue	4	1,492		1,537	
Expenses	5	(472)		(443)	
Net revenue before taxation		1,020		1,094	
Taxation	6	(102)		(123)	
Net revenue after taxation			918		971
Total return before distributions			(262)		724
Distributions	7 & 8		(918)		(971)
Change in Net Assets Attributable to Shareholders from Investment Activities (see below)			(1,180)		(247)

Statement of Change in Net Assets Attributable to Shareholders

for the year from 1st March 2018 to 28th February 2019

	28th February 2019		28th February 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		52,530		46,026
Amounts receivable on issue of shares	6,472		11,730	
Amounts payable on cancellation of shares	(4,650)		(5,982)	
		1,822		5,748
Change in net assets attributable to shareholders from investment activities (see above)		(1,180)		(247)
Retained distributions on accumulation shares		928		1,003
Closing Net Assets Attributable to Shareholders		54,100		52,530

IFSL Brunsdon Cautious Growth Fund

Balance Sheet

as at 28th February 2019

	Notes	28th February 2019 £'000	28th February 2018 £'000
Assets			
Fixed Assets:			
Investments	17	48,625	48,458
Current Assets:			
Debtors	9	55	160
Cash and cash equivalents		5,713	4,121
Total Assets		54,393	52,739
Liabilities			
Creditors:			
Other creditors	10	293	209
Total Liabilities		293	209
Net Assets Attributable to Shareholders		54,100	52,530

IFSL Brunston Cautious Growth Fund

Notes to the Financial Statements

for the year from 1st March 2018 to 28th February 2019

1 Accounting, Distribution and Risk Management Policies

For more information please refer to the notes applicable to the Company on pages 11 to 13.

2 Net Capital Losses

	28th February 2019 £'000	28th February 2018 £'000
Realised gains on non-derivative securities	565	1,079
Unrealised losses on non-derivative securities	(1,742)	(1,326)
Other currency losses	(2)	-
Indirect transaction charges	(1)	-
Net Capital Losses	(1,180)	(247)

3 Direct Transaction Costs

	28th February 2019 £'000	28th February 2018 £'000
Purchases		
Collective investment schemes	21,831	24,556
Debt securities	4,936	-
	26,767	24,556
Commissions	1	-
Taxes and other charges	-	-
Total Purchases after Transaction Costs	26,768	24,556
Transaction costs as a percentage of the purchases before transaction costs		
Commissions	0.00%	0.00%
Taxes and other charges	0.00%	0.00%
Sales		
Collective investment schemes	25,750	19,153
	25,750	19,153
Commissions	-	-
Taxes and other charges	-	-
Total Sales after Transaction Costs	25,750	19,153
Transaction costs as a percentage of the sales before transaction costs		
Commissions	0.00%	0.00%
Taxes and other charges	0.00%	0.00%
Total Transaction Costs Expressed as a Percentage of the Average Net Asset Value Over the Year		
Commissions	0.00%	0.00%
Taxes and other charges	0.00%	0.00%
	0.00%	0.00%

There were no in-specie transfers or corporate actions identified during the year (28th February 2018: nil).

There were no direct transaction costs associated with derivatives identified during the year (28th February 2018: nil). Direct transaction costs are fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties associated with investment transactions on the sub-fund. These exclude any differences between quoted bid and offer prices or internal administrative on holding costs.

The average portfolio dealing spread as at 28th February 2019 was 0.06% (28th February 2018: 0.49%).

IFSL Brunsdon Cautious Growth Fund

Notes to the Financial Statements (continued)

4 Revenue

	28th February 2019 £'000	28th February 2018 £'000
Interest	951	991
UK franked dividends	382	340
Overseas dividends	130	140
UK unfranked dividends	18	64
Bank interest	11	2
Total Revenue	1,492	1,537

5 Expenses

	28th February 2019 £'000	28th February 2018 £'000
Payable to the ACD or Associates of the ACD:		
ACD's periodic charge	357	329
Administration charge on C Accumulation shares	81	74
KIID production costs	1	2
	439	405
Other Expenses:		
Depository's fee	14	17
Safe custody charges	10	10
Audit fees ^A	9	9
Reporting and financial statements production costs	-	2
	33	38
Total Expenses	472	443

^A The audit fee net of VAT for the sub-fund for the current year is £7,500 (28th February 2018: £7,500).

6 Taxation

a) Analysis of tax charge in year

	28th February 2019 £'000	28th February 2018 £'000
UK corporation tax on profits for the year	102	123
Total Tax Charge (note (6b))	102	123

b) Factors affecting taxation charge for the year

The tax charged for the year is lower than the standard 20% rate of corporation tax applicable to the revenue received by Open Ended Investment Companies (OEICs). OEICs are also exempt from tax on capital gains made within the sub-fund.

