

# The Office of the Accountant of the Courts of Justice

REPORT AND FINANCIAL  
STATEMENTS  
FOR THE YEAR ENDED  
30 SEPTEMBER 2022



An tSeirbhís Chúirteanna  
Courts Service



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## INVESTMENT COMMITTEE AND OTHER INFORMATION

**INVESTMENT COMMITTEE** Judge David Barniville, President of the High Court  
Judge Seamus Noonan, Court of Appeal  
Judge Michael P. Walsh, Circuit Court  
Judge Fiona Lydon, District Court  
John Cleere, Accountant of the Courts of Justice and Assistant Secretary, Corporate Services  
Alice White, Registrar, Office of the Wards of Court  
Barbara Harte, Head of Court Funds  
Sean Quigley, Chartered Accountant, Independent Member  
Kieran Bristow, Independent Member, National Treasury Management Agency  
David B. Deasy, Chartered Accountant, Independent Member  
MaryRose McGovern, Financial Services and Pensions Ombudsman (Acting), Independent Member

**REGISTERED OFFICE** Office of the Accountant of the Courts of Justice  
Phoenix House  
15 - 24 Phoenix Street North  
Smithfield  
Dublin 7  
Ireland.

**INVESTMENT MANAGER** State Street Global Advisors Funds Management Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland.

**TRUSTEE** Northern Trust Fiduciary Services (Ireland) Limited  
Georges Court  
54 - 62 Townsend Street  
Dublin 2  
Ireland.

### **ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT**

Northern Trust International Fund Administration  
Services (Ireland) Limited  
Georges Court  
54 - 62 Townsend Street  
Dublin 2  
Ireland.

**INVESTMENT ADVISOR** Mercer Ireland  
Charlotte House  
Charlemont Street  
Dublin 2  
Ireland.

**LEGAL ADVISORS** Byrne Wallace Solicitors  
88 Harcourt Street  
Dublin 2  
Ireland.

**AUDITORS** Mazars  
Chartered Accountants and Registered Auditors  
Harcourt Centre  
Block 3 Harcourt Road  
Dublin 2  
Ireland.

## BACKGROUND INFORMATION

### The Courts and Court Funds

The Courts have a custodial role in relation to funds that are lodged in Court pursuant to Court Orders or in compliance with legislative requirements. The main primary and subordinate legislation governing the receipt, management and investment of Court-controlled funds is as follows:

- Court Officers Act 1926
- The Trustee (Authorised Investments) Act 1958 and the Trustee (Authorised Investments) Orders made thereunder
- The Rules of the Superior Courts
- The Rules of the Circuit Court
- The Rules of the District Court

The categories of funds held by the Courts include, principally:

- (a) Wards of Court: the funds of persons taken into Wardship are lodged in Court.
- (b) Minors: financial awards made by the Courts to persons under 18 will have their award lodged in Court until they reach the age of majority. Where a long-term care regime is considered necessary, a minor may be made a Ward of Court.
- (c) Lodgements by Parties to Court Proceedings: a party to civil Court proceedings may lodge money in Court with a view to satisfying the claim of another party to the proceedings.

Other funds held by the Court include:

- Funds lodged by Trade Unions, Insurance Companies and Auctioneers
- Trustee matters (proceeds of trusts lodged in Court)
- Unclaimed dividends in Company liquidations
- Lodgements under the Land Clauses Act 1845
- Funds lodged by the Residential Institutions Redress Board
- Insurance Compensation Fund
- Proceeds of compulsory land purchases where the beneficiary is unknown

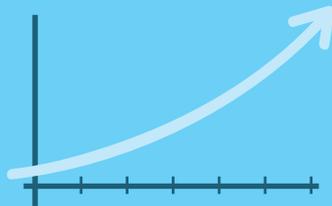
### The Accountant of the Courts of Justice

The Accountant's Office and the position of the Accountant of the Courts of Justice (the "Accountant") were established shortly after the foundation of the State, under the Court Officers Act 1926. The Act stipulates that the Accountant shall perform such functions as shall be conferred on or assigned by statute or rule of Court and in particular shall perform and fulfil in relation to the High Court, the Supreme Court and the Chief Justice all such duties and functions as were formerly performed and fulfilled by the Accountant General of the Supreme Court of Judicature in Ireland in relation to that Court and in relation to the Lord Chancellor for Ireland. Currently the Accountant has responsibility for the management and investment of funds amounting to €2.337 billion as at 30th September 2022 (€2.219 billion as at 30th September 2021).

The funds managed by the Accountant are funds that are held under the control of the Courts and are managed in a fiduciary capacity on behalf of beneficiaries, who include various categories of litigant, persons who are Wards of Court and Minors who have been awarded damages by the Courts. Funds under the control of the Courts are required by law to be invested in accordance with the Trustee (Authorised Investments) Act 1958 and the orders made thereunder and the rules of Court.

## Court Funds 2022

NET  
INCREASE  
IN FUNDS



€118 million

WARDS  
OF COURT



No. 2,901  
VALUE

€1.75 billion

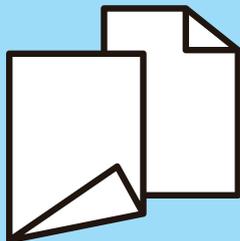
18,069  
MINORS



VALUE

€356 million

TRANSACTIONS  
PROCESSED



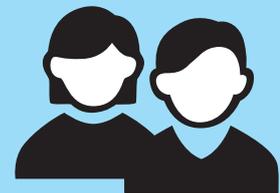
51,719

VALUE  
OF FUNDS



€2.337 billion

TOTAL  
BENEFICIARIES



22,345

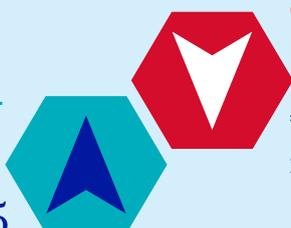
INCREASE IN NET ASSETS  
FROM CAPITAL  
TRANSACTION



€156 million

CAPITAL  
RECEIPTS

€410.5  
million



CAPITAL  
DISBURSEMENTS

€254.4  
million

EXIT TAX  
COLLECTED

€7.8 million



## FOREWORD BY THE CHAIRPERSON OF THE INVESTMENT COMMITTEE

I am pleased to present this Annual Report and Financial Statements of the Office of the Accountant of the Courts of Justice in respect of the year ended 30th September 2022.

At the year ending 30th September 2022, the total value of funds managed by the Accountant's Office was €2.337 billion (2021: €2.219 billion), which represented an increase of €118 million (5%) compared with the previous financial year. The growth in the value of funds managed over the most recent financial year stemmed from an additional €156 million being lodged with the Accountant's Office and a €38 million decrease related to investment performance.

Despite a relatively good economic recovery from the pandemic, global markets struggled in the first half of 2022 due to the combined effects of the impact from the war in Ukraine, the European Central Bank's interest rate hikes and soaring inflation. Negative interest rates on cash-based investments prevailed and continued during the year and affected the value of beneficiaries' funds, which is a feature of the markets globally and not unique to Court funds. The increase in interest rates in late 2022, while not impacting on the year under review, was a welcome development for both the market and Courts Service beneficiaries, as deposit rates for cash/funds moved into positive territory after a prolonged period of negative rates. Notwithstanding the challenges faced in 2022, five of the six strategies outperformed their respective benchmarks as of the financial year ended, 30th September 2022.

In advance of the Assisted Decision Making (Capacity) Act, which is now expected to come into effect in early 2023, the Courts Service Investment Committee along with our investment advisors, Mercer Ireland, met on several occasions during the year to monitor the impact the Act will have on the investment arrangements for Wards of Court. A series of de-risking measures of adult wardships funds in both the Growth Fund and the Moderate Diversified Funds was successfully completed in Q4 2021 and de-risked into shorter-term investment funds. This was a necessary step in managing adult wards' funds in preparation for discharge and in line with our duty to act in the best interest of Wards of Court.

The Investment Committee met four times during the period under review. In conjunction with its investment advisors, the Committee continues to actively monitor investment performance while ensuring compliance with investment strategies, and the ongoing suitability of those strategies.

I would like to express my sincere thanks to the members of the Investment Committee for their commitment and dedication during the year.

Finally, I would also like to acknowledge the excellent contribution of all of the staff in the Accountant's Office throughout the year which has been of immense assistance and reassurance to me.



**David Barniville**  
President of the High Court  
Chairperson of the Investment Committee

**20 February 2023**

## INVESTMENT COMMITTEE

The Investment Committee comprises members of the Judiciary, Court Officers, Court Service Officials and independent external members. The Committee is chaired by the President of the High Court. Its role is advisory and its main function is to devise investment policy for the investment of Court Funds based on advice from our independent investment advisors, to oversee the implementation of investment strategies, and to ensure compliance with best practice in the management of Court Funds.

The Committee meets on a regular basis, and it met on four occasions during the year to 30th September 2022. Membership as at 30th September 2022 comprised of the following individuals:

Judge David Barniville, President of the High Court, Chairperson

Judge Seamus Noonan, Court of Appeal

Judge Michael P. Walsh, Circuit Court

Judge Fiona Lydon, District Court

Mr. John Cleere, Accountant of the Courts of Justice and Assistant Secretary, Corporate Services

Ms. Alice White, Registrar, Office of the Wards of Court

Ms. Barbara Harte, Head of Court Funds, The Courts Service

Mr. Sean Quigley, Chartered Accountant, Independent Member

Mr. Kieran Bristow, Independent Member, National Treasury Management Agency

Mr. David B. Deasy, Chartered Accountant, Independent Member

Ms. MaryRose McGovern, Financial Services and Pensions Ombudsman (Acting), Independent Member

Mr. Olivier Santamaria who represents Mercer Ireland, attended three of the four Investment Committee meetings, whilst Ms. Orla Ahern, who also represents Mercer Ireland, attended all four Investment Committee meetings during the period under review.

## REPORT OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

The Courts Service, in accordance with the Courts Service Act 1998, is responsible for the management and administration of the Courts and the provision of support services for judges. It is in this capacity that the Courts Service has a role in the management and investment of Court Funds, which are held in trust by the Courts. These funds are invested in line with the provisions of the Trustee (Authorised Investments) Act, 1958 and subsequent orders.

At the 30th September 2022, the Accountants Office was managing €2.337 billion in a fiduciary capacity (2021: €2.219 billion) on behalf of 22,345 beneficiaries. Of which 2,901 beneficiaries are persons who have been declared wards of Court (2021: 2,784) with funds valued at €1.750 billion as at 30th September 2022 (2021: €1.657 billion). A further 18,069 are minors (2021: 18,504) with funds valued at €356 million (2021: €363 million). The remainder mostly consist of cases pending further Court Orders, residential redress board cases and lodgements with defence case types. The total funds managed of €2.337 billion is further analysed between the three Court jurisdictions in Table 1 below.

The increase in the total value of funds by €118 million is attributable to a net increase from net capital transactions of €156 million (i.e. net excess receipts over disbursements) for the year and a decrease in investment performance of €38 million.

**Table 1: Total Net Assets under Management, by Jurisdiction as at 30th September 2022**

Jurisdiction	Net Assets € at 30/09/2021		Net Assets € at 30/09/2022		% Increase / (Decrease) in Net Assets
		%		%	
High Court	1,990,678,809	89.7%	2,120,585,883	90.7%	1.0%
Circuit Court	195,597,534	8.8%	183,497,691	7.9%	-0.9%
District Court	32,960,051	1.5%	32,913,224	1.4%	-0.1%
<b>Total</b>	<b>€2,219,236,394</b>	<b>100%</b>	<b>€2,336,996,798</b>	<b>100%</b>	<b>5.3%</b>

### Public Accountability

Court funds that are managed by the Accountant's Office are under the control of the Courts and judiciary. These are not public funds and in accordance with legislation governing the role of the Comptroller and Auditor General (C&AG) are not subject to audit by the C&AG. The Courts Service uses a number of mechanisms to demonstrate transparency and accountability in relation to the management of Court funds. One of the most important of which is the publication of these financial statements, which are independently audited by our current auditor Mazars. The provision of an independent audit report is critical in providing assurance to all persons who have funds under the protection of the Courts.

In seeking to further demonstrate transparency and accountability The Courts Service has engaged with Oireachtas Committees such as the Public Accounts Committee and the Committee of Justice and continues to be available to do so.

## Investment Protocol

During the year to 30th September 2022, the Courts Service continued to invest all funds, for which it has responsibility, on a prudent basis. When deciding where and how to invest Court funds, the overriding objective is the achievement of an optimal total financial return having regard to the need for liquidity and capital security, taking account of income generation and capital growth requirements where appropriate. The performance of all funds during the year has been in line with expectations.

The Court and the Judge have ultimate responsibility for Court funds, and (a) determine the amount of compensation awarded in any case, and (b) with the support of the Courts Service decide how the funds in any case are to be invested. Court Officers and others can only make an investment where a Court Order or legislation directs them to do so. In making an order Judges rely on the support provided by the Courts Service under the Courts Service Act 1998, in ensuring Court funds are managed and invested appropriately. This includes the engagement of independent investment advisors to advise on appropriate investment strategies, including the asset combination mix of those strategies, for all Court beneficiaries. These funds are invested in line with the provisions of the Trustee (Authorised Investments) Act 1958 and subsequent orders. The funds in which Court funds are invested are authorised by the Central Bank of Ireland pursuant to the provisions of the Unit Trusts Act 1990.

In advance of the Assisted Decision Making (Capacity) Act 2015, (The Act 2015) which is expected to come into effect in early 2023, the Courts Service Investment Committee has considered the impact that the Act will have on the investment arrangements for Wards of Court. Following consultation with our investment advisors, Mercer Ireland, the process of preparing for the transfer out of court of all adult wardship funds commenced and was completed in Q4 2021. Accordingly, all adult wardship funds were de-risked to a shorter-term investment fund and was a necessary step in managing adult ward's funds to their date of discharge. These measures are in line with our duty to act in the best interest of Wards of Court. The de-risking has led to the Growth Fund being wound up and to a lesser extent has impacted the Moderate Diversified Fund. The Growth Fund has delivered very good investment performance over many years however it was designed for longer term (minimum five years investment period). With the imminent discharge of wardship cases it was no longer considered appropriate to have these funds invested in such longer-term funds.

The range of investment strategies utilised by the Courts Service for all categories of beneficiaries together with the expected investment time horizon is set out in Table 2. As advised by our independent investment advisors Mercer Ireland, these strategies are designed to reflect the differing needs of all Court fund beneficiaries and are deemed appropriate investment strategies for the expected time horizon that the funds will be held in Court.

The investment objectives of each Strategy are set out on pages 17 and 18 of this report.