The tax charge actually suffered is analysed below:

	28th February 2019 £'000	28th February 2018 £'000
Net Revenue Before Tax	1,020	1,094
Corporation tax at 20% (28th February 2018: 20%)	204	219
Effects of:		
Non-taxable UK dividends	(76)	(68)
Non-taxable overseas dividends	(26)	(28)
Total Tax Charge for Year (note (6a))	102	123

c) Provision for deferred taxation

The sub-fund does not have any unutilised management expenses as at 28th February 2019 (28th February 2018: nil).

IFSL Brunsdon Cautious Growth Fund

Notes to the Financial Statements (continued)

7 Distributions

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

	28th February 2019 £'000	28th February 2018 £'000
Interim dividend (accumulation)	480	479
Final dividend (accumulation)	448	523
	928	1,002
Add: Amounts deducted on cancellation of shares	19	31
Deduct: Amounts received on issue of shares	(29)	(62)
Total Distributions for the Year	918	971

8 Movement Between Net Revenue and Distributions

	28th February 2019 £'000	28th February 2018 £'000
Net revenue after taxation	918	971
Net Distributions for the Year	918	971

9 Debtors

	28th February 2019 £'000	28th February 2018 £'000
Amounts receivable from issue of shares	–	76
Accrued revenue	51	71
Income tax recoverable	4	13
Total Debtors	55	160

10 Creditors

	28th February 2019 £'000	28th February 2018 £'000
Amounts payable for cancellation of shares	146	39
ACD fees, administration charge and KIID production costs payable	34	32
Accrued expenses	11	15
Corporation tax payable	102	123
Total Creditors	293	209

11 Related Party Transactions

IFSL, as ACD, a related party, acts as principal on all transactions of shares in the Company. The aggregate monies received through creations and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and note 7.

The amounts due [to]/from the ACD in relation to share transactions and accrued ACD and administration charges are disclosed in notes 9 and 10. As at 28th February 2019 amounts due to/(from) the ACD were £[180,000] (28th February 2018: £5,000). Amounts paid to IFSL in respect of the ACD's periodic charges are disclosed in note 5.

12 Equalisation

Equalisation is accrued revenue included in the price of shares purchased during the distribution period (Group 2 shares) which is refunded as part of the shareholders' first distribution for all shares of the same type. As a repayment of capital, equalisation is not liable to income tax but should be deducted from the cost of shares for capital gains tax purposes.

IFSL Brunsdon Cautious Growth Fund

Notes to the Financial Statements (continued)

13 Share Classes

During the year, the sub-fund could issue shares in the following share classes: Retail Accumulation; and C Accumulation. The annual management charge for each share class is as follows:

	28th February 2019	28th February 2018
Retail Accumulation	1.05%	1.05%
C Accumulation	0.65%	0.65%

The net asset value, the net asset value per share, and the number of shares in issue for each share class are given in the Comparative Table on pages 16 to 17.

All share classes have the same rights on winding up.

14 Risks of Financial Instruments

Market price risk sensitivity – a five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £2,431,000 (28th February 2018: £2,423,000). A five per cent decrease would have an equal and opposite effect.

Foreign currency risk sensitivity – a five per cent decrease in the value of sterling relative to the foreign currencies would have the effect of increasing the return and net asset value by £199,000 (28th February 2018: nil). A five per cent increase would have an equal and opposite effect.

Interest rate risk sensitivity – an interest rate sensitivity disclosure has not been included because the investments held by the sub-fund are collective investment schemes. These collective investment schemes may invest in interest bearing financial assets, however, information regarding these investments is not available from their ACD/fund managers as at the sub-fund's balance sheet date.

Interest rate risk – the interest risk profile of financial assets/liabilities as at 28th February 2019 is as follows:

	28th February 2019 £'000	28th February 2018 £'000
Financial assets floating rate ^A	5,713	4,121
Financial assets interest bearing instruments	28,778	28,480
Financial assets non-interest bearing instruments	19,902	20,138
Financial liabilities non-interest bearing instruments	(293)	(209)
	54,100	52,530

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

Liquidity risk – the liquidity rate risk profile of financial liabilities as at 28th February 2019 consists of the following:

	On Demand £'000	Within One Year £'000	Over One Year but not More Than Five Years £'000	Over Five Years £'000	Total £'000
28th February 2019					
<i>Non-derivatives</i>					
Other creditors	-	293	-	-	293
Total	-	293	-	-	293
28th February 2018					
<i>Non-derivatives</i>					
Other creditors	-	209	-	-	209
Total	-	209	-	-	209

IFSL Brunsdon Cautious Growth Fund

Notes to the Financial Statements (continued)

14 Risks of Financial Instruments (continued)

Fair value – there is no material difference between the value of financial assets and liabilities, as shown in the balance sheet, and their fair value.

Derivatives and other financial instruments – there was no underlying exposure to forward currency contracts as at 28th February 2019 (28th February 2018: nil).

15 Contingent Assets and Liabilities

There were no contingent assets or liabilities as at 28th February 2019 (28th February 2018: nil).

16 Provisions for Liabilities

There were no provisions for liabilities as at 28th February 2019 (28th February 2018: nil).