**Table 2: Courts Service Investment Protocol for the Investment of all funds as at 30th September 2022**

SSGA Spectrum Strategy	Time Horizon of Funds held in Court	Class of Beneficiary
Cash Fund	Capital Preservation Objective with unknown time horizon or time horizon of less than 3 months.	<ul style="list-style-type: none"> <li>• Minors aged 17¾ years old or more,</li> <li>• Miscellaneous.</li> </ul>
Euribor Plus Fund	Capital Preservation Objective with time horizon between 3 months - 3 years.	<ul style="list-style-type: none"> <li>• Minors aged 15 years old or over but less than 17¾ years,</li> <li>• Cases Pending Further Court order,</li> <li>• Deceased Wards and Wards under 5 years,</li> <li>• Ward Minors under 5 years,</li> <li>• Charitable Bequests, etc.</li> </ul>
Cash & Short Term Bond Fund	Between 3 - 5 years.	<ul style="list-style-type: none"> <li>• Minors with time horizon 3 - 5 years,</li> <li>• Ward Minors with time horizon less than 5 years,</li> <li>• Wards &amp; Ward Minors with a time horizon over 5 years with less than €100,000.</li> </ul>
Moderate Balanced Fund Includes Currency Hedge	Between 5 - 8 years.	<ul style="list-style-type: none"> <li>• Minors aged 10 years old or over but less than 13.</li> </ul>
Diversified Fund Includes Target Volatility Triggers (TVT) Overlay and Currency Hedge	More than 8 years.	<ul style="list-style-type: none"> <li>• Minors aged under 10 years old.</li> </ul>
Moderate Diversified Fund	For Wards of Court cases where the award was determined using a lower rate of return established in the Russell v HSE judgement.	<ul style="list-style-type: none"> <li>• Ward minors who have received a court award following a catastrophic injury</li> </ul>

SSGA Spectrum Strategy	Time Horizon of Funds held in Court	Class of Beneficiary
Growth Fund Includes Target Volatility Triggers (TVT) Overlay and Currency Hedge	For Wards of Court only with over 5-year time horizon.	<ul style="list-style-type: none"> <li>• Wards of Court and Ward Minors up to and including the funds cessation date of 20 October 2021.</li> </ul>

Based on an assessment of adult wards and in light of the Assisted Decision-Making (Capacity) Act 2015, the investment time horizon of adult wards is now more predictable accordingly de-risking measures saw the movement of funds from the Growth Fund (which was wound up in October 2021) and the Moderate Diversified Fund into shorter term investment funds. This was a necessary step in protecting beneficiaries' funds between now and their date of discharge.

### **SSGA's Target Volatility Triggers (TVT) Strategy**

The SSGA Target Volatility Triggers (TVT) Strategy came into effect in April 2015 for both the SSGA Spectrum Diversified Fund and the SSGA Spectrum Growth Fund, however the SSGA Spectrum Growth Fund was wound up in October 2021 in preparation for the Assisted Decision (Making) Capacity Act and TVT for this fund ceased from that date. The TVT strategy seeks to use a rules-based approach to de-risk a portfolio as equity market volatility increases so as to mitigate the level of volatility caused by significant movements in equity markets. TVT is a transparent process that aims to provide a measure of protection against significant falls in equity markets. TVT forecasts equity volatility and dynamically adjusts the equity exposure within the Spectrum Diversified Fund in periods of heightened volatility thus offering an element of protection to unit holders.

The SSGA TVT Strategy operates to reduce the allocation to equities at times of market volatility, and thereby provides a degree of protection to beneficiaries while ensuring that they could still benefit from gains from equities, as they recover. It should be noted that the aim of the TVT strategy is to protect against very large falls in equity markets, but it will not protect against all market declines. The normal ebb and flow of markets will not be eliminated but it does seek to protect against the catastrophic falls that can have long lasting negative impacts on beneficiaries' funds. One of the most significant benefits of using TVT for Court Fund beneficiaries has been the reduction in volatility. The cost of operating the TVT is an additional 2.7bps for the Spectrum Diversified Fund and 6.6bps for the Spectrum Growth Fund.

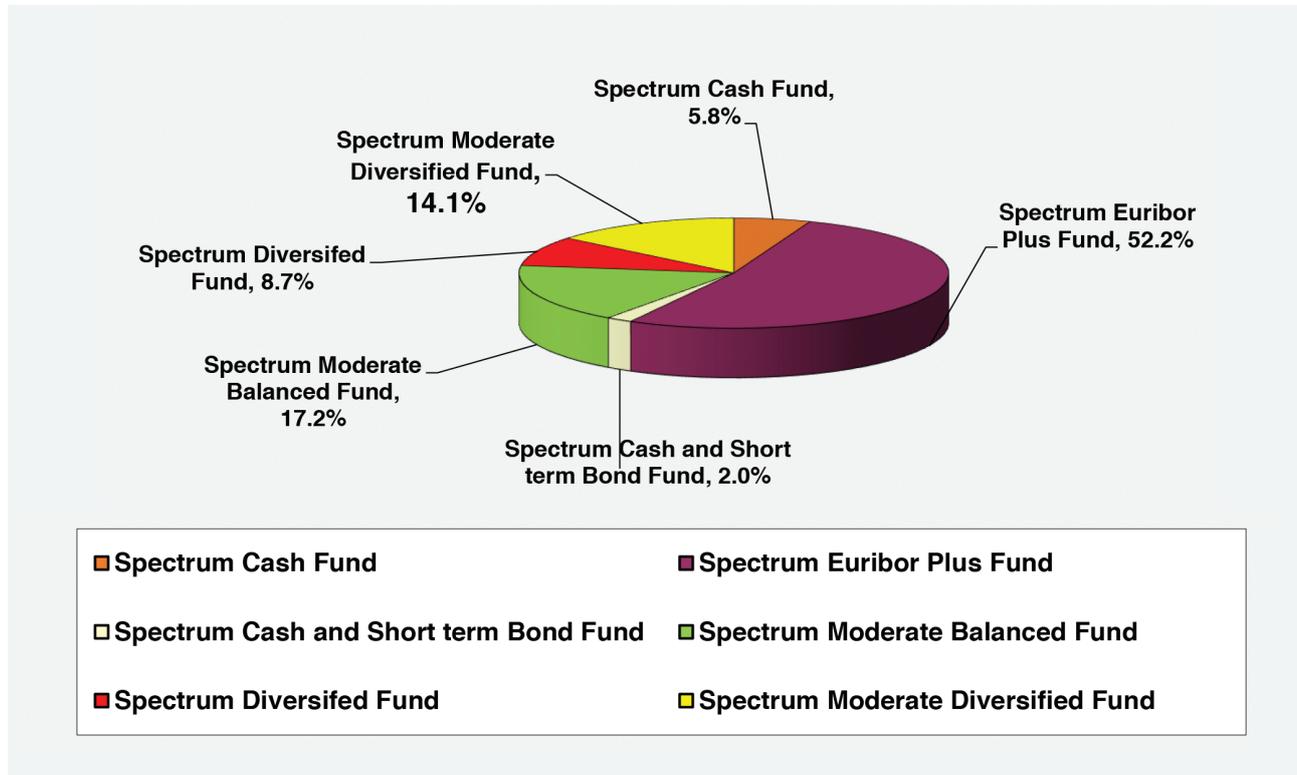
### **SSGA's Currency Hedge Overlay**

A currency hedge overlay was implemented in November 2016 on both the SSGA Spectrum Moderate Balanced Fund and the SSGA Spectrum Diversified Fund. The strategy seeks to hedge 75% of the non-Euro equity exposure held by the SSGA Spectrum Funds through the SSGA GRU World ex Euro Index Equity Fund to protect against significant currency fluctuations. The cost of the hedge is 0.001% and 0.004% on the SSGA Spectrum Moderate Balanced and Diversified Funds respectively.

### **SSGA's Investment Strategies**

As at the 30th September 2022 in excess of €2.213 billion or 95% of the Accountant's Office total funds under management, were invested in the SSGA Investment Strategies (2021: €2.128 billion or 96%). An analysis of these funds by the underlying individual Spectrum Strategies is shown in Table 3 below, Table 3 reflects de-risking measures taken in preparation for the Act 2015.

**Table 3: Percentage Allocation of Court Funds to each SSGA Spectrum Investment Strategy as at the 30th September 2022**



The total amount of €2.213 billion invested in the unitised funds can be further analysed between the High Court (€2.004 billion), Circuit Courts (€177 million) and District Courts (€32 million) as shown in Table 4 below.

**Table 4: Funds Invested in the SSGA Investment Strategies, Unitised Funds, by Court Jurisdiction as at 30th September 2022**

Jurisdiction	Investments In SSGA Strategies € at 30/09/2021	%	Investments In SSGA Strategies € at 30/09/2022	%	% Increase or (Decrease) in Funds Invested in SSGA Investments
High Court	1,907,318,040	89.6%	2,004,117,854	90.5%	+0.9%
Circuit Court	189,401,502	8.9%	177,581,285	8.0%	-0.9%
District Court	31,959,456	1.5%	32,081,100	1.5%	-0.1%
<b>Total</b>	<b>€2,128,678,998</b>	<b>100%</b>	<b>€2,213,780,239</b>	<b>100%</b>	<b>+4.0%</b>

Overall, there was an increase of 4% in the value of Court Funds invested in the SSGA Investment Strategies in the period under review.

Table 5 shows the target composition mix of assets that each strategy invests in. Each fund is rebalanced on a quarterly basis as per the benchmark weights shown below, except for the equity allocation in the SSGA Spectrum Diversified which is rebalanced to the TVT position at the quarter

end. There were three Target Volatility Trigger (TVT) adjustments made to the equity weightings in respect of the Spectrum Diversified strategy during the financial year under review. These occurred on 9th February 2022, 23rd March 2022, and 18th May 2022. The latter resulting in the composition mix for the strategy being returned to its original weighting.

**Table 5: Target Composition Mix of the Investment Strategies since Inception and as at 30th September 2022**

SSGA Spectrum Fund	Cash Fund	Euribor Plus Fund	Cash & Short Term Bond Fund	Moderate Balanced Fund	Diversified Fund (pre TVT)**	Moderate Diversified Fund	Growth Fund *** (pre TVT)
SSGA GRU* Cash	100%						
SSGA GRU* Euribor Plus Fund		100%	70%	70%	50%	55%	
SSGA GRU* Bond Index Fund			30%	23%	27.5%		15%
SSGA GRU* Euro Index Equity Fund & SSGA GRU World ex Euro Index Equity Fund				7%	22.5%	10%	55%
SSGA Diversified Alternative Strategy						15%	15%
SSGA Euro Aggregate Corporate Bond Index Fund						20%	15%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\* Gross Rolled Up (GRU).

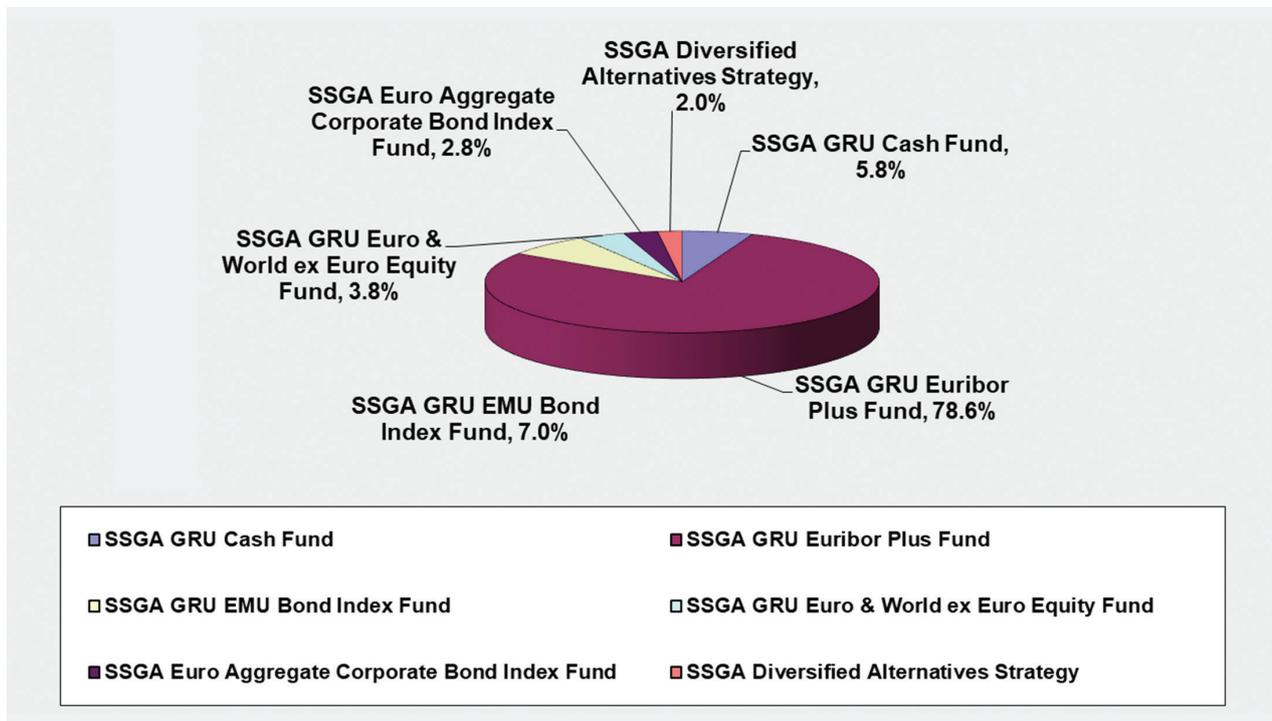
\*\* The TVT triggered three times during the year ended 30th September 2022.

\*\*\* The Growth Fund was wound up in October 2021 in advance of and in preparation for the Assisted Decision (Making) Capacity Act.

The Courts Service operates a prudent approach to the investment of Court Funds. At present a significant proportion of all Court Funds, including monies on deposit, are invested directly in cash or near cash investments. A total of €1.867 billion (2021: €1.013 billion) or 84.4% (2021: 47.6%) of funds invested in the SSGA investment strategies, are held in cash-based assets, short term debt and bonds. The increase in cash-based assets is a direct result of the de-risking measures taken in advance of the commencement of the Assisted Decision-Making (Capacity) Act 2015. A total of €346.9 billion (2021: €1.115 billion) or 15.6% (2021: 52.4%) is invested equities, corporate bonds and diversified alternatives.

A detailed analysis of the underlying asset classes in which the SSGA funds are invested in is represented in Table 6 below.

Table 6: SSGA Underlying Asset Class Allocation of Court Funds as at 30th September 2022



## Investment Performance

The Investment Committee continued its proactive and prudent approach to the investment of Court Funds during the financial year under review. This was achieved using a number of mechanisms, including regular performance evaluation which provides assessments of the funds results relative to their investment objectives and benchmarks. The Committee, along with its Investment Advisors (Mercer Ireland) and Fund Managers (State Street Global Advisors) monitor investment performance of all funds and report at each Investment Committee meeting.

Performance evaluation has two primary components as follows:

- **Performance measurement:** the calculation of the returns earned by the fund and the comparison of those returns with the returns of appropriate benchmarks, and
- **Performance attribution:** the identification of the factors that led to the fund's performance relative to the benchmarks.

By understanding the factors contributing to the performance of the fund relative to that of appropriate benchmarks valuable insights are gained into the effectiveness of the investment strategies.

As shown in Table 7 investment performance for five of the six strategies exceeded their respective benchmarks on a gross basis, with the exception of the Moderate Diversified Fund. The Moderate Diversified Fund under-performed its benchmark by -0.19% which is a result of the alternatives component of this fund. Performance trends for the remaining five funds are consistent with the investment benchmarks of each strategy.

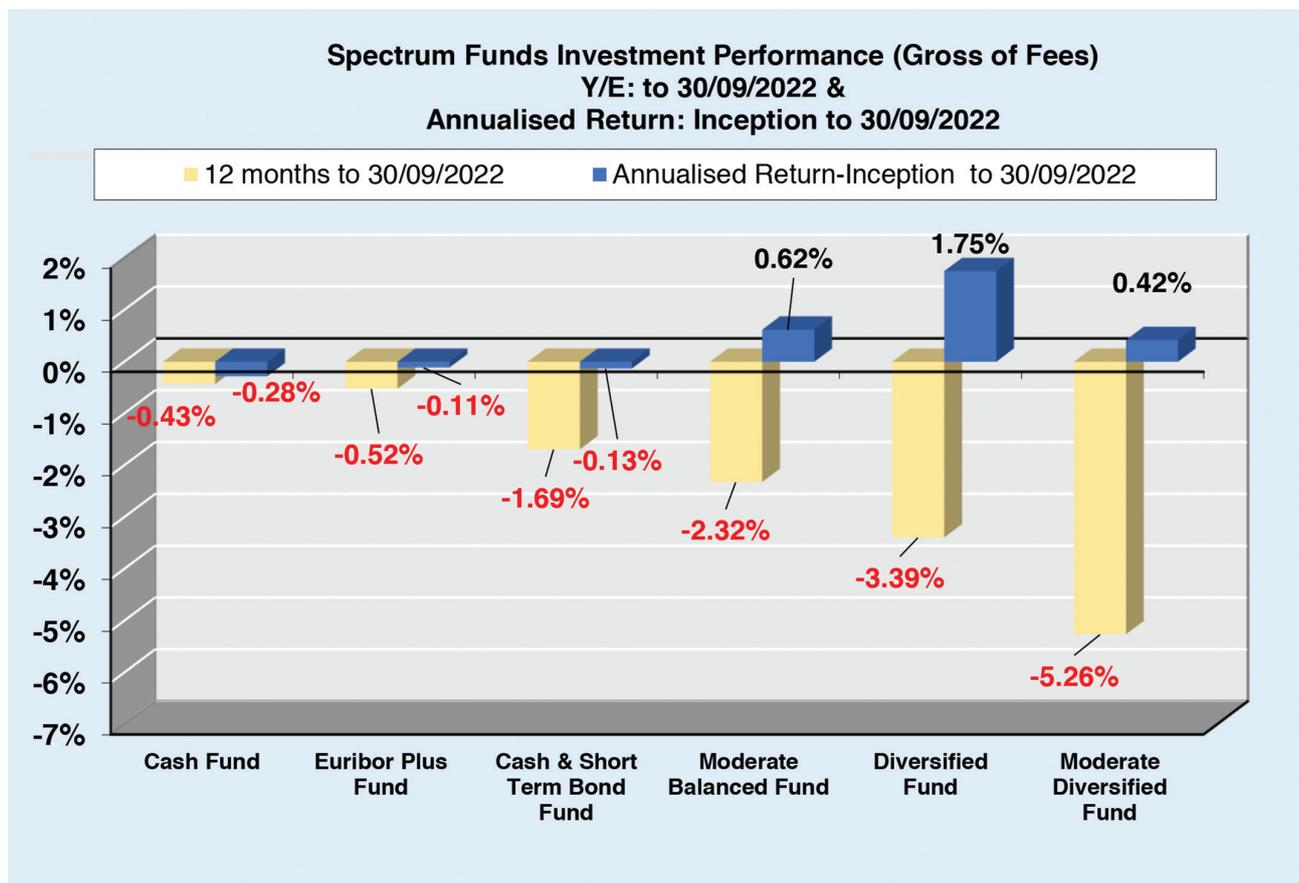
Table 7: Spectrum Funds Gross Returns v Benchmark for the year to 30th September 2022

SSGA Spectrum Portfolio Return	Cash Fund	Euribor Plus Fund	Cash & Short Term Bond Fund	Moderate Balanced Fund	Diversified Fund	Moderate Diversified Fund
Gross Return 1 Year	-0.43%	-0.52%	-1.69%	-2.32%	-3.39%	-5.26%
Fund Benchmark Return 1 Year %	-0.47%	-0.80%	-1.87%	-2.53%	-4.72%	-5.07%
Out/(Under) Perform Benchmark (Gross Return Basis)	0.04%	0.28%	0.18%	0.21%	1.33%	-0.19%

Table 8 shows the investment performance gross of fees for all strategies for the current financial year, covering the period from 1st October 2021 to 30th September 2022 and the annualised return since inception. The gross returns, before management, custodian, and administration fees, for the year ending 30th September 2022 were as follows:

Cash Fund -0.43%, Euribor Plus Fund -0.52%, Cash and Short Term Bond Fund -1.69%, Moderate Balanced Fund -2.32%, Diversified Fund -3.39%, and Moderate Diversified Fund -5.26%.

Table 8: SSGA Spectrum Funds Cumulative Investment Performance (Gross of Fees) to 30th September 2022



Negative interest rates have been the norm in recent years as a result of the ECB monetary policy. The latter has impacted the returns generated on cash and cash-based funds in general. The annualised returns of the current range of funds since inception have been in line with the expected performance against the relevant benchmark. On a more positive note, negative interest rates were reversed in second half of 2022 the impact of which will be more evident in next years' financial statements.

### Spectrum Funds Structure

State Street Spectrum Unit Trust (the "Trust"), formerly known as State Street Global Advisers Spectrum Unit Trust, an open-ended unit trust, was created by a Trust Deed dated 24 October 2003. The Trust is authorised by the Central Bank of Ireland (the "Central Bank") pursuant to the provisions of the Unit Trusts Act 1990. The Trust is structured as an umbrella Fund, so that different Sub-Funds may be established with the prior approval of the Central Bank. In addition, each Sub-Fund may have more than one unit class. The assets of each Sub-Fund are separate from one another and are invested in accordance with the investment objectives and policies applicable to each Sub-Fund.

The Trust currently comprises of Sub-Funds (each a 'Sub-Fund' or the 'Sub-Funds'):

Sub-Fund	Launch Date
State Street Spectrum Growth Fund*	10 December 2003
State Street Spectrum Euribor Plus Fund	10 December 2003
State Street Spectrum Cash Fund	10 December 2003
State Street Spectrum Cash and Short Term Bond Fund	10 December 2003
State Street Spectrum Diversified Fund	09 October 2013
State Street Spectrum Moderate Balanced Fund	09 October 2013
State Street Spectrum Moderate Diversified Fund	20 March 2019

*\*The State Street Spectrum Growth Fund was liquidated on 20 October 2021*

The base currency of all Sub-Funds is the Euro.

## Fund Objectives

### SSGA Spectrum Euribor Plus Fund:

This is a low-risk strategy aimed primarily at beneficiaries wishing to maintain their level of invested capital with the potential for returns in excess of cash. The Fund is aimed primarily at beneficiaries with an investment time horizon of between 3 months and 3 years. The investment objective of the Sub-Fund is to achieve enhanced cash returns in excess of the ICE BofA Euro Currency 3-Month Deposit Bid Rate Constant Maturity Index using a fundamental macro and credit research approach. In order to meet this objective, the Sub-Fund invests up to 100% of its assets in State Street GRU Euribor Plus Fund. The Sub-Fund may also achieve its investment objective by investing on a fund of fund basis up to 10% of its Net Asset Value in other Regulated Funds and by investing up to 10% of its Net Asset Value in Unregulated Funds. This Fund is aimed at Minors aged 15 years old or over but less than 17½, Deceased Wards and Wards under 5 years, Ward Minors under 5 years, Wards 3 years cash holding requirement, Charitable Bequests amongst others.

The benchmark for the State Street Spectrum Euribor Plus Fund is the ICE BofA Euro Currency 3-Month Deposit Bid Rate Constant Maturity Index.

### SSGA Spectrum Cash Fund:

This is the lowest risk strategy available and is aimed primarily at beneficiaries with very short-term investment horizons. The investment objective of the Sub-Fund is to maintain capital value and also to generate income while maintaining a high level of risk control. In order to meet this objective, the Sub-Fund invests up to 100% of its assets in State Street GRU Euro Cash Fund.

The benchmark for the State Street Spectrum Cash Fund is the 7 Bloomberg Xestron Index.

### SSGA Spectrum Cash & Short Term Bond Plus Fund:

The investment objective of the Sub-Fund is to generate income while maintaining a high level of risk control. This is to be achieved primarily by the Sub-Fund investing in the State Street GRU Euribor Plus Fund and in the State Street GRU EMU Bond Index Fund. This Fund is aimed at Minors aged 13 years old or over but less than 15, Ward Minors over 5 years with less than €100,000.

The benchmark for the State Street Spectrum Cash and Short Term Bond Fund is a composite of 70% ICE BofA Euro Currency 3-Month Deposit Bid Rate Constant Maturity Index and 30% FTSE EMU Government Bond Index 1-3 Years.

### SSGA Spectrum Diversified Fund:

The investment objective of the Sub-Fund is to generate capital appreciation. This is to be primarily achieved by investing the assets of the Sub-Fund in State Street GRU Euribor Plus Fund and other Sub-Funds of State Street Gross Roll Up Unit Trust such as State Street GRU Euro Index Equity Fund, State Street GRU World Ex Euro Index Equity Fund and State Street GRU EMU Bond Index Fund.

In April 2015, the Spectrum Diversified Fund implemented an equity target volatility trigger (TVT) overlay. TVT is a transparent process that aims to provide a measure of protection against significant falls in equity markets. TVT forecasts equity volatility and dynamically adjusts the equity exposure within the Spectrum Diversified Fund in periods of heightened volatility thus offering an element of protection to unit holders. The Investment Manager may use the foreign exchange market to hedge some or all of the non-euro exposure in the underlying funds. 75% of the non-euro exposure is hedged back to euro. TVT was implemented on the November 2016. The Fund is aimed primarily at beneficiaries with an investment time horizon for more than 8 years. This Fund is aimed at Minors aged under 10 years old.

The benchmark for the State Street Spectrum Diversified Fund is a composite of 50% ICE BofA Euro Currency 3-Month Deposit Bid Rate Constant Maturity Index, 22.50% FTSE All World Developed Index (75% Hedged) and 27.50% FTSE EMU Government Bond Index 1-3 Years.

**SSGA Spectrum Moderate Balanced Fund:**

The investment objective of the Sub-Fund is to generate capital appreciation. This is to be primarily achieved by investing the assets of the Sub-Fund in State Street GRU Euribor Plus Fund and other Sub-Funds of State Street Gross Roll Up Unit Trust such as State Street GRU Euro Index Equity Fund, State Street GRU World Ex Euro Index Equity Fund and State Street GRU EMU Bond Index Fund. The Fund is aimed primarily at beneficiaries with an investment time horizon of between 5-8 years. This Fund is aimed at Minors aged 10 years old or over but less than 13 years old.

The benchmark the State Street Spectrum Moderate Balanced Fund is a composite of 70% ICE BofA Euro Currency 3-Month Deposit Bid Rate Constant Maturity Index, 7% FTSE All World Developed Index (75% Hedged) and 23% FTSE EMU Government Bond Index 1-3 Years.

**SSGA Spectrum Moderate Diversified Fund:**

The investment objective of the Sub-Fund is primarily to seek to achieve a moderate level of growth over the medium to long term. This is to be primarily achieved by investing the assets of the Sub-Fund in State Street GRU Euribor Plus Fund and other Sub-Funds of State Street Gross Roll Up Unit Trust such as State Street GRU Euro Index Equity Fund and State Street GRU World Ex Euro Index Equity Fund. As a result of the Assisted Decision Making (Capacity) Act this fund was partially de-risked in Q4 2021 in preparation of the commencement of this Act.

The benchmark the State Street Spectrum Moderate Diversified Fund is a composite of 10% FTSE All World Developed Index (75% Hedged), 20% Bloomberg Barclays Capital Euro Aggregate Corp Bond Index, 15% EONIA, 55% ICE BofA Euro Currency 3-Month Deposit Bid Rate Constant Maturity Index.

This Fund is aimed primarily at Wards of Court cases where the award was determined using a lower rate of return established in the Russell v HSE judgement.

**Fund Factsheets**

The SSGA quarterly funds factsheets for each strategy are published on the Courts Service website ([www.Courts.ie](http://www.Courts.ie)). These show the Fund objective, performance against the benchmark over various periods, fees and details of the underlying asset composition mix for each strategy.

## GOVERNANCE ARRANGEMENTS

### Management of Court Funds

The Governance Framework for the management of Court Funds complies with best practice. It is designed to ensure that the necessary oversight and control arrangements are in place to provide appropriate assurance in relation to governance of all the operations of the Accountant's Office. The key elements of the governance arrangements in place in respect of Court Funds are set out below.

- **Investment Committee:** The Board of the Courts Service in 2001 approved the establishment of an Investment Committee to oversee the implementation of the arrangements approved by the Board of the Courts Service for the management and investment of Court Funds. The membership of the Committee comprises representatives of the Judiciary, Court Officers, Court Service officials, and independent external members (see membership of the Committee on page 7). The Committee is guided in its work by independent investment advice from its investment advisors Mercer Ireland. The Committee meet on a regular basis to monitor investment performance and ongoing suitability of investment strategies. It also reviews reports from the Accountant of the Courts of Justice, Investment Advisors, and Investment Managers.
- **Investment Advisors:** During the year under review Mercer provided independent investment advice to the Investment Committee in relation to the management and investment of Court Funds. The role of the investment advisor is to provide professional, independent investment advice to the Investment Committee in determining appropriate investment policy and investment strategies that meet the needs of beneficiaries, and also to monitor investment performance and the performance of the Fund managers. They will also support the Courts Service and Investment Committee in the selection and appointment of investment managers and custodians.
- **Investment Managers:** State Street Global Advisors Funds Management Limited were appointed Fund managers in 2012. An Investment Management Agreement (IMA) was executed on 7th October 2013 with the establishment of six investment strategies effective from 9th October 2013 and a new investment strategy, the Moderate Diversified Fund was established on 20th March 2019. The Investment Managers contract is expected to go to tender in 2023. In preparation of the Assisted Decision-Making (Capacity) Act 2015 the Growth Fund was wound up in October 2021.
- **Fund Trustee:** The trustee services for the Trust are provided by Northern Trust Fiduciary Services (Ireland) Limited. The Trustee takes into its custody or under its control all the assets of the Trust and holds them in safekeeping for the unitholders. The full duties of the Trustee are outlined in the Unit Trusts Act 1990.
- **Fund Administrator, Registrar and Transfer Agent:** The Administrator, Registrar and Transfer Agent Services for the Trust are provided by Northern Trust International Fund Administration Services (Ireland) Limited with responsibility to maintain the books and records of the Trust.
- **External Audit:** The annual financial statements of the Accountant of the Courts of Justice are audited by independent external auditors. The annual financial statements are required to be submitted to the Minister for Justice and the Minister for Public Expenditure and Reform, by 31st March each year. The audited financial statements are available on the Courts Service website at [www.courts.ie](http://www.courts.ie).
- **Internal Audit:** The Accountant's Office is also subject to audit by the Courts Service's Internal Audit Unit.

- **Risk Management:** As part of the risk management policy and framework implemented by the Courts Service, the management of Court Funds is subject to regular monitoring and review to ensure that all major risks are identified and adequately managed. The major risks involved in the management of Court Funds are included in the appropriate Courts Service risk register.
- **Audit and Risk Committee:** The Audit and Risk Committee, which is a sub-committee of the Courts Service Board, reviews the outputs from the Audit Reports, by both external and internal auditors.
- **Robust policies and procedures with strong control systems:** As part of their annual audit, the external auditors test and evaluate the Accountant's Office internal controls and perform substantive auditing procedures and evaluate the results. The annual financial statements have received a clean audit report since the current arrangements were put in place in 2003. Internal Audit also reviews the Accountant's Office procedures and controls.
- **Central Funds Office:** Following changes to Circuit and District Court Rules, the Accountant's Office has since 2006 the legal authority to manage and invest funds from both these jurisdictions, subject to the appropriate Court Order having been made.