17 Fair Value Hierarchy

The Fair Value Hierarchy as at 28th February 2019 is as follows:

Valuation Technique	28th February 2019 Assets £'000	28th February 2019 Liabilities £'000	28th February 2018 Assets £'000	28th February 2018 Liabilities £'000
Level 1 – quoted prices	12,465	–	7,174	–
Level 2 – observable market data	36,160	–	41,284	–
Level 3 – unobservable data	–	–	–	–
	48,625	–	48,458	–

The intention of a fair value measurement is to estimate the price at which an asset or a 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 FRS 102 the sub-fund classifies fair value measurement under the following levels:

Level 1 – unadjusted quoted price in an active market for an identical instrument;

Level 2 – valuation techniques using observable inputs other than quoted prices within level 1; and

Level 3 – valuation techniques using unobservable inputs.

18 Shareholders' Fund Reconciliation

	Retail Accumulation	C Accumulation
Opening number of shares	521,480	46,538,454
Creations during the year	1,669	5,782,532
Cancellations during the year	(135,188)	(4,040,003)
Closing Shares in Issue	387,961	48,280,983

19 Post Balance Sheet Events

Since 28th February 2019, the net asset value per share has changed as follows:

	Net Asset Value per Share (Pence)		
	28th February 2019 ^A	24 June 2019	Movement (%)
C Accumulation	111.10	116.30	4.68

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

On 12th March 2019 the Retail Accumulation share class was closed by the ACD.

IFSL Brunsdon Cautious Growth Fund

Distribution Table

Interim dividend (in pence per share) for Retail Accumulation shares:

Group	Net Accumulation	Equalisation (note 12)	31st October 2018 Accumulation Paid	31st October 2017 Accumulation Paid
1	0.9773	–	0.9773	0.1301
2	0.9773	–	0.9773	0.1301

Interim dividend (in pence per share) for C Accumulation shares:

Group	Net Accumulation	Equalisation (note 12)	31st October 2018 Accumulation Paid	31st October 2017 Accumulation Paid
1	0.9648	–	0.9648	1.0666
2	0.4664	0.4984	0.9648	1.0666

Group 1: shares purchased prior to 1st March 2018.

Group 2: shares purchased on or after 1st March 2017 to 31st August 2018.

Final dividend (in pence per share) for Retail Accumulation shares:

Group	Net Accumulation	Equalisation (note 12)	30th April 2019 Accumulation Paid	30th April 2018 Accumulation Paid
1	0.9280	–	0.9280	1.1447
2	0.3053	0.6227	0.9280	1.1447

Final dividend (in pence per share) for C Accumulation shares:

Group	Net Accumulation	Equalisation (note 12)	30th April 2019 Accumulation Paid	30th April 2018 Accumulation Paid
1	0.9197	–	0.9197	1.1118
2	0.4172	0.5025	0.9197	1.1118

Group 1: shares purchased prior to 1st September 2018.

Group 2: shares purchased on or after 1st September 2018 to 28th February 2019.

IFSL Brunson Adventurous Growth Fund

Fund Information

Investment Objective

The investment objective of the sub-fund is to provide capital appreciation over the medium to long term.

Investment Policy

The investment objective is pursued through a policy of primarily investing in units/shares of other collective investment schemes (both regulated and unregulated funds) in order to gain exposure to both UK and overseas equities, gilts and bonds. The sub-fund may also invest in transferable securities, money market instruments, cash and near cash and deposits.

The investments will aim to reflect a higher than normal level of risk and volatility over the medium to long term. The sub-fund may borrow and employ stock lending and underwriting techniques in accordance with the rules in the COLL.

The sub-fund may invest in derivatives for the purposes of efficient portfolio management, including hedging.

Synthetic Risk and Reward Indicator (SRRI – all share classes)



The SRRI above aims to provide you with an indication of the overall risk and reward profile of the sub-fund. It is calculated based on the volatility of the sub-fund using weekly historic returns over the last five years. If five years data is not available for a sub-fund, the returns of a representative portfolio are used.

As the SRRI is calculated based on historical data it may not be a reliable indication of the future risk profile of the sub-fund. The risk category shown is not guaranteed and may change over time. The lowest rating does not mean a risk-free investment. 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 sub-fund has been measured as 4 because it has experienced moderate volatility historically. During the year the SRRI has remained unchanged.

IFSL Brunson Adventurous Growth Fund

Investment Manager's Review

for the year from 1st March 2018 to 28th February 2019

The portfolio declined by 1.66% over the year, with performance behind the IA (Investment Association) Flexible sector.

The majority of the year was positive for the portfolio, with the fund ahead of its benchmark at the end of the third quarter 2018. This outperformance was largely driven by positions such as technology, global smaller companies and UK domestic small and mid cap companies. However, many of these positions fell heavily in the fourth quarter, with the portfolio being dragged down further than the sector. Nevertheless, the portfolio staged a significant recovery in late 2018 and the first two months of 2019, but ended the period slightly behind the IA Flexible sector.

On an attribution basis, over the period as a whole, UK equities were the largest detractors from returns, despite the fund being underweight, as concerns surrounding Brexit impacted returns towards the end of the year. Overall, we are overweight to UK small and mid cap companies but these were impacted in the fourth quarter. We have maintained our positions because we feel that if we see a positive outcome from Brexit, these companies have the capacity to rally significantly. European, emerging markets and Asian equities all detracted from performance as these regions struggled with a strong dollar, political issues and concerns regarding economic outlook; however, they have performed better going into 2019. Our overweight to the US was a relative positive for performance, as were international and thematic positions.

We made a number of changes to the portfolio over the year. We started reducing exposure to US smaller companies in May following concerns regarding the degree of leverage within smaller US companies. We sold our remaining exposure to US smaller companies in early 2019 and added to global positions. We also reallocated our Asian exposure in favour of the Hermes fund, which we feel is better placed to benefit from a recovery in Asian markets. Following market falls, we also slightly increased exposure to emerging markets and increased the position following more dovish comments from the US Federal Reserve that may lead to dollar weakness, which typically benefits Asia and emerging markets.

More recently, we have become more concerned about the political and economic situation within Europe. We therefore opted to reduce our exposure to the region to take us underweight. We sold the fund's remaining position in high yield debt as we remain concerned regarding the prospect for the riskier end of the fixed interest market, and would prefer to take risk in equity assets.

Towards the start of 2018 we topped up the portfolio's exposure to technology, which proved beneficial despite declining in the fourth quarter. We also added a smaller position in healthcare which proved resilient in the recent turbulent markets. Within the US, we maintained our preference for a tracker on the S&P500 Index, although we did add an active fund managed by Morgan Stanley to aim to deliver some alpha. Within the UK, we sold a more defensive income fund in May in favour of slightly increasing UK smaller companies exposure.

Going forward, we feel that 2019 has the potential to deliver strong positive returns, although volatility is likely to remain elevated. Some of the main lingering concerns from investors are political in nature, and if we see a resolution to some of these then risk assets have the capacity to outperform.

Portfolio Changes

Largest Purchases	Cost (£'000)	Largest Sales	Proceeds (£'000)
Fidelity Index US 'P'	2,300	Schroder European Alpha Income 'Z' GBP Hedged	2,202
Morgan Stanley US Advantage 'F' GBP	1,650	River and Mercantile UK Equity Smaller Companies 'B'	1,974
Hermes Asia ex. Japan Equity 'F' Stg£	1,400	JPM US Equity Income 'C' Net	1,919
Fidelity Index World 'P'	1,250	Fidelity Index US 'P'	1,600
Waverton European Capital Growth 'F' GBP	1,250	Neuberger Berman High Yield Bond Institutional USD	1,547
Merian North American Equity 'R' GBP Hedged	1,150	Trojan Income 'O'	1,488
MI Chelverton UK Equity Growth 'B'	1,100	iShares MSCI USA Small Cap UCITS ETF USD	1,393
Aberforth Smaller Companies Trust	1,052	Hermes US SMID Equity 'L' Stg£	1,327
Baillie Gifford Japanese Smaller Companies 'B'	1,050	Fidelity Index World 'P'	1,100
Polar Capital Healthcare Opportunities 'I'	800	Stewart Asia Pacific Leaders 'B' GBP	603
Other purchases	5,270	Other sales	2,101
Total purchases for the year	18,272	Total sales for the year	17,254

IFSL Brunsdon Adventurous Growth Fund

Comparative Table

	Retail Accumulation 28th February 2019 (Pence per Share)	Retail Accumulation 28th February 2018 (Pence per Share)	Retail Accumulation 28th February 2017 (Pence per Share)
Change in Net Assets per Share			
Opening net asset value per share	156.41	144.69	118.67
Return before operating charges*	(0.96)	14.50	28.37
Operating charges	(2.69)	(2.78)	(2.35)
Return after operating charges*	(3.65)	11.72	26.02
Distribution on accumulation shares	(0.62)	(0.86)	(0.72)
Retained distributions on accumulation shares	0.62	0.86	0.72
Closing net asset value per share	152.76	156.41	144.69
* after direct transaction costs of:	0.03	–	0.01
Performance			
Return after charges	(2.33%)	8.10%	22.00%
Other Information			
Closing net asset value (£'000)	587	691	1,299
Closing number of shares	383,864	441,864	897,549
Operating charges	1.73%	1.84%	1.83%
Direct transaction costs	0.02%	0.00%	0.01%
Prices	Pence per Share	Pence per Share	Pence per Share
Highest share price	164.60	161.00	144.90
Lowest share price	141.00	144.10	119.80

IFSL Brunsdon Adventurous Growth Fund

Comparative Table (continued)