## OPERATIONAL OVERVIEW

### Accountant's Office

Negative ECB interest rates continued to be a major investment challenge for the best part of the financial year ended 30th September 2022. This also impacted on the Accountant's Office operational banking arrangements with Bank of Ireland (BOI). For the year under review BOI charged the Accountant's Office bank charges and negative interest rates on its current account. The negative interest rates being applied by Bank of Ireland is -0.65%. The Courts Service has sought to minimise the impact of these charges and is not passing these charges on to beneficiaries. The total bank charges and negative interest charges paid by the Accountants Office to Bank Of Ireland during the year ended 30th September 2022 amounted to €427,904.

At the year ended 30th September 2022, the total value of funds managed by the Accountant's Office was €2.337 billion (2021: €2.219 billion), which represented an increase of €118 million (5.3%) compared with the previous financial year. During the year under review 51,719 financial transactions (2021: 52,613) were processed by the Accountant's Office. The number of beneficiaries decreased to 22,345 from 23,640 for the year ending 30th September 2022. Over 98% of all payments processed in the Accountant's Office for the financial year under review were within the key performance indicators with 74% of all the payments processed electronically.

The investment of Court funds is kept under constant review and the value of investments recorded as at the 30th September 2022 are subject to market fluctuations and any prevailing unforeseen events which could impact on the market and the value of investments held.

### Assisted Decision Making

The Assisted Decision Making (Capacity) Act was signed into legislation on 17th December 2022 and is expected to commence in early 2023. The Courts Service Investment Committee has considered the impact of the Act, in particular the commencement of Part VI of the Act. The implementation of the provisions of the above legislation will have significant implications for the investment of court funds. In October and November 2021, the Investment Committee, in consultation with our investment advisors Mercer, decided to move all funds out of the Growth Fund, in addition to adult wards in the Moderate Diversified Fund, into shorter term investment funds. This was a necessary

step in protecting beneficiaries' funds between now and the date of discharge and is in line with our fiduciary duty to act in the best interest of these wards of court.

### **Impact of COVID-19**

The COVID-19 pandemic precipitated a massive global and domestic economic shock in 2020 and the first half of 2021. For Ireland, COVID-19 posed the single largest challenge to the economy since the financial crisis. During the financial period under review the majority of Covid-19 restrictions in Ireland have ended signifying a return to a fully open economy and working environment which should result in a more positive global outlook.

### **Impact of the Russia-Ukraine Conflict**

The February 2022 Russian invasion of Ukraine shocked the global economy in the midst of a recovery from the unprecedented COVID-19 pandemic. The Ukraine conflict continued to hinder global growth and further aggravate inflationary pressures which are now gradually falling. However, the impact of the Russia-Ukrainian conflict is continuing to have a negative effect across all economies.

### **Appreciation**

I would like to thank all the staff of the Accountant's Office for their continued excellent work throughout another challenging year. Through their dedication and commitment, they have contributed significantly to delivering an excellent service to both beneficiaries and stakeholders alike. I would also like to acknowledge the support provided by other business units in the Courts Service, Investment Advisors, Investment Managers and other service providers that have enabled the Accountant's Office once again achieve its objectives during the year.



**John Cleere**  
Accountant of the Courts of Justice

**Date: 20 February 2023**

## THE ROLE OF THE OFFICE OF THE WARDS OF COURT

A significant amount of funds managed by the Accountant's Office relate to individuals who are Wards of Court and whose affairs are managed by the Office of Wards of Court. At the end of the period under review these were valued at €1.75 billion. The following is a brief overview of the work of the Office of Wards of Court.

There are many people who, due to illness or injury, do not have the capacity to make decisions for themselves. The Wards of Court system allows for substitute decision making so that the Court may make decisions necessary for the protection of both the person and the property of those who do not have full mental capacity. The principle underlying the Wardship jurisdiction is that the Court acts in the same way as a prudent parent would act regarding the welfare of a child.

The Wardship jurisdiction, although provided for by legislation and rules of Court, is not limited by statute and is a jurisdiction exercised by the Court subject only to the provisions of the Constitution. Therefore, the Court has extremely wide powers and duties in relation to persons under disability. The jurisdiction is vested in the President of the High Court and, accordingly, they have the responsibility for the management of affairs of Wards of Court. The day-to-day management is delegated by them to the Registrar and staff of the Wards of Court Office. The Office of Wards of Court and the post of Registrar of Wards of Court were established under the Courts (Supplemental Provisions) Act 1961. In accordance with this legislation and rules of Court, the Office and Registrar of Wards of Court have statutory responsibility for managing the affairs of persons who are Wards of Court. A Committee, usually a member of the Ward's family, is appointed by the Court and is asked to make recommendations in relation to matters, such as the Ward's welfare, property, and future residence.

Wardship usually arises where a person who lacks capacity has property that needs to be applied for his or her care, maintenance, and benefit. For example, a house may have to be sold or funds may have to be withdrawn from a bank account to pay for nursing home care. Following a sale or closure of bank accounts, funds belonging to Wards are lodged in Court and held under the control of the Accountant of the Courts of Justice. The Registrar is responsible for directing the Accountant to invest Ward of Court funds in accordance with the Courts Service investment protocol, as advised by our Investment advisors, in conjunction with the Investment Committee, and for authorising the discharge of payments on behalf of Wards. The Registrar determines the appropriate investment strategy for each case in accordance with the Courts Service investment protocol. The decision on the appropriate strategy is chosen by the Registrar having regard to the assets of the Ward, his or her ongoing financial needs and life expectancy.

The Assisted Decision Making (Capacity) Act 2015 (the 2015 Act) will bring into effect a new legislative framework for supported decision-making in Ireland. It includes new statutory principles and practical supports for persons who may have difficulties with their decision-making capacity, including but not limited to persons with an intellectual disability, psychiatric illness, acquired brain injury, or age-related condition such as dementia.

This new legal framework introduces a tiered system of supports based on the different levels of support that a person requires to make a specific decision at a specific time. There are three levels of support for people who currently, or may shortly, face challenges when making certain decisions:

1. Decision-making assistant agreement
2. Co-decision-making agreement
3. Decision-making representation order

It is expected that the Act will commence in 2023 and the Decision Support Service will start receiving applications at that time. From the date of commencement of the relevant parts of the Act no new adult wards of Court will be declared (i.e., persons over the age of 18) and all adult wards will be discharged from wardship within 3 years by order of Court. The Court will also be empowered to make orders in relation to the affairs and welfare of adult wards, depending on their circumstances including their capacity. The Act will impact Court Funds and as such the Growth Fund and the Moderate Diversified Fund were de-risked in preparation for the 2015 Act with the Growth Fund being wound down in October 2021.

The Wards of Court Office continues its planning for the Act and the discharge of all adult wards of court, this includes preparation and distribution of information to Committees and Wards, participation in various webinars and online Q&A sessions for Committees and Wards of Court.

Minors, persons under eighteen years of age, are sometimes taken into Wardship. This may happen where a minor is entitled to a substantial amount of money arising from a Court award or from an inheritance. Again, the funds are invested at the direction of the Registrar in one of the investment strategies. Regular payments are made to the parents or guardians of the minor. Upon reaching the age of eighteen, unless there is medical evidence to show mental incapacity, the minor is entitled to have the balance of the funds paid out.

## INVESTMENT MANAGER'S REPORT

### Market Review

#### Fixed Income Review

During the one year period ending 30 September 2022 (the "Reporting Period"), the global economy showed signs of persisting pent-up demand in the last quarter of 2021, leading to consensus belief on transitional inflation initially in 2022, and then a period of volatility further throughout 2022 from Q2 onwards. The pivotal themes of the period in scope are persistent inflation, economic repercussions and geopolitical tensions caused by the invasion in Ukraine by Russia.

Global economic activities continued to expand in the fourth quarter of 2021, albeit at a measurably moderate pace. Covid related bottlenecks continued to exist in late 2021, with the second wave of cases in China. On the economic front, inflation levels remained elevated with the US Consumer Price Index (CPI) surging by 6.8% year on year, the highest rate since June 1982. The Federal Reserve Bank (Fed) and several other central banks were preparing to increase their policy rates leading up to 2022. The European Central Bank (ECB) was playing a waiting game on interest rate increases, announcing that it would end its pandemic emergency purchase program by March 2022, but will boost its regular asset-buying program to €40 billion in the second quarter of 2022 and to €30 billion in the third quarter of 2022. Fixed income markets posted flat returns amid inflationary pressure and the policy pivot by core central banks. Rates increased mainly at the short end of the yield curve in the quarter, as US 2-year Treasuries registered an increase of 0.73%.

In early 2022, the US Fed's stance on transitory inflation was questioned, as inflation persisted longer than expected, paving the way for rate increases in the first quarter of 2022. Chinese markets plummeted as a result of further lockdown measures to combat rising new cases of Covid. In February 2022, surging and persistent inflation was amplified at a global scale, as an after-math of President Putin's decision to escalate conflicts with Ukraine. Sanctions targeted the Russian financial system, as assets of the Russian Central Bank were frozen to deny Russia access to the global capital markets. The conflict also highlighted the Eurozone's dependence on Russia, as the nation caters to 40% of Europe's energy needs.

Supply chains had a new reason for suffering post the pandemic, due to the Russia-Ukraine conflict led disruptions. The annual inflation rate, as measured by the CPI in the United States, stood at 7.9% in February (the highest in 40 years) and further increasing to 8.5% in March 2022. Eurozone data also indicated that the annual inflation was 7.5% at quarter-end. The effects of rising costs impacted the UK and the emerging markets.

During the second quarter of 2022, elevated global inflation was observed, along with steep policy increases. Consumer confidence in future growth was rattled with the possibility of stagflation in the near future. In the United States, May's inflation number was at 8.6% year on year. Japan, Korea, and the other Asian tigers reported rises in CPI inflation. In the Eurozone, fear of gas shortages pushed inflation up. At the end of June 2022, research surveys indicated inflation to be at 8.6%. Unfortunately, the Russia-Ukraine conflict continued to rage through June and added further pressure on global growth. The Fed raised rates thrice during the second quarter, starting with a 25 bps increase in April, a 50 bps increase in May, and then followed it up with a 40-year record-breaking 75 bps raise in June. In England, the Bank of England (BoE) pushed rates up by a combined 50 bps with two 25 bps rate increases in the second quarter of 2022.

Backed by the continuous rate move upwards, investors commenced pricing the possibility of recession as evidenced by the sharp fall in consumer confidence globally. The global bond sell-off that had commenced in the first quarter of 2022 continued through the majority of the second quarter of the year. Yields marked higher in the second quarter of 2022 due to elevated inflation, hawkish central banks and rising policy rates. Bond investors had some respite at quarter-end as rising growth concerns led a short lived bond rally.

During the third quarter of 2022, inflation continued to be a concern and the central banks globally reaffirmed their commitment to tackle the same. The volatility as a result added further pressure to global growth. The United States inflation was rising at a slower pace in both July (8.5%) and August (8.3%). However, the Fed's preferred inflation indicator remained well above its target 2%. In Europe, inflation was expected to have touched double digits (10%) at the end of the third quarter of 2022. The expansionary mini budget announced by Liz Truss's government in the UK added upward pressure on the UK's inflation, which is estimated to steeply rise from August's 9.9%. Euro yields remained volatile due to higher inflation, economic and political uncertainties and the growing energy shortage fears due to the Russia-Ukraine conflict.

The Fed announced its third consecutive 75 bps rate increase in September bringing its rate to 3.25%. To combat the Eurozone's high inflation, the ECB announced two increases in the third quarter of 2022, the first in July (50 bps) and the second in September (75 bps) taking its deposit rate to 0.75% and its refinancing rate to 1.25%. The UK Conservative government, led by Truss, announced a mini-budget which led to Gilts selling off as investors questioned the government's fiscal framework. The BoE announced temporary buying of Gilts, hoping to stabilise the markets. This was in addition to the two big rate increases during the quarter to bring the UK rate to 2.25%. The expectation going into the last quarter of 2022 is that the BoE will be forced towards a full one percent rate increase.

### Equity Review

Over the Reporting Period, global equity markets experienced a full spectrum of market effects, that affected the indices from high, positive returns to negative returns. 2021 closed with a positive growth, as focus shifted towards economic resilience and high corporate earnings, a trend that showed promise towards a robust post-Pandemic recovery, for the Global Markets.

However, investor confidence shook once again during the first quarter of 2022, with Russia's sudden invasion of Ukraine. The escalation of this critical geo-political situation led to loss of human lives and displacement, which in turn fed into the markets with equities declining. Key commodity prices rose rapidly, as Russia is a key producer of oil, gas and wheat. With sanctions levied against Russia by US, UK and other European developed economies, assets of the Russian Central Bank were frozen, and Russia was denied access to the Global Financial system. In retaliation, Russia cut down gas supplies to Europe through its state owned pipeline Nord Stream 1. After tapering supplies during 2022, Russia completely shut down the pipeline by August. Nord Stream 1 is responsible for the supply of 35% of the EU Nation's gas imports.

The resurgence of Covid cases in China put the country back into lockdown during 2022. Inflation soared high across the Globe, as a result of the high energy costs. This prompted most central banks to raise key interest rates to prevent a recession.

The MSCI All Country World Index (ACWI) declined (6.09)% (in EUR) during the Reporting Period. Value stocks underperformed growth. Developed markets (DM) declined less compared with emerging markets (EM).

European equities (excluding the UK) posted depressed returns of (14.63)% (in EUR) during the Reporting Period. Market volatility increased as inflation drove expectations of higher rates. Equity price falls halted the recovery that started in 2020. Consumer sentiments worsened as household savings fell from the record high during the Pandemic.

The Russian invasion also had a significant impact on sustainability measures, as several EU nations went back to coal to compensate for the lower Russian fossil fuel imports. 2021 ended with the election of a new chancellor in Germany, Olaf Scholz, replacing the long serving outgoing chancellor Angela Merkel. Within a few months of his appointment, the new Chancellor was forced to make some tough decisions by suspending the approval of the Nord Stream 2 gas pipeline from Russia. In order to fight the dwindling energy supply situation, European Union (EU) came up with an 'emergency

intervention' plan, which targeted measures to reduce electricity demand and collect and redistribute the energy sector's surplus revenues to households and small and medium-sized (SMID) enterprises. Additionally, the EU announced a plan – RePowerEU – which is designed to move away from fossil fuels into renewable sources of energy.

The Russian invasion also had a direct impact on food prices in the region. Import of wheat and maize from Russia was banned by 22 countries around the Globe. The price of wheat rose by 34% during the period, as the Russia-Ukraine conflict also severely affected key shipments of food items such as corn, barley and sunflower seeds, from Ukraine. Annual Eurozone inflation rate edged up to 7.5% in March 2022 and 9.9% in September 2022. ECB raised interest rates in July and September, taking the deposit rate to 0.75% and refinancing rate to 1.25%.

UK equities returned 1.40% (in EUR) over the Reporting Period. 2021 ended with a high for UK Equities, with consumer sectors, such as retailers and homebuilders, recouping their losses at the end of 2021. UK Equities continued to be resilient during the start of the first quarter of 2022, in the face of Russia-Ukraine conflict. Intermittent fears of recession lingered during the first half, as markets started seeing sell-offs in defensive stocks. The CPI rose from 4.2% in October 2021 to 10.2% in September 2022. BoE rose to swift action to fight rising inflation, by raising interest rates 7 times during the Reporting Period. The interest rates went from a record low of 0.1% in December 2021 to 2.25% in September 2022. UK also saw the appointment of a new government, with Liz Truss becoming the new Prime Minister. While the BoE rate hikes was an expected consequence of the inflationary environment, the UK markets experienced an unexpected obstacle with the new UK government's announcement in September 2022, of a substantial unfunded fiscal package intended to increase government borrowings in order to cut income taxes and, in addition, not to raise the scheduled corporation taxes. The market reaction to this unsubstantiated fiscal policy was mostly negative, with UK Sterling reduced to 8.1% and 5.5%, against the US Dollar and Euro, respectively, at the end of September 2022.

During the Reporting Period, US Equities returned (2.46)% (in EUR). The US economy picked up its pace by the end of 2021, ending the year on a high note. However, the economy faced a fresh set of challenges during 2022. The US CPI rate increased to 8.3% year-on-year during September 2022. Aggressive monetary policy tightening by the Fed in the face of stubborn inflation, turning of the liquidity tide and slower economic growth, kept the pressure on equities. While the global tightening cycle was one of the driving factors for a bearish narrative in 2022, another concern that added to investors' worries is the potential for earnings to drop. Geopolitical tensions remained elevated even as Ukraine fared well with its counteroffensive. The beginning of the Pandemic in 2020 had brought in copious trillions of dollars in liquidity, injected into the economy by the Fed and Congress. With this liquidity drying up in 2022, the Fed began raising short-term interest rates, with an objective of stabilizing prices and maximizing employment. During the Reporting Period, the Fed increased the Federal Funds Rate 5 times, from 0% to 0.25% at the end of 2021 to 3% to 3.25% at the end of September 2022. In addition, tensions between the US and China over Taiwan ignited further. Some interventionist developments caused worry that a (debt) financialized global economy might be unable to withstand the ferocity of the tightening cycle. On the positive side, a favorable development was the traction seen behind the peak inflation narrative. In the New York Fed survey, median one- and three-year inflation expectations continued their steep declines in August. In addition, apartment rents fell for the first time in nearly two years in July, offering relief from steep increases during the pandemic. US home prices also saw their most significant decline during the start of the quarter, and lumber prices were off more than 70% from their March peak late in the quarter, back to pre-COVID levels.

Asia Pacific markets returned (14.43)% (in EUR) during the Reporting Period. China was the worst performer in the region, along with Korea and neighboring Hong Kong. With the recurrence of new

Covid cases, China implemented its 'Zero-Covid' policy by enforcing lock downs in several cities. During 2022 both China and Hong Kong recorded the highest number of Covid-19 cases in more than two years, despite the government's strictest virus elimination policies. Japanese equity markets surged briefly in March 2022, only to become weaker during the rest of the year. The yen weakened significantly against all major currencies, primarily due to the Bank of Japan's (BOJ) decision to keep their policy rates unchanged, against the backdrop of Fed increases, which only further increased the interest rate differential with the US. Japanese markets also experienced a jolt during the period, due to the shocking assassination of their beloved former prime minister Shinzo Abe on 8 July.

### Performance and Strategy Review

Gross of fees performance (% , for the year ended 30 September 2022)				
Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund
State Street Spectrum Cash Fund	(0.43)%	(0.47)%	0.04%	(0.43)%
State Street Spectrum Moderate Balanced Fund	(1.72)%	(1.89)%	0.17%	(1.72)%
State Street Spectrum Moderate Diversified Fund	(4.59)%	(4.17)%	(0.42)%	(4.59)%
State Street Spectrum Diversified Fund	(1.95)%	(2.68)%	0.72%	(1.95)%
State Street Spectrum Cash and Short Term Bond Fund	(1.69)%	(1.87)%	0.18%	(1.69)%

#### Notes:

Returns are for the year from 1 October 2021 to 30 September 2022 and are in Euro terms.

Returns are for the 12 months from 1 October 2021 to 30 September 2022 and are in Euro terms. The State Street Spectrum Growth was liquidated on 20 October 2021.

The benchmark for the State Street Spectrum Euribor Plus Fund is the ICE BofA Euro Currency 3-Month Deposit Bid Rate

Constant Maturity Index.

The benchmark for the State Street Spectrum Cash Fund is the 7 Bloomberg Xestron Index.

The benchmark for the State Street Spectrum Cash and Short Term Bond Fund is a composite of 70.00% ICE BofA Euro Currency 3-Month Deposit Bid Rate Constant Maturity Index and 30.00% FTSE EMU Government Bond Index 1-3 Years.

### State Street Spectrum Euribor Plus Fund

The State Street GRU Euribor Plus Fund's (the "Sub-Fund") benchmark is the ICE BofA Euro Currency 3-Month Deposit Bid Rate Constant Maturity Index (the "Index").

For the Reporting Period the return gross of fees for the Sub-Fund was (0.53)% (net return (0.58)%) and the Index return was (0.80)%.

During the Reporting Period, Sub-Fund's AUM increased from € 925 million to € 1.74 billion with most of this growth occurring during the last three months of 2021. The fund Weighted Average Maturity (WAM) measuring interest rate sensitivity decreased from 80 days to 55 days. The fund's Weighted Average Life (WAL) measuring credit risk decreased from 100 days to 71 days. Both were lowered as market uncertainty rose to the timing and size for the first increase from the European Central Bank (ECB). The Sub-Fund began to return a positive yield over the last quarter of the Reporting Period. The start of 2022 saw improving stronger economic data following the lifting of Covid restrictions. The on-going Russia-Ukraine conflict and rising energy prices saw inflationary pressures grow. Market expectations grew in the belief that interest rates would need to be increased to combat inflation. The Euro cash markets saw improvements in Euribor fixings across the curve. The rates hiked by 50 bps in July and a further 75 bps in September, both larger than expected.

Yields for fund eligible investments were expensive in the run-up to 2021 year end, due to a general lack of supply as many issuers had pre-funded into the new year and year end balance sheet restrictions for counterparties, which meant lower demand for deposits and short-term repo. Yields became less expensive in 2022, as sentiment for ECB rate increases grew, a positive for the fund yield. With a limited supply of bonds offered longer than 12-months, investments were more typically within a 12-month time frame. With a growing certainty of a rate increase, confirmed at the June ECB policy meeting, investments made for the Sub-Fund were kept short in duration.

Given the uncertainty around the size of interest rate increases for the meetings in July and August of 2022, and for subsequent meetings, maturities were shortened. This provided flexibility to allow the Sub-Fund to move into a new investment horizon with more clarity as to ECB thinking and new data on Euro economy and achieve a higher return longer term. As and when the outlook becomes clearer the fund will look to add more duration investments into the portfolio.

The top positive contributors to the Sub-Fund's performance during the Reporting Period were:

- Asset Backed commercial paper that contributes additional yield over securities of same maturity profile.
- Purchases of A2/P2 rated short term securities, both financial and corporate that enhance yield and diversification of holdings.
- Purchases of single rated securities from financial and corporate that enhance yield and diversify holdings.

The top negative contributors to Sub-Fund's performance during the Reporting Period were:

- Extremely expensive market yields in the run-up to year end in December.
- Lack of secondary bonds offering value longer than 12 months.
- Lack of fund eligible new issued bonds..

### State Street Spectrum Cash Fund

The State Street GRU Euro Cash Fund's (the "Sub-Fund") benchmark is the €STR Compounded Index (the "Index"). During the Reporting Period the Sub-Fund recorded a gross return of (0.43)% (net return (0.50)%) and the Index returned (0.47)%.

Sub-Fund balances increased over the Reporting Period from €85.612 million at the beginning of October 2021, to €127.965 million at the end of September 2022, with assets under management (AUM) averaging €93.564 million over the Reporting Period. The Sub-Fund's weighted average maturity (WAM), which measures its interest-rate sensitivity, averaged 35 days and the weighted average life (WAL), which reflects the credit risk of the Sub-Fund, averaged 38 days. At the end of September, the fund WAM/WAL were 29 and 49 days respectively.

In the first quarter of 2022, the Euro cash markets saw improvement in Euribor fixings across the curve, with expectations of higher rates from the European Central Bank (ECB). The ongoing Russia-Ukraine conflict and rising energy prices increased inflationary pressures. The fund targeted high-quality credit issuers in the one-to-two-month duration range, focusing on a shorter duration for the fund, given expectations of higher interest rates in the eurozone. The ECB increased the rates by 0.50% in July and a further 0.75% in September, both larger than expected. Considering the uncertainty around the size of the interest rate increases for July and September, and now subsequent meetings, most investments made for the Sub-Fund were kept short in duration. This provided flexibility to allow the Sub-Fund to move into a new investment horizon with more clarity as to ECB thinking and new information on the Euro economy to achieve a higher return longer term. As and when the outlook becomes clearer, the Sub-Fund will look to add more duration investments into the portfolio. Year end and quarter end periods were challenging, as some issuers are well funded and chose not to roll maturing trades, collateral givers and bank cash deposit takers reduced their requirements as balance sheet contractions and regulatory requirements came into effect.

The allocation to sovereign, agency and government guaranteed issuers was maintained to provide credit quality and maintain the Sub-Fund's liquidity buffers. Asset-backed paper continued to be in good supply, offering flexible duration and attractive returns compared to vanilla paper. The Sub-Fund's liquidity was covered with a combination of government and agency holdings, along with overnight bank deposits. Bank commercial paper and certificates of deposit remained the major holdings. As always, liquidity and capital preservation remained the key drivers for the portfolio, with yield a distant third.

The top positive contributors to the Sub-Fund's performance during the Reporting Period were:

- Corporate and asset backed commercial paper, which provide enhanced yield premium, diversification and shorter- duration options compared to financials.
- Agency and quasi-government issuers provide liquidity and enhanced yields compared to Euro treasury bills.
- The commitment from our direct relationships/issuers to provide short dated products to meet our increased demand for shorter maturities.
- The money market curve steepened over the year.

The top negative contributors to the Sub-Fund's performance during the Reporting Period were::

- Excess liquidity in the markets deposited with the ECB deposit levels have continued to trade below the ECB deposit rate.
- Reduced number of cash takers and collateral givers at quarter/year end continued to detract, as did issuers' reducing the size of their maturities or not committing to business during quarter ends.
- Growing inflationary pressure meant uncertainty around the size of interest rate increases by the ECB.

### **State Street Spectrum Cash and Short Term Bond Fund**

For the Reporting Period the gross return for the State Street Spectrum Cash and Short-Term Bond Fund (the "Sub-Fund") was (1.69)% (net return (1.90)%), and the Benchmark return was (1.87)%. The Sub-Fund primarily invests in the State Street GRU Euribor Plus Fund and in the State Street GRU EMU Bond Index Fund (in the ratio 70%/30%), seeking to generate income while maintaining a high level of risk control.

The State Street GRU Euribor Plus Fund was the major contributor to the Sub-Fund's relative performance, which comprises approximately 70% of the State Street Spectrum Cash and Short-Term Bond Fund. During the Reporting Period, The State Street GRU Euribor Plus Fund has outperformed its benchmark by 0.27%.

### State Street Spectrum Diversified Fund

For the Reporting Period the Sub-Fund returned (1.95)% vs benchmark of (2.68)%. The Sub-Fund outperformed its benchmark by 0.73%. On absolute basis, all the asset classes contributed negatively to the Sub-Funds total performance as multi-decade high inflation, global supply shocks, steep policy rate increases, heightened growth risks and the Russian invasion of Ukraine weighed on investors sentiment.

The State Street Spectrum Diversified (the "Sub-Fund") seeks to achieve a moderate level of growth over the medium to long term. This is to be achieved by investing in the SSGA GRU EMU Bond Index Fund, the SSGA GRU Euro Index Equity Fund, the SSGA GRU World ex Euro Index Equity Fund and the SSGA Euribor Plus Fund. At the end of April 2015, the Sub-Fund implemented an equity target volatility trigger (TVT) overlay. TVT is a transparent process that aims to provide a measure of protection against significant falls in equity markets. TVT forecasts equity volatility and dynamically adjusts the equity exposure within the Spectrum Growth Fund in periods of heightened volatility thus offering an element of protection to unit holders.

The Sub-Fund's benchmark is a composite of 50% BofA Merrill Lynch Euro Currency 3-Month LIBID Constant Maturity Index + 22.5% FTSE All World Developed Index (75% Hedged) + 27.5% FTSE EMU Government Bond Index 1-3 Year (the "Index"). The top positive contributors to the Sub-Fund's relative performance during the Reporting Period::

- Developed Market Equity was the major contributor to the Sub-Fund's relative performance. When viewed as a percentage of the developed market equities allocation, the TVT strategy held lower allocation to developed market equities since mid-February, thereby providing a good degree of downside protection against the equity market fall, resulting in positive relative performance.
- SSGA GRU Euribor Plus Fund, which outperformed its underlying benchmark, was another positive contributor to the Sub-Fund's relative performance.

The top negative contributors to the Sub-Fund's relative performance during the Reporting Period:

EMU Government Bond Fund delivered negative returns, in line with its respective index return, had a marginal negative contribution to the Sub-Fund's relative performance. Government bond declined as yields rose in a risk-off environment as more aggressive rate increases are priced in due to the surge in inflation.

The Sub-Fund and Benchmark returns reflect the reinvestment of dividends and other income. The Sub-Fund's performance is provided on a gross of fees basis and does not reflect the deduction of advisory or other fees which could reduce the return. The Index is unmanaged and Index returns do not reflect fees and expenses of any kind, which would have a negative impact on returns.

### TVT strategy

At the beginning of the Reporting Period, the portfolio equity exposure was approximately 100%. Forecasted volatility for developed markets spiked increased sharply during the fourth quarter of 2021 as investors feared that the emergence of the Omicron variant of Covid-19 could derail the global economic recovery. However, there were no de-risking trades implemented as the increase in forecasted volatility was not sufficient to trigger the 10% trading threshold. As 2022 progressed forecasted volatility

continued to inch higher as geopolitical tensions took centre stage and market sentiment deteriorated. The 10% trading threshold was triggered twice during the first quarter of 2022. As such the team de-risked the portfolio by 16% in early-February and by another 10% in late March.

Forecast volatility for developed markets remained elevated and above the target volatility level over the second half of the Reporting Period as rising inflation, aggressive interest-rate increases, and consequent fears about the outlook for economic growth weighed heavily on market sentiment and contributed to substantial market volatility. The 10% trading threshold was triggered once during the second quarter of 2022. As such the team de-risked the portfolio by 10% in mid-May. There were no trades implemented during the third quarter of 2022, as the changes in forecasted volatility did not trigger the 10% trading threshold. At the end of September, the equity exposure of the portfolio was approximately 64%.

Since inception, the strategy has returned 5.39% p.a. It has achieved this return whilst taking on less risk<sup>1</sup> (12.42%) than the FTSE All World Developed Index (16.23%) resulting in a Sharpe ratio<sup>2</sup> of 0.49, against a benchmark Sharpe ratio of 0.52. During the Russia-Ukraine conflict and high inflation environment, the TVT strategy has provided good degree of downside protection as it experienced a lesser drawdown (11.39%) than the FTSE All World Developed Index (16.81%) in 2022. The strategy's since inception maximum drawdown was (22.59)%, whereas the FTSE All World Developed Index since inception maximum drawdown was (33.71)%. In addition, the beta<sup>3</sup> of the strategy to the market has been 0.73 since inception.

**1Standard deviation:** The standard deviation is often used by investors to measure the risk of a portfolio. The basic idea is that the standard deviation is a measure of volatility: the more a portfolio's returns vary from the portfolio's average return, the more volatile the portfolios.