	C Accumulation 28th February 2019 (Pence per Share)	C Accumulation 28th February 2018 (Pence per Share)	C Accumulation 28th February 2017 (Pence per Share)
Change in Net Assets per Share			
Opening net asset value per share	133.20	122.96	100.58
Return before operating charges*	(0.82)	12.30	24.15
Operating charges	(1.96)	(2.06)	(1.77)
Return after operating charges*	(2.78)	10.24	22.38
Distribution on accumulation shares	(0.86)	(1.00)	(0.93)
Retained distributions on accumulation shares	0.86	1.00	0.93
Closing net asset value per share	130.42	133.20	122.96
* after direct transaction costs of:	0.03	–	0.01
Performance			
Return after charges	(2.09%)	8.33%	22.25%
Other Information			
Closing net asset value (£'000)	51,219	49,155	39,477
Closing number of shares	39,272,028	36,903,409	32,104,599
Operating charges	1.48%	1.59%	1.58%
Direct transaction costs	0.02%	0.00%	0.01%
Prices	Pence per Share	Pence per Share	Pence per Share
Highest share price	140.30	137.10	123.10
Lowest share price	120.30	122.50	101.60

Ongoing charges are the same as the ongoing charges figure (OCF) and are the total expenses paid by each share class in the year. Direct transaction costs are the total charges for the year included in the purchase and sale of investments in the portfolio of the sub-fund.

IFSL Brunson Adventurous Growth Fund

Portfolio Statement

as at 28th February 2019

Holding	Investment	Market Value £'000	Percentage of Total Net Assets %
	UK Large Cap Equities (28th February 2018: 25.15%)		
1,507,842	JOHCM UK Equity Income 'Y'	1,921	3.71
550,996	Liontrust Special Situations 'Inst'	2,234	4.31
4,875	Man GLG Undervalued Assets 'D'	939	1.81
1,089,630	Merian UK Mid Cap 'UI' GBP	1,641	3.17
24,904	Vanguard FTSE UK All Share Index 'Inst. Plus' GBP	3,119	6.02
		9,854	19.02
	UK Small Cap Equities (28th February 2018: 5.15%)		
73,200	Aberforth Smaller Companies Trust	895	1.73
498,595	MI Chelverton UK Equity Growth 'B'	1,029	1.99
400,000	Merian Chrysalis Investment Trust	420	0.81
398,124	Old Mutual UK Smaller Companies Focus 'R' GBP	1,055	2.04
		3,399	6.57
	North American Large Cap Equities (28th February 2018: 12.81%)		
2,732,986	Fidelity Index US 'P'	5,656	10.92
120,735	Merian North American Equity 'R' GBP Hedged	1,566	3.02
117,034	Morgan Stanley US Advantage 'F' GBP	1,613	3.11
		8,835	17.05
	North American Small Cap Equities (28th February 2018: 7.15%)		
		0	0.00
	European Large Cap Equities (28th February 2018: 9.32%)		
1,194,439	LF Miton European Opportunities 'F'	2,044	3.94
1,158,480	Waverton European Capital Growth 'F' GBP	1,263	2.44
		3,307	6.38
	Japanese Equities (28th February 2018: 5.26%)		
50,018	Baillie Gifford Japanese Smaller Companies 'B'	2,133	4.12
1,402,107	Man GLG Japan CoreAlpha Equity 'I' GBP	2,009	3.88
		4,142	8.00
	Asia Pacific ex Japan Equities (28th February 2018: 9.04%)		
1,441,304	Hermes Asia ex. Japan Equity 'F' Stg£	2,987	5.76
6,766	Schroder Asian Total Return 'C' GBP	2,278	4.40
		5,265	10.16
	Emerging Markets Equities (28th February 2018: 4.98%)		
371,317	Baillie Gifford Emerging Markets Growth 'B'	2,853	5.51
		2,853	5.51
	Global Equities (28th February 2018: 13.04%)		
1,113,512	Fidelity Index World 'P'	1,731	3.34
367,651	Fundsmith Equity 'I'	1,489	2.87
20,613	Polar Capital Healthcare Opportunities 'I' Sterling	796	1.54
56,817	Polar Capital Global Technology 'I' Sterling	2,004	3.87
592,641	River and Mercantile Global Recovery 'S'	1,375	2.65
1,473,075	Standard Life Global Smaller Companies 'S Inst'	1,507	2.91
139,500	Scottish Mortgage Investment Trust	687	1.33
		9,589	18.51
	High Yield Bonds (28th February 2018: 3.08%)		
	Hedge (28th February 2018: 2.11%)		
431,964	City Financial Absolute Equity 'I'	1,080	2.08
		1,080	2.08
	Portfolio of Investments	48,324	93.28
	Net Current Assets	3,482	6.72
	Total Net Assets	51,806	100.00

IFSL Brunsdon Adventurous Growth Fund

Statement of Total Return

for the year from 1st March 2018 to 28th February 2019

	Notes	28th February 2019		28th February 2018	
		£'000	£'000	£'000	£'000
Income					
Net capital (losses)/gains	2		(1,370)		3,288
Revenue	4	776		757	
Expenses	5	(446)		(406)	
Net revenue before taxation		330		351	
Taxation	6	-		-	
Net revenue after taxation			330		351
Total return before distributions			(1,040)		3,639
Distributions	7 & 8		(330)		(351)
Change in Net Assets Attributable to Shareholders from Investment Activities (see below)			(1,370)		3,288