**2Sharpe ratio:** A measure that indicates the average return minus the risk-free return divided by the standard deviation of return on an investment. A higher Sharpe ratio, the higher the excess return over cash is generated for each unit of risk.

**3Beta:** By definition, the market (the FTSE All World Developed Index) has a beta of 1.0. A portfolio swings more than the market over time has a beta above 1.0. If a portfolio moves less than the market, the portfolio's beta is less than 1.0. A beta of less than 1.0 also means that the portfolio is less correlated than the market.

### **State Street Spectrum Moderate Balanced Fund**

For the Reporting Period the Sub-Fund returned (1.72)% vs benchmark of (1.89)%.

The State Street Spectrum Moderate Balanced Fund (the "Sub-Fund") seeks to achieve a moderate level of growth over the medium to long term. This is to be achieved by investing in the SSGA GRU EMU Bond Index Fund, the SSGA GRU Euro Index Equity Fund, the SSGA GRU World ex Euro Index Equity Fund and the SSGA Euribor Plus Fund.

The Sub-Fund's benchmark is a composite of 70% BofA Merrill Lynch Euro Currency 3-Month LIBID Constant Maturity Index +7% FTSE All World Developed Index (75% Hedged) + 23% FTSE EMU Government Bond Index 1-3 Year (the "Index").

The Sub-Fund outperformed its benchmark by 0.17%. Both equities and bonds declined as Investor sentiment was weighed down by concerns around the Russia-Ukraine conflict, persistent high inflation, slowing economic growth and hawkish central banks.

The top positive contributors to the Sub-Fund's relative performance during the Reporting Period:

- The exposure to Euribor Plus Fund was the primary driver of relative performance, as it outperformed the underlying benchmark by 0.22%.

- Developed Market Equity delivered negative returns, but outperformed its respective index return for the Reporting Period, thereby had a marginal positive contribution to the Sub-Fund's relative performance.

The top negative contributors to the Sub-Fund's relative performance during the Reporting Period::

- EMU Government Bond Fund delivered negative returns, in line with its respective index return, had a marginal negative contribution to the Fund's relative performance. Government bonds declined during the period as yields rose in a risk-off environment as more aggressive rate increases are priced in due to the surge in inflation.

### State Street Spectrum Moderate Diversified Fund

For the Reporting Period the Sub-Fund returned (4.59)% vs benchmark of (4.17)%. The Sub-Fund underperformed its benchmark by 0.42%. On absolute basis, all the asset classes contributed negatively to the Sub-Fund's total performance as multi-decade high inflation, global supply shocks, steep policy rate increases, heightened growth risks and the Russian invasion of Ukraine weighed on investors sentiment.

The State Street Spectrum Moderate Diversified Fund (the "Sub-Fund") seeks to achieve a moderate level of growth over the medium to long term. This is to be achieved by investing in the SSGA GRU Euribor Plus Fund, SSGA GRU Euro Index Equity Fund and SSGA GRU World ex-EU Equity Index Fund. The Sub-Fund may also achieve its investment objective by investing on a fund of fund basis up to 45% of its Net Asset Value in other Regulated Funds, which shall have investment objectives and policies that enable the Sub-Fund to meet its investment objective.

The Sub-Fund's benchmark is a composite of 55% BofA Merrill Lynch Euro Currency 3-Month LIBID Constant Maturity Index, 20% Bloomberg Euro Aggregate Corp Bond Index, 15% EONIA, 10% FTSE All World Developed Index (75% Hedged) (the "Index"). The top positive contributors to the Sub-Fund's relative performance during the Reporting Period.

The top positive contributor to the Sub-Fund's relative performance during the reporting period:

- SSGA GRU Euribor Plus Fund, which outperformed it's underlying benchmark, was the major positive contributor to the Sub-Fund's relative performance.
- Developed Market Equity delivered negative returns, but outperformed its respective index return for the period, thereby had a marginal positive contribution to the Sub-Fund's relative performance.

The top negative contributors to the Sub-Fund's relative performance during the Reporting Period:

- The Diversified Alternatives component, which is measured against cash benchmark, was the major negative contributor to the Sub-Fund's relative performance. All the underlying assets, with the exception of commodities, contributed negatively to total performance. Commodities benefited from strong demand and sticky inflation. Additionally, Russia's invasion and subsequent sanctions have propelled commodity prices higher due to potential supply disruptions across the energy, metals and agriculture sectors. High yield, emerging market and corporate bonds were the major detractors as yields and spreads rose due to elevated inflation, hawkish central banks and rising policy rates. The Absolute Return component, which dynamically adjusts exposures based on anticipated market conditions, along with REITs and infrastructure also detracted from total performance.
- Euro Corporate Bond delivered negative returns, in line with its respective index return, had a marginal negative contribution to the Sub-Fund's relative performance. Corporate Bond declined as yields and spreads rose in a risk-off environment as more aggressive rate increases are priced in due to the surge in inflation.

### State Street Global Advisors Ireland Limited December 2022

## STATEMENT OF ACCOUNTANT'S RESPONSIBILITIES

The Office of the Accountant of the Courts of Justice (ACJ) and the position of Accountant were established under Sections 15 and 16 respectively of the Court Officers Act 1926. The Accountant is required by Order 77, Rule 83(1) of the Superior Court Rules to prepare an account on or before the 31st January showing the total amount of funds paid or transferred into and out of Court in the year ended on the 30th September in the preceding year and the balance of funds in Court at the commencement and close of the year. The Accountant, not later than the 31st January in each year, must arrange for an audit of the account, referred to in sub rule (1) of this rule, to be carried out by an independent auditor not later than the 31st March in each year. Copies of the audited account are required to be forwarded to the Minister for Justice and the Minister for Public Expenditure and Reform. The basis of preparation and the accounting policies are set out on page 41.

The Accountant is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Office of the ACJ and of the results of the Office of the ACJ for that period. In preparing those financial statements, the Accountant is required to:

- select suitable accounting policies for the ACJ Financial Statements 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 ACJ will continue in business.

### Statement of Compliance

The financial statements have been prepared on a fair value basis. The financial statements of the Accountant of the Courts of Justice for the year ended 30th September 2022 have been prepared in accordance with the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland including FRS 102 "The Financial Reporting Standard applicable in the UK and Ireland (Generally Accepted Accounting Practice in Ireland), as required by Irish law.

### Statement on the System of Internal Financial Control

The Accountant acknowledges his responsibility for ensuring that an effective system of internal financial control is maintained in relation to the operation of the Accountant's Office. This is a continuous process and its effectiveness is kept under ongoing review.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or would be detected in a timely manner.

### Key Control Procedures

I confirm that a control environment containing the following elements is in place:

- formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action, and
- there are clearly defined roles and responsibilities.

Under the governance arrangements established by the Courts Service Board, there is an Audit and Risk Committee and Internal Audit function, both of which operate in accordance with approved charters. The Audit and Risk Committee reviews this report and financial statements. One of the key functions of the Internal Audit Unit is to report on the adequacy and effectiveness of the system of internal controls operated by the Accountant's Office.



**John Cleere**  
Accountant of the Courts of Justice

**Date: 20 February 2023**



## INDEPENDENT AUDITOR'S REPORT TO THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

### Report on the audit of the financial statements

#### *Opinion*

We have audited the financial statements of The Office of the Accountant of the Courts of Justice for the year ended 30 September 2022, which comprise the Statement of Financial Position, the Statement of Comprehensive Income and the Statement of Changes in Net Assets and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is the Rules of the Superior Courts, Order 77, and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Office of the Accountant of the Courts of Justice as at 30 September 2022 and of its movement in net assets for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Rules of the Superior Courts, Order 77.

#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Office of the Accountant of the Courts of Justice ("The Office") in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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 Accountant'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 Office's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

### ***Other information***

The Accountant is responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon and includes the Foreword by the Chairperson of the Investment Committee, the Accountant of the Courts of Justice's Report, the Investment Manager's Report, the Background Information and the Supplementary 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 course of 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.

### ***Matters on which we are required to report***

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion the accounting records of the Office were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

### **Respective responsibilities**

#### ***Responsibilities of management for the financial statements***

As explained more fully in the Statement of Accountant's Responsibilities, the Accountant is required by Order 77, Rule 83(1) of the Superior Court Rules to prepare an account, on or before the 31st day of January in each year, showing the total amount of funds paid or transferred into and out of Court in the year ended on the 30th September in the preceding year and the balance of funds in Court at the commencement and close of the year. Order 77, Rule 83 sub rule (2) requires the Accountant, not later than the 31st day of January in each year, to arrange for an independent audit of the account referred to in sub rule (1) of this rule to be carried out by an independent auditor not later than the 31st day of March in each year immediately following the year to which the account relates. Order 77, Rule 83(3) requires copies of the said account, audited in accordance with sub rule 2 of this rule, shall be forwarded to the Minister for Justice and the Minister for Public Expenditure and Reform. The Accountant is also responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 102, and for such internal control as determined 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 Accountant is responsible for assessing the Office'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 Accountant either intends to liquidate the Office or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Office's financial reporting process.

### ***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 (Ireland) 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 IAASA's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf) . This description forms part of our auditor's report.

### **The purpose of our audit work and to whom we owe our responsibilities**

Our report is made solely to the Office of the Accountant of the Courts of Justice, as a body, in accordance with the Rules of Superior Courts, Order 77, Rule 83. Our audit work has been undertaken so that we might state to the Office 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 Office and the Office's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mazars  
Chartered Accountants & Statutory Audit Firm  
Harcourt Centre  
Block 3  
Harcourt Road  
Dublin 2

20 February 2023

## STATEMENT OF FINANCIAL POSITION AT 30<sup>TH</sup> SEPTEMBER 2022

	Notes	30/09/2022 €	30/09/2021 €
Financial assets at fair value through profit or loss	5	<u>2,227,493,245</u>	<u>2,147,373,170</u>
<b>CURRENT ASSETS</b>			
Debtors	6	50,797,337	58,729,205
Cash and cash equivalents	7	<u>60,988,106</u>	<u>14,404,974</u>
<b>TOTAL CURRENT ASSETS</b>		<u>111,785,443</u>	<u>73,134,179</u>
<b>CURRENT LIABILITIES</b>			
Creditors	8	<u>(2,281,890)</u>	<u>(1,270,955)</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>(2,281,890)</u>	<u>(1,270,955)</u>
<b>NET CURRENT ASSETS</b>		<u>109,503,553</u>	<u>71,863,224</u>
<b>TOTAL NET ASSETS</b>		<u>2,336,996,798</u>	<u>2,219,236,394</u>
<b>Represented by:</b>			
Funds held for beneficiaries	9	<u>2,336,996,798</u>	<u>2,219,236,394</u>

The financial statements were approved by the Accountant on 20 February 2023.



**John Cleere**  
Accountant of the Courts of Justice

*See accompanying notes to financial statements*

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	30/09/2022 €	30/09/2021 €
<b>NET REALISED AND UNREALISED (LOSSES) / GAINS</b>			
Net realised gains on financial assets at fair value through profit or loss	11	13,432,052	10,174,706
Net change in unrealised (losses) /gains on financial assets at fair value through profit or loss	12	(49,331,851)	103,788,125
Net (losses) realised on transfers of assets	13	(620,869)	(91,688)
<b>NET REALISED AND CHANGE IN UNREALISED (LOSSES) / GAINS</b>		<u>(36,520,668)</u>	<u>113,871,143</u>
Investment income	14	68,933	55,886
		<u>(36,451,735)</u>	<u>113,927,029</u>
Expenses	15	(1,878,164)	(1,967,782)
<b>(DECREASE) / INCREASE IN NET ASSETS FROM OPERATIONS</b>		<u><u>(38,329,899)</u></u>	<u><u>111,959,247</u></u>

The financial statements were approved by the Accountant on 20 February 2023.



Accountant of the Courts of Justice

*See accompanying notes to financial statements*

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 SEPTEMBER 2022

	30/09/2022	30/09/2021
	€	€
<b>(DECREASE) / INCREASE IN NET ASSETS FROM OPERATIONS</b>		
Investment income less expenses	(1,809,231)	(1,911,896)
Net realised gains on financial assets at fair value through profit or loss	13,432,052	10,174,706
Net change in unrealised (losses) / gains on financial assets at fair value through profit or loss	(49,331,851)	103,788,125
Net (losses) realised on transfers out during year	(620,869)	(91,688)
	<hr/>	<hr/>
<b>(DECREASE) / INCREASE IN NET ASSETS FROM OPERATIONS</b>	<b>(38,329,899)</b>	<b>111,959,247</b>
<b>CAPITAL TRANSACTIONS</b>		
Receipts	410,533,468	300,942,457
Disbursements	(254,443,165)	(174,449,079)
	<hr/>	<hr/>
<b>INCREASE IN NET ASSETS FROM CAPITAL TRANSACTIONS</b>	<b>156,090,303</b>	<b>126,493,378</b>
Total Increase in net assets for the year	117,760,404	238,452,625
Net assets at beginning of year	2,219,236,394	1,980,783,769
	<hr/>	<hr/>
<b>NET ASSETS AT END OF YEAR</b>	<b>2,336,996,798</b>	<b>2,219,236,394</b>

*See accompanying notes to financial statements*

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 1. GENERAL – LEGAL STATUS

Court funds are managed in a fiduciary capacity on behalf of beneficiaries by the Accountant of the Courts of Justice (“the Office”). The main primary and subordinate legislations governing the receipt, management and investment of Court controlled funds are as follows:

- Court Officers Act 1926
- The Trustee (Authorised Investments) Act 1958 and the Trustee (Authorised Investments) Orders made thereunder
- The Rules of the Superior Courts
- The Rules of the Circuit Court
- The Rules of the District Court

### 2. ACCOUNTING POLICIES

#### (a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland. In conjunction with this, the financial statements have been prepared in accordance with the Rules of the Superior Courts, Order 77, Rule 83. The financial statements are presented in Euro (€) and also meet the criteria to avail of the exemptions under FRS 102 not to prepare a cashflow statement.

#### (b) Valuation of investments

Under FRS 102, the Office has opted to implement the recognition and measurement provisions of IFRS 9 Financial Instruments (formerly IAS 39): Recognition, and only the disclosure requirements of FRS 102 relating to Basic Financial Instruments and Other Financial Instruments.

Financial assets and financial liabilities at fair value through profit or loss are valued at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Gains and losses arising from changes in fair value are recognised in the Statement of Comprehensive Income. Listed investments and investments in unitised funds are valued at their bid price where they are quoted on a recognised stock exchange. Insurance policies are valued at their surrender value as confirmed independently by the insurance companies. Other investments are valued at their deposit value including interest accrued at year-end.

#### (c) Income

Interest and dividend income is recorded on a cash receipts basis.

#### (d) Financial Instruments

All of the financial assets have been classified at fair value through profit or loss.

## 2. ACCOUNTING POLICIES (Continued)

### (e) Net Gain or Loss on Financial Assets at Fair Value through Profit or Loss

This item includes changes in the fair value of financial assets through profit or loss and excludes interest and dividend income and expenses.

Realised gains and losses on sales of traded securities classified as at fair value through profit or loss are calculated using the first-in, first-out (FIFO) method. Realised gains and losses on sales of investments in unitised funds are calculated on an average basis.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the year and from the reversal of prior year's unrealised gains and losses for financial instruments which were realised in the reporting year.

Realised and changes in unrealised gains and losses on financial assets are recorded in the Statement of Comprehensive Income.