Statement of Change in Net Assets Attributable to Shareholders

for the year from 1st March 2018 to 28th February 2019

	28th February 2019		28th February 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		49,846		40,776
Amounts receivable on issue of shares	6,584		10,118	
Amounts payable on cancellation of shares	(3,591)		(4,701)	
		2,993		5,417
Change in net assets attributable to shareholders from investment activities (see above)		(1,370)		3,288
Retained distributions on accumulation shares		337		365
Closing Net Assets Attributable to Shareholders		51,806		49,846

IFSL Brunsdon Adventurous Growth Fund

Balance Sheet

as at 28th February 2019

	Notes	28th February 2019 £'000	28th February 2018 £'000
Assets			
Fixed Assets:			
Investments	17	48,324	48,397
Current Assets:			
Debtors	9	118	2,401
Cash and cash equivalents		3,477	1,172
Total Assets		51,919	51,970
Liabilities			
Creditors:			
Bank overdraft		25	–
Other creditors	10	88	2,124
Total Liabilities		113	2,124
Net Assets Attributable to Shareholders		51,806	49,846

IFSL Brunston Adventurous Growth Fund

Notes to the Financial Statements

for the year from 1st March 2018 to 28th February 2019

1 Accounting, Distribution and Risk Management Policies

For more information please refer to the notes applicable to the Company on pages 11 to 13.

2 Net Capital (Losses)/Gains

	28th February 2019 £'000	28th February 2018 £'000
Realised gains on non-derivative securities	3,698	2,582
Unrealised (losses)/gains on non-derivative securities	(5,086)	682
Other currency gains	19	24
Indirect transaction costs	(1)	-
Net Capital (Losses)/Gains	(1,370)	3,288

3 Direct Transaction Costs

	28th February 2019 £'000	28th February 2018 £'000
Purchases		
Collective investment schemes	18,261	24,962
	18,261	24,962
Commissions	2	-
Taxes and other charges	9	-
Total Purchases after Transaction Costs	18,272	24,962
Transaction costs as a percentage of the purchases before transaction costs:		
Commissions	0.01%	0.00%
Taxes and other charges	0.05%	0.00%
Sales		
Collective investment schemes	17,754	18,441
	17,254	18,441
Commissions	-	-
Taxes and other charges	-	-
Total Sales after Transaction Costs	17,254	18,441
Transaction costs as a percentage of the sales before transaction costs:		
Commissions	0.00%	0.00%
Taxes and other charges	0.00%	0.00%
Total Transaction Costs Expressed as a Percentage of the Average Net Asset Value Over the Year		
Commissions	0.00%	0.00%
Taxes and other charges	0.02%	0.00%
	0.02%	0.00%

There were no in-specie transfers or corporate actions identified during the year (28th February 2018: nil).

There were no direct transaction costs associated with derivatives identified during the year (28th February 2018: nil). Direct transaction costs are fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties associated with investment transactions on the sub-fund. These exclude any differences between quoted bid and offer prices or internal administrative or holding costs.

The average portfolio dealing spread as at 28th February 2019 was 0.08% (28th February 2018: 0.05%).

IFSL Brunsdon Adventurous Growth Fund

Notes to the Financial Statements (continued)

4 Revenue

	28th February 2019 £'000	28th February 2018 £'000
Interest	44	82
UK franked dividends	601	566
Overseas dividends	119	108
UK unfranked dividends	7	-
Bank interest	5	1
Total Revenue	776	757

5 Expenses

	28th February 2019 £'000	28th February 2018 £'000
Payable to the ACD or Associates of the ACD:		
ACD's periodic charge	337	302
Administration charge on C Accumulation shares	76	67
KIID production costs	1	2
	414	371
Other Expenses:		
Depository's fee	13	16
Safe custody charges	10	9
Audit fees ^A	9	9
Reporting and financial statements production costs	-	1
	32	35
Total Expenses	446	406

^A The audit fee net of VAT for the sub-fund for the current year is £7,500 (28th February 2018: £7,500).

6 Taxation

a) Analysis of tax charge in year

	28th February 2019 £'000	28th February 2018 £'000
Total Tax Charge (note (6b))	-	-

b) Factors affecting taxation charge for the year

The tax charged for the year is lower than the standard 20% rate of corporation tax applicable to the revenue received by Open Ended Investment Companies (OEICs). OEICs are also exempt from tax on capital gains made within the sub-fund.