### (f) Expenses

Expenses are charged to the Statement of Comprehensive Income, except for expenses incurred on the acquisition of an investment, which are included in the cost of such investments. Expenses relating to the managing of the unitised funds are charged to the net realised and unrealised gains on investments.

### (g) Functional and Presentation Currency

The functional and presentational currency of the Office is Euro (€). This is the currency of the primary economic environment in which the Office operates.

### (h) Cash and cash equivalents

Cash and cash equivalents include cash at bank and deposits held at call with banks. Cash equivalents consist of short term highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value.

### (i) Debtors

Debtors are Court awards not yet received. Debtors are recognised initially at fair value less provision for impairment.

### (j) Creditors

Creditors are exit taxes payable. Creditors are recognised at fair value.

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Accountant's Office makes judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Office's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates. Management is of the opinion that there are no critical estimates and judgements that have a significant effect on the amounts recognised in the financial statements.

## 4. FEES AND EXPENSES

### 4.1 Court Fees

Many of the beneficiaries of Court Funds are among the most vulnerable members of society.

#### 4. FEES AND EXPENSES (Continued)

This includes persons who are Wards of Court, and others who are Minors under the age of 18 years. The legal responsibility discharged by the Courts requires that funds and other assets held in trust on behalf of and for the benefit of beneficiaries are managed appropriately. To ensure that the Courts Service discharges its responsibility in supporting the Courts and the judiciary in respect of these funds it is necessary to have in place appropriate resources and systems to manage these funds. This also includes the engagement of external resources, for example in the form of Investment Advisors and Auditors. As a contribution towards the costs of these operations, Court fees and other charges are applied to the various transactions associated with the management of Court Funds. These charges are approved by the Minister for Justice and Equality and the Minister for Public Expenditure and Reform and are contained in the Supreme and High Court Fees Orders.

Fees amounting to €1,450,260 (30th September 2021: €1,732,570) have been charged as a result of transactions processed by the Accountant's Office during the year ended 30th September 2022.

Included in these fees is €129,273 (30th September 2021: €215,567) in respect of Court percentages that was charged on funds held on behalf of Wards of Court.

##### 4.2 SSGA Investment Management, Custodian and Administration Fees

At the commencement of the current investment strategies in October 2013, a scale of investment management, custodian and administration fees were agreed with State Street Global Advisors, the Investment Managers, and incorporated in the Investment Management Agreement. All fees are calculated and accrued on a weekly basis and are paid directly from each Portfolio on a monthly basis. The non-management fee covers all reasonable Fund related fees within the Spectrum and Master Funds (inclusive of non SSGA Funds), including but not limited to Trustee/Fiduciary Fees, Administration Fees, Transaction Fees, Legal Fees, and Audit and Accounting Fees. The investment management and non-management fees charged on all the Court Funds invested in the SSGA Spectrum and GRU Funds during the period under review amounted to €3,165,489 (30th September 2021: €3,807,518). Total anti-dilution expenses amounted to €53,317 for the period under review (30th September 2021: €56,116).

#### 5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30/09/2022	30/09/2021
	€	€
SSGA Unitised funds	2,213,780,239	2,128,678,999
Managed funds	2,667,258	2,442,324
Equities	2,595,764	3,025,387
Deposit accounts	8,035,542	12,672,658
An Post Saving Certificates	42,241	42,404
Insurance policies	372,201	511,398
	<u>2,227,493,245</u>	<u>2,147,373,170</u>

<b>6. DEBTORS</b>	30/09/2022	30/09/2021
	€	€
Court awards not yet received	<u>50,797,337</u>	<u>58,729,205</u>
<b>7. CASH AND CASH EQUIVALENTS</b>	30/09/2022	30/09/2021
	€	€
Cash at bank	<u>60,988,106</u>	<u>14,404,974</u>
<b>8. CREDITORS</b>	30/09/2022	30/09/2021
	€	€
Exit tax payable	<u>(2,281,890)</u>	<u>(1,270,955)</u>
<b>9. FUNDS HELD FOR BENEFICIARIES</b>	30/09/2022	30/09/2021
	€	€
Amounts held for wards of Court	1,752,735,130	1,657,389,134
Amounts held for minors	356,286,066	363,286,094
Amounts held for pending further order cases	156,884,214	120,071,577
Amounts held for charitable bequests	2,167,681	2,065,524
Amounts held for lodgements with defence	11,304,721	12,780,544
Other*	<u>57,618,986</u>	<u>63,643,521</u>
	<u>2,336,996,798</u>	<u>2,219,236,394</u>

\* Included in Other are Security for Costs, Landlord & Tennant, Residential Institutional Redress Board, Dormancy etc.

## 10. FINANCIAL RISK MANAGEMENT

SSGAEL acts as the Investment Manager to the Trust pursuant to the Investment Management Agreement.

The Sub-Funds of State Street Spectrum Unit Trust invest substantially all their assets in one or a combination of the Sub-Funds of SSGA Gross Roll Up Unit Trust listed below.

- State Street GRU EMU Bond Index Fund
- State Street GRU Euribor Plus Fund
- State Street GRU Euro Cash Fund
- State Street GRU Euro Index Equity Fund
- State Street GRU World Ex Euro Index Equity Fund

In pursuing their investment objectives and policies, the Sub-Funds are exposed to a variety of financial risks either directly or through the Sub-Funds in SSGA Gross Roll Up Unit Trust or other Funds they invest in: market risk (including market price risk, currency risk, and interest rate risk), credit risk and liquidity risk that could result in a reduction in the Sub-Funds' net assets.

**10. FINANCIAL RISK MANAGEMENT (CONTINUED)**

The risks, and the Investment Manager’s approach to the management of the risks, are as follows:

**(a) Market Price Risk**

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

State Street Spectrum Cash Fund invested substantially all its assets in the State Street GRU Euro Cash Fund and was therefore exposed to the same market risks as State Street GRU Euro Cash Fund. (The financial statements of SSGA Gross Roll Up Unit Trust have been attached to these financial statements in Appendix 2).

State Street Spectrum Euribor Plus Fund invested substantially all of its assets in State Street GRU Euribor Plus Fund and was therefore exposed to the same market risks as State Street GRU Euribor Plus Fund. (The financial statements of SSGA Gross Roll Up Unit Trust have been attached to these financial statements in Appendix 2).

State Street Spectrum Cash and Short Term Bond, State Street Spectrum Moderate Balanced Fund, State Street Spectrum Moderate Diversified Fund and State Street Spectrum Diversified Fund invested in a range of funds, some of which are index tracking funds, and their sensitivity to market price risk is highlighted in the table below.

At the level of the Sub-Funds of SSGA Gross Roll Up Unit Trust, the following analysis explains the impact that a 20% movement in the relevant benchmark index (calculated in Euro terms) at 30 September 2022 and 30 September 2021, with all other variables held constant, would have had on the net assets attributable to redeemable unitholders of the various Funds.

Sub-Fund Name	Benchmark index	% change in Sub-Fund's net assets As at 30th September 2022	% change in Fund's net assets As at 30th September 2021
State Street GRU Euro Index Equity Fund	FTSE Developed Eurozone Index	19.98%	19.97%
State Street GRU World Ex Euro Index Equity Fund	FTSE Developed EX Eurobloc	19.99%	19.99%
State Street GRU EMU Bond Index Fund	FTSE EMU Government Bond Index 1-3 Years	19.96%	20.01%

For example, the above analysis shows that if the FTSE Developed Eurozone Index in Euro terms at 30 September 2022 had increased by 20%, with all other variables held constant, this would have increased net assets attributable to redeemable unitholders of the State Street GRU Euro Index Equity Fund by approximately 19.98% (30 September 2021: 19.97%).

Conversely, if the FTSE Developed Eurozone Index in Euro terms had decreased by 20%, with all other variables held constant, this would have decreased net assets attributable to redeemable unitholders of the State Street GRU Euro Index Equity Fund by approximately 19.98% (30 September 2021: 19.97%).

**10. FINANCIAL RISK MANAGEMENT (CONTINUED)****(a) Market Price Risk (continued)**

The following analysis explains the impact that a 1% movement in interest rates at 30 September 2022 and 30 September 2021 for State Street GRU Euro Cash Fund and GRU Euribor Plus Cash Fund, with all other variables held constant, would have on the net assets attributable to redeemable unitholders of the various Sub-Funds.

Sub-Fund Name	Benchmark Index	As at 30th September 2022		As at 30th September 2021	
		Return	Benchmark Return	Return	Benchmark Return
State Street GRU Euro Cash Fund	7 Day EUR LIBID	(0.50%)	(0.47%)	(0.14%)	(0.02%)
State Street GRU Euribor Plus Fund	ICE BofA Euro Currency 3-Month Deposit Bid Rate Constant Maturity Index	0.00%	0.00%	(0.21%)	(0.25%)

**(b) Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

State Street Spectrum Moderate Diversified Fund is a Sub-Fund that does not exclusively invest in Euro denominated funds and is therefore directly exposed to currency risk.

As of 30 September 2022, some of the Sub-Funds are also indirectly exposed to the currency risks of the underlying funds they invest in.

In particular, at the year end, State Street Spectrum Moderate Diversified Fund invested in funds with exposure to non-Euro currencies. Also, State Street Spectrum Moderate Balanced Fund and State Street Spectrum Diversified Fund invested in State Street GRU World Ex Euro Index Equity Fund. All of the State Street GRU World Ex Euro Index Equity Fund's assets, liabilities and income are denominated in currencies other than Euro, the functional currency of all of the Sub-Funds. The significant currencies are US Dollar, British Pound, Japanese Yen, Canadian Dollar, Australian Dollar and Swiss Franc. It is, therefore, exposed to currency risk as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. Income denominated in foreign currencies is converted to Euro on receipt. Transactions in foreign currencies are translated into the functional currency of the Sub-Fund at the exchange rates ruling at the date of the transaction. Assets and liabilities are translated into the functional currency of the Sub-Fund at the exchange rate ruling at the year end date.

State Street Spectrum Euribor Plus Fund, State Street Spectrum Cash and Short Term Bond Fund and State Street Spectrum Cash Fund are not exposed to any foreign currency risks as the funds they invest in had all their assets and liabilities denominated in Euro, the functional currency of the Sub-Funds.

The Investment Manager monitors the currency exposures on a regular basis to ensure they remain within acceptable ranges.

There were no material changes to the Sub-Funds' policies and processes for managing currency risk and the methods used to measure risk during the year.

10. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Currency Risk (continued)

During the year, it was agreed that the Investment Manager will implement a currency hedging strategy which seeks to hedge 75% of the non-Euro exposure held by State Street Spectrum Moderate Diversified Fund through the State Street GRU World ex Euro Index Equity Fund.

This investment strategy was implemented using 1 month tenor FX forward contracts, with this methodology being seen as the best balance between cost and effectiveness.

The following table shows the cash in the following currency for State Street Spectrum Growth Fund and the impact on the net assets attributable to redeemable unitholders of the Sub-Fund of a movement of +/-10% in this currency at 30 September 2022.

Trading Currency	Traded Market Value	% Holding	% Movement	% Impact to NAV
US Dollar	50,476	100.00%	10%	(10.00%)
Total	50,476			

Trading Currency	Traded Market Value	% Holding	% Movement	% Impact to NAV
Australian Dollar	(571,876)	8.44%	10%	(0.84%)
British Pound Sterling	(1,043,134)	15.39%	10%	(1.54%)
Canadian Dollar	(751,107)	11.08%	10%	(1.11%)
Danish Krone	(169,058)	2.49%	10%	(0.25%)
Hong Kong Dollar	(273,049)	4.03%	10%	(0.40%)
Japanese Yen	(1,643,687)	24.25%	10%	(2.43%)
Swedish Krona	(329,192)	4.86%	10%	(0.49%)
Swiss Franc	(774,915)	11.43%	10%	(1.14%)
US Dollar	(1,221,700)	18.03%	10%	(1.80%)
Total	(6,777,718)			

**10. FINANCIAL RISK MANAGEMENT (CONTINUED)****(b) Currency Risk (continued)**

The following table shows holdings and cash in each of the currencies for State Street Spectrum Growth Fund and the impact on the net assets attributable to redeemable unitholders of the Sub-Fund of a movement of +/-10% in any of these currencies at 30 September 2021.

Trading Currency	Traded Market Value	% Holding	% Movement	% Impact to NAV
Australian Dollar	(6,137,437)	3.09%	10%	(0.31%)
British Pound Sterling	(12,092,533)	6.10%	10%	(0.61%)
Canadian Dollar	(7,715,063)	3.89%	10%	(0.39%)
Danish Krone	(2,122,375)	1.07%	10%	(0.11%)
Hong Kong Dollar	(2,846,718)	1.44%	10%	(0.14%)
Israeli New Shekel	(460,249)	0.23%	10%	(0.02%)
Japanese Yen	(20,367,698)	10.27%	10%	(1.03%)
New Zealand Dollar	(221,985)	0.11%	10%	(0.01%)
Norwegian Krone	(415,274)	0.21%	10%	(0.02%)
Singapore Dollar	(882,043)	0.44%	10%	(0.04%)
Swedish Krona	(3,155,035)	1.59%	10%	(0.16%)
Swiss Franc	(7,982,710)	4.03%	10%	(0.40%)
US Dollar	(133,918,572)	67.53%	10%	(6.75%)
Total	(198,317,692)			

The following table shows holdings and cash in each of the currencies for State Street Moderate Diversified Fund and the impact on the net assets attributable to redeemable unitholders of the Sub-Fund of a movement of +/-10% in any of these currencies at 30 September 2021.

Trading Currency	Traded Market Value	% Holding	% Movement	% Impact to NAV
Australian Dollar	(1,227,113)	49.75%	10%	(4.98%)
British Pound Sterling	(2,299,807)	93.24%	10%	(9.32%)
Canadian Dollar	(1,451,895)	58.86%	10%	(5.89%)
Danish Krone	(169,042)	6.85%	10%	(0.69%)
Hong Kong Dollar	(464,368)	18.83%	10%	(1.88%)
Japanese Yen	(4,073,056)	165.13%	10%	(16.51%)
Swedish Krona	(609,370)	24.71%	10%	(2.47%)
Swiss Franc	(1,498,492)	60.75%	10%	(6.08%)
US Dollar	9,326,605	(378.12%)	10%	37.81%
Total	(2,466,538)			

## 10. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (c) Interest Rate Risk

A Sub-Fund's interest bearing financial assets and financial liabilities expose them to substantial risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial position and cash flows.

The Sub-Funds are directly exposed to interest rate risk through their cash holdings and are indirectly exposed to interest rate risks through some of the collective investment schemes they invest in.

This is particularly true for State Street Spectrum Euribor Plus and State Street Spectrum Cash Fund which are, respectively, exposed to the same interest risks as State Street GRU Euribor Plus Fund and State Street GRU Euro Cash Fund. (The financial statements of SSGA Gross Roll Up Unit Trust have been attached to these financial statements in Appendix 2).

State Street Spectrum Cash and Short Term Bond Fund, State Street Spectrum Moderate Balanced Fund and State Street Spectrum Diversified Fund are exposed to the same interest rate risks as State Street GRU Euribor Plus Fund and State Street GRU EMU Bond Index Fund in proportion to their allocation. In addition, the State Street Spectrum Diversified Fund is exposed to the State Street GRU Euro Cash Fund. (The financial statements of SSGA Gross Roll Up Unit Trust have been attached to these financial statements in Appendix 2).

The State Street GRU Euribor Plus Fund and State Street GRU Euro Cash Fund hold interest-bearing assets and liabilities which expose them to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial positions and cash flows.