The tax charge actually suffered is analysed below:

	28th February 2019 £'000	28th February 2018 £'000
Net Revenue Before Tax	330	351
Corporation tax at 20% (28th February 2018: 20%)	66	70
Effects of:		
Non taxable UK dividends	(120)	(113)
Non taxable overseas dividends	(24)	(22)
Prior year adjustment unutilised management expenses	1	-
Unutilised management expenses	77	65
Total Tax Charge for Year (note (6a))	-	-

c) Provision for deferred taxation

The sub-fund has unutilised management expenses of £1,404,000 as at 28th February 2019 (28th February 2018: £1,018,000). A deferred tax asset of £281,000 (28th February 2018: £204,000) has not been recognised as it is unlikely that the sub-fund will generate taxable profits in the future.

IFSL Brunsdon Adventurous Growth Fund

Notes to the Financial Statements (continued)

7 Distributions

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

	28th February 2019 £'000	28th February 2018 £'000
Interim dividend (accumulation)	118	195
Final dividend (accumulation)	219	170
	337	365
Add: Amounts deducted on cancellation of shares	7	9
Deduct: Amounts received on issue of shares	(14)	(23)
Total Distributions for the Year	330	351

8 Movement Between Net Revenue and Distributions

	28th February 2019 £'000	28th February 2018 £'000
Net revenue after taxation	330	351
Net Distributions for the Year	330	351

9 Debtors

	28th February 2019 £'000	28th February 2018 £'000
Sales awaiting settlement	79	2,085
Amounts receivable from issue of shares	-	247
Accrued revenue	37	69
Income tax recoverable	2	-
Total Debtors	118	2,401

10 Creditors

	28th February 2019 £'000	28th February 2018 £'000
Purchases awaiting settlement	-	2,050
Amounts payable for cancellation of shares	45	29
ACD fees, administration charge and KIID production costs payable	32	29
Accrued expenses	11	16
Total Creditors	88	2,124

11 Related Party Transactions

IFSL, as ACD, a related party, acts as principal on all transactions of shares in the Company. The aggregate monies received through creations and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and note 7. Amounts paid to IFSL in respect of ACD's periodic charges are disclosed in note 5.

The amounts due [to]/from the ACD in relation to share transactions and accrued ACD and administration charge are disclosed in notes 9 and 10. As at 28th February 2019 the amounts due/(from) the ACD were £[77,000] (28th February 2018: £189,000). Amounts paid to IFSL in respect of the ACD's periodic charges are disclosed in note 5.

12 Equalisation

Equalisation is accrued revenue included in the price of shares purchased during the distribution period (Group 2 shares) which is refunded as part of the shareholders' first distribution for all shares of the same type. As a repayment of capital, equalisation is not liable to income tax but should be deducted from the cost of shares for capital gains tax purposes.

IFSL Brunsdon Adventurous Growth Fund

Notes to the Financial Statements (continued)

13 Share Classes

During the year, the sub-fund could issue shares in the following share classes: Retail Accumulation; and C Accumulation. The annual management charge for each share class is as follows:

	28th February 2019	28th February 2018
Retail Accumulation	1.05%	1.05%
C Accumulation	0.65%	0.65%

The net asset value, the net asset value per share, and the number of shares in issue for each share class are given in the Comparative Table on pages 29 to 30.

All share classes have the same rights on winding up.

14 Risks of Financial Instruments

Market price risk sensitivity – on 28th February 2019, a five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £2,416,000 (28th February 2018: £2,420,000). A five per cent decrease would have an equal and opposite effect.

Foreign currency risk sensitivity – as at the balance sheet date there is no material foreign currency risk in the sub-fund's portfolio and, as such, no numerical disclosure has been provided within these financial statements (28th February 2018: £77,000).

Interest rate risk sensitivity – an interest rate sensitivity disclosure has not been included because the investments held by the sub-fund are collective investment schemes. These collective investment schemes may invest in interest bearing financial assets, however, information regarding these investments is not available from their ACD/fund managers as at the sub-fund's balance sheet date.

Interest rate risk – the interest rate risk profile of financial assets/liabilities as at 28th February 2019 is as follows:

	28th February 2019 £'000	28th February 2018 £'000
Financial assets floating rate ^A	3,477	1,172
Financial assets interest bearing instruments	-	1,533
Financial assets non-interest bearing instruments	48,442	49,265
Financial liability floating rate ^A	(25)	-
Financial liabilities non-interest bearing instruments	(88)	(2,124)
	51,806	49,846

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

Liquidity risk – the liquidity rate risk profile of financial liabilities as at 28th February 2019 consists of the following:

	On Demand £'000	Within One Year £'000	Over One Year but not More Than Five Years £'000	Over Five Years £'000	Total £'000
28th February 2019					
<i>Non-derivatives</i>					
Bank overdraft	-	25	-	-	25
Other creditors	-	88	-	-	88
Total	-	113	-	-	113
28th February 2018					
<i>Non-derivatives</i>					
Bank overdraft	-	-	-	-	-
Other creditors	-	2,124	-	-	2,124
Total	-	2,124	-	-	2,124

IFSL Brunsdon Adventurous Growth Fund

Notes to the Financial Statements (continued)

14 Risks of Financial Instruments (continued)

Fair value – there is no material difference between the value of financial assets and liabilities, as shown in the balance sheet, and their fair value.

Derivatives and other financial instruments – there was no underlying exposure to forward currency contracts as at 28th February 2019 (28th February 2018: nil).

15 Contingent Assets and Liabilities

There were no contingent assets or liabilities as at 28th February 2019 (28th February 2018: nil).

16 Provisions for Liabilities

There were no provisions for liabilities as at 28th February 2019 (28th February 2018: nil).

17 Fair Value Hierarchy

The Fair Value Hierarchy as at 28th February 2019:

Valuation Technique	28th February 2019 Assets £'000	28th February 2019 Liabilities £'000	28th February 2018 Assets £'000	28th February 2018 Liabilities £'000
Level 1 – quoted prices	2,001	–	1,318	–
Level 2 – observable market data	46,323	–	47,079	–
Level 3 – unobservable data	–	–	–	–
	48,324	–	48,397	–

The intention of a fair value measurement is to estimate the price at which an asset or a 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 FRS 102 the sub-fund classifies fair value measurement under the following levels:

Level 1 – unadjusted quoted price in an active market for an identical instrument;

Level 2 – valuation techniques using observable inputs other than quoted prices within level 1; and

Level 3 – valuation techniques using unobservable inputs.

18 Shareholders' Fund Reconciliation

	Retail Accumulation	C Accumulation
Opening number of shares	441,864	36,903,409
Creations during the year	10,259	4,961,650
Cancellations during the year	(68,259)	(2,593,031.00)
Closing Shares in Issue	383,864	39,272,028

19 Post Balance Sheet Events

Since 28th February 2019, the net asset value per share has changed as follows:

	Net Asset Value per Share (Pence)		Movement (%)
	28th February 2019 ^A	24 June 2019	
C Accumulation	130.50	138.80	6.36

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

On 12th March 2019 the Retail Accumulation share class was closed by the ACD.

IFSL Brunsdon Adventurous Growth Fund

Distribution Table

Interim dividend (in pence per share) for Retail Accumulation shares:

Group	Net Accumulation	Equalisation (note 12)	31st October 2018 Accumulation Paid	31st October 2017 Accumulation Paid
1	0.1589	–	0.1589	0.5159
2	0.1589	–	0.1589	0.5159

Interim dividend (in pence per share) for C Accumulation shares:

Group	Net Accumulation	Equalisation (note 12)	31st October 2018 Accumulation Paid	31st October 2017 Accumulation Paid
1	0.3059	–	0.3059	0.5468
2	0.0314	0.2745	0.3059	0.5468

Group 1: shares purchased prior to 1st March 2018.

Group 2: shares purchased on or after 1st March 2018 to 31st August 2018.

Final dividend (in pence per share) for Retail Accumulation shares:

Group	Net Accumulation	Equalisation (note 12)	30th April 2019 Accumulation Paid	30th April 2018 Accumulation Paid
1	0.4600	–	0.4600	0.3436
2	0.2525	0.2075	0.4600	0.3436

Final dividend (in pence per share) for C Accumulation shares:

Group	Net Accumulation	Equalisation (note 12)	30th April 2019 Accumulation Paid	30th April 2018 Accumulation Paid
1	0.5543	–	0.5543	0.4581
2	0.2417	0.3126	0.5543	0.4581

Group 1: shares purchased prior to 1st September 2018.

Group 2: shares purchased on or after 1st September 2018 to 28th February 2019.

IFSL Brunsdon OEIC

General Information

It is important to remember that the price of shares, and the income from them, can fall as well as rise and it is not guaranteed that investors will get back the amount originally invested. Past performance is not a guide to future performance. Changes in the rate of exchange of currencies, particularly where overseas securities are held, may also affect the value of your investment. The issue of shares may be subject to an initial charge and this is likely to have an impact on the realisable value of your investment, particularly in the short term. You should always regard an ICVC investment as long term.

Share Types

The Company issues shares in the following share classes: Retail Accumulation; and C Accumulation.

Pricing and Dealing

Mid prices are always quoted for shares in the sub-funds.

Dealing in all ICVCs operated by IFSL may be carried out between 9 am and 5 pm on any business day. Applications can be made either by completing an application form and delivering it to the ACD at IFSL, Marlborough House, 59 Chorley New Road, Bolton BL1 4QP, or through approved agents.

The Company deals on a forward basis, which means that orders received will be dealt with at the price calculated at the next valuation point. Share prices are calculated daily at the valuation point of 12 o'clock midday, and applications for shares should be received by this time to ensure inclusion in the following valuation point.

Publication of Prices

The prices of shares in the sub-funds are currently quoted daily on the following web pages:

www.fundlistings.com

www.ifslfunds.com

Alternatively you can contact the ACD on 0808 178 9321 (9 am to 5 pm Monday to Friday, excluding bank holidays, and from 9 am to 12:30 pm on the last business day prior to Christmas Day) who will be happy to provide you with the most recent price of your shares.

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