The investment objective of the State Street GRU EMU Bond Index Fund is to track as closely as reasonably possible the performance of the FTSE EMU Government Bond Index 1-3 Years. The Investment Manager will therefore invest in such investments which will ensure that the performance of the Sub-Fund tracks as closely as reasonably possible the performance of the underlying index. It does not directly seek to manage the interest rate risk exposure within the Sub-Fund.

Interest rate risk for the State Street GRU Euribor Plus Fund and State Street GRU Euro Cash Fund is managed, in part, by the investment selection process of the Investment Manager which includes predictions of future events and their impact on interest rates, diversification and duration. In accordance with Sub-Fund policy, the Investment Manager monitors the Sub-Fund's overall interest sensitivity on a daily basis.

The State Street GRU Euro Index Equity Fund and the State Street GRU World Ex Euro Index Equity Funds do not hold interest-bearing securities and therefore no interest rate risk exposure arises in respect of these Sub-Funds.

There were no material changes to the Sub-Funds' policies and processes for managing interest rate risk and the methods used to measure risk since the prior year end.

Interest rate sensitivity is measured by duration, being the measurement of what effect on the NAV of the Sub-Fund a 1% change in interest rates would have. The State Street GRU Euro Cash Fund has a duration of 29.3 days at 30 September 2022 (30 September 2021: 51 days). The State Street GRU Euribor Plus Fund has a duration of 55 days at 30 September 2022 (30 September 2021: 74 days). The State Street Spectrum Growth Fund has a duration of Nil years at 30 September 2022 (30 September 2021: 1.60 years). All other Sub-Funds are indexed.

The Investment Manager does not expect this position to materially change in the next reporting year.

**10. FINANCIAL RISK MANAGEMENT (CONTINUED)****(d) Credit Risk**

Credit risk, is the risk that a counterparty or issuer will be unable to pay amounts in full when due.

As of 30 September 2022, the Sub-Funds are also indirectly exposed to the same credit risks as the funds they invest in.

As of 30 September 2022, State Street Spectrum Cash Fund invested substantially all its assets in the State Street GRU Euro Cash Fund and was therefore exposed to substantially the same credit risk as State Street GRU Euro Cash Fund and State Street Spectrum Euribor Plus Fund invested all its assets in State Street GRU Euribor Plus Fund. (The financial statements of SSGA Gross Roll Up Unit Trust have been attached to these financial statements in Appendix 2).

The SSGA Money Market Desk and the Investment Advisor's Portfolio Compliance Team monitor the current credit rating for all positions within these Sub-Funds on a daily basis, to ensure that the Sub-Fund continues to meet the credit rating requirements and restrictions for the Sub-Fund as outlined in the Sub-Fund documentation.

The SSGA Money Market Desk and the Investment Manager's Portfolio Compliance Team also ensure that there is appropriate investment diversification and that risk is not overly concentrated with a particular counterparty or issuer at any time.

As of 30 September 2022, State Street Spectrum Euribor Plus Fund and State Street Spectrum Cash Fund invest all of their assets in respectively State Street GRU Euribor Plus Fund and State Street GRU Euro Cash Fund. State Street Spectrum Cash and Short Term Bond Fund, State Street Spectrum Moderate Balanced Fund and State Street Spectrum Diversified Fund are exposed to the same counterparty risks as State Street GRU Euribor Plus Fund and State Street GRU EMU Bond Index Fund in proportion to their allocation. In State Street GRU EMU Bond Index Fund, the Investment Manager also ensures that there is appropriate investment diversification and that risk is not overly concentrated with a particular counterparty or issuer at any time, while focusing on the core objective for the Sub-Fund which is to track as closely as reasonably possible the performance of its benchmark. (The financial statements of SSGA Gross Roll Up Unit Trust have been attached to these financial statements in Appendix 2).

The State Street GRU Euro Cash Fund, State Street GRU Euribor Plus Fund and the State Street GRU EMU Bond Index

Fund hold interest-bearing securities with the following credit exposures as at 30 September 2022 and 30 September 2021.

Sub-Fund name	As at 30th September 2022		As at 30th September 2021	
	Investment grade	Non - investment grade	Investment grade	Non - investment grade
SSGA GRU Euro Cash Fund	100.00%	-	100.00%	-
SSGA GRU EMU Bond Index Fund	100.00%	-	100.00%	-
SSGA GRU Euribor Plus Fund	100.00%	-	100.00%	-

## 10. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (d) Credit Risk (continued)

The Sub-Funds' credit exposure also comprises:

- the risk that cash, all held with The Northern Trust Company ("TNTC") at the reporting date, may be lost; and
- the risk that brokers may fail to pay for securities received from the Sub-Funds, or to deliver securities paid for by the Sub-Funds.

Northern Trust Fiduciary Services (Ireland) Limited ("NTFSIL") is the appointed Depository of the Sub-Funds, responsible for the safe-keeping of assets. NTFSIL has appointed TNTC as its global sub-custodian. Both NTFSIL and TNTC are wholly owned subsidiaries of Northern Trust Corporation ("NTC"). As at 30 September 2022 Northern Trust Corporation had a long term rating from Standard & Poor's of A+ (30 September 2021: Northern Trust Corporation: A+).

TNTC (as global sub-custodian of NTFSIL) does not appoint external sub-custodians within the U.S., the U.K., Ireland, Canada, Belgium, France, Germany, Netherlands and Saudi Arabia. However, in all other markets, TNTC appoints local external sub-custodians.

NTFSIL, in the discharge of its depository duties, verifies the Sub-Fund's ownership of Other Assets, (as defined Art 21 (8) (b) of Directive 2011/61/EU), by assessing whether the Sub-Fund holds the ownership based on information or documents provided by the Sub-Fund or where available, on external evidence.

TNTC, in the discharge of its delegated depository duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of TNTC and (ii) all financial instruments that can be physically delivered to TNTC. TNTC ensures all financial instruments (held in a financial instruments account on the books of TNTC) are held in segregated accounts in the name of the Sub-Fund, clearly identifiable as belonging to the Sub-Fund, and distinct and separately from the proprietary assets of TNTC, NTFSIL and NTC.

In addition TNTC, as banker, holds cash of the Sub-Funds on deposit. Such cash is held on the Statement of Financial Position of TNTC. In the event of insolvency of TNTC, in accordance with standard banking practice, the Sub-Fund will rank as an unsecured creditor of TNTC in respect of any cash deposits.

Insolvency of NTFSIL and or one of its agents or affiliates may cause the Sub-Fund's rights with respect to its assets to be delayed.

The Investment Manager manages risk by monitoring the credit quality and financial position of the Depository and such risk is further managed by the Depository monitoring the credit quality and financial positions of sub-custodian appointments.

### (e) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

At 30 September 2022, the Sub-Funds are indirectly exposed to the same liquidity risks as the Sub-Funds they invest in.

## 10. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (e) Liquidity Risk (continued)

The underlying funds invest their assets in investments that are traded in an active market and can be readily disposed of.

The Sub-Funds are limited to weekly dealing and invest in funds that are themselves exposed to weekly dealing except for SSGA GRU Euro Cash Fund which offers daily dealing. Redemptions of redeemable units in the Sub-Funds and Sub-Funds they invest in are payable within 3 business days of the dealing day on which the redemption takes place.

For these reasons, the Investment Manager has assessed the risk of the Sub-Funds being affected by the lack of liquidity as low.

The Investment Manager reviews the current and future forecasted liquidity position of the Sub-Funds on a daily basis and ensures that any cash required to meet the settlement of redemption requests is generated as appropriate.

## 11. NET REALISED GAINS ON FINANCIAL ASSETS

AT FAIR VALUE THROUGH PROFIT OR LOSS	30/09/2022	30/09/2021
	€	€
Realised gains on financial assets at fair value through profit or loss disposed of during the year	21,207,753	15,462,960
Less:		
Exit tax (i)/(ii)	(7,760,917)	(5,282,345)
Anti-dilution levy and brokers commission (iii)	(14,784)	(5,909)
Net realised gain on financial assets at fair value disposed of during the year	<u>13,432,052</u>	<u>10,174,706</u>

- (i) Under current law and practice the Trust qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. It is not chargeable to Irish tax on its income or capital gains.
- (ii) The Finance Act 2003 authorises the Courts Service to deduct at source and account for exit taxes arising from the disposal of investments in the unitised funds under a Trust deed established by SSGA. The tax is calculated at the rate of 41%, in accordance with the Finance Act and is payable to Revenue.
- (iii) The anti-dilution levies are charged by the Fund Manager on subscriptions and redemptions from the unitised funds. An anti-dilution levy is an allocation of a Funds trading costs to the investments. The anti-dilution levy is used to protect the majority of investors from the costs of trading by a minority.

12. NET CHANGE IN UNREALISED (LOSSES) / GAINS ON FINANCIAL ASSETS AT FAIR VALUE	30/09/2022	30/09/2021
	€	€
Change in unrealised gains on financial assets at fair value through profit or loss during the year	(46,127,829)	107,645,850
Less:		
Investment management fees (Note 4.2)	(1,657,507)	(2,579,216)
Miscellaneous managed funds' fees (Note 4.2) & (i)	(1,507,982)	(1,228,302)
Anti-dilution levy and brokers commission (ii)	(38,533)	(50,207)
	<hr/>	<hr/>
Net change in unrealised (losses) / gains on financial assets at fair value	<u>(49,331,851)</u>	<u>103,788,125</u>

- (i) These fees include transaction charges, audit fees, safe-keeping fees, other professional fees, trustee fees and bank interest.
- (ii) The anti-dilution levies are charged by the Fund Manager on subscriptions and redemptions from the unitised funds.

13. NET (LOSSES) REALISED ON TRANSFER OF ASSETS	30/09/2022	30/09/2021
	€	€
Net (losses) on transfers out during year	<u>(620,869)</u>	<u>(91,688)</u>

These net losses arose on the transfer of equities out of the custody of the Court, held in the name of the Accountant of the Courts of Justice. These equities were originally brought into Court when a person was made a Ward of Court and recorded in the accounts at their market value at that time. The net losses represent a net decrease in the value of equities at the time the equities were transferred out of Court, as directed by a Court order. The net losses referred to are a paper loss as the equities were not actually sold.

14. INVESTMENT INCOME	30/09/2022	30/09/2021
	€	€
Dividends	67,977	55,663
Interest on other investments	956	223
	<hr/>	<hr/>
	<u>68,933</u>	<u>55,886</u>

Investment income is shown net of withholding tax.

<b>15. EXPENSES</b>	30/09/2022	30/09/2021
	€	€
Court fees (Note 4.1)	1,450,260	1,732,570
Bank charges and negative interest	427,904	235,212
	<u>1,878,164</u>	<u>1,967,782</u>

## 16. FAIR VALUE MEASUREMENT

The Office of the Accountant of the Courts of Justice has adopted FRS 102. This requires the Office of the Accountant of the Courts of Justice to classify financial instruments measured at fair value into the following hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

At 30 September 2022 and 30 September 2021, the Sub-Funds' holdings consisted of investments in a range of Sub-Funds of SSGA Gross Roll Up Unit Trust and other investment funds. These investments were classified as Level 2, with the exception of the ETFs held by the SSGA Spectrum Growth Fund and SSGA Spectrum Moderate Diversified Fund. The ETFs, with a fair value of €14,327,465 (30 September 2021: €95,841,383) were classified as Level 1. There have been no movements between levels in the current year.

The following table analyses within the fair value hierarchy the Office of the Accountant of the Courts of Justice's financial assets and liabilities (by class) measured at fair value at 30th September 2022:

	Level 1	Level 2	Level 3	Total
	€	€	€	€
<b>Investments</b>				
- SSGA Unitised funds	14,327,465	2,199,452,774	-	2,213,780,239
- Managed funds	-	2,667,258	-	2,667,258
- Equities	2,595,764	-	-	2,595,764
- Deposit accounts	8,035,542	-	-	8,035,542
- An Post Savings Certificates	42,241	-	-	42,241
- Insurance policies	-	-	372,201	372,201
<b>Total</b>	<b>25,001,012</b>	<b>2,202,120,032</b>	<b>372,201</b>	<b>2,227,493,245</b>

The following table analyses within the fair value hierarchy the Office of the Accountant of the Courts of Justice's financial assets and liabilities (by class) measured at fair value at 30th September 2021:

	Level 1	Level 2	Level 3	Total
	€	€	€	€
<b>Investments</b>				
- SSGA Unitised funds	95,841,383	2,032,837,616	-	2,128,678,999
- Managed funds	-	2,442,324	-	2,442,324
- Equities	3,025,387	-	-	3,025,387
- Deposit accounts	12,672,658	-	-	12,672,658
- An Post Savings Certificates	42,404	-	-	42,404
- Insurance policies	-	-	511,398	511,398
<b>Total</b>	<b>111,581,832</b>	<b>2,035,279,940</b>	<b>511,398</b>	<b>2,147,373,170</b>

The Level 3 investments relate to investments held in insurance policies which are not quoted on an exchange or actively traded. In the absence of any market information the Accountant has valued these investments based on values provided by the insurance company. The Accountant believes that this approximates the fair value and any adjustment required to value these investments at fair value would not result in a material adjustment to the financial statements.

The following table includes the reconciliation of the amounts for the year ended 30th September 2022 for financial instruments classified within Level 3. The classification of a financial instrument within Level 3 is based upon the significance of the unobservable inputs to the overall fair value measurement.

<b>Insurance Policies</b>	<b>€</b>
Opening balance	511,398
Transfer Out	-
Movement in net unrealised appreciation	(139,197)
<b>Closing balance 30th September 2022</b>	<b>372,201</b>

There were no transfers between levels during the year.

The following table includes the reconciliation of the amounts for the year ended 30th September 2021 for financial instruments classified within Level 3. The classification of a financial instrument within Level 3 is based upon the significance of the unobservable inputs to the overall fair value measurement.

<b>Insurance Policies</b>	<b>€</b>
Opening balance	448,175
Transfer Out	-
Movement in net unrealised appreciation	63,223
<b>Closing balance 30th September 2021</b>	<b>511,398</b>

The net unrealised gains that relate to insurance policies still held at 30th September 2022 are €151,080 (2021: €207,886).

## 17. INVESTMENTS IN COLLECTIVE INVESTMENT SCHEMES

The table below illustrates the investment of the Sub-Funds in underlying Collective Investment Schemes.

Underlying Fund	Domicile	Regulatory Status	Investment Manager	TER*
<b>State Street Spectrum Euribor Plus Fund</b>				
State Street GRU Euribor Plus Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.05% (TER which Includes management And other expenses)
<b>SSGA Spectrum Cash Fund</b>				
State Street GRU Euro Cash Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.07% (TER which Includes management And other expenses)
<b>State Street Spectrum Cash and Short Term Bond Fund</b>				
State Street GRU EMU Bond Index Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.05% (TER which Includes management And other expenses)
State Street GRU Euribor Plus Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.05% (TER which Includes management And other expenses)
<b>State Street Spectrum Diversified Fund</b>				
State Street GRU EMU Bond Index Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.05% (TER which Includes management And other expenses)
State Street GRU Euribor Plus Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.05% (TER which Includes management And other expenses)
State Street GRU Euro Index Equity Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.06% (TER which Includes management And other expenses)
State Street GRU World Ex Euro Index Equity Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.05% (TER which Includes management And other expenses)
<b>State Street Spectrum Diversified Fund</b>				
State Street GRU EMU Bond Index Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.05% (TER which Includes management and other expenses)
State Street GRU Euribor Plus Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.05% (TER which Includes management and other expenses)
State Street GRU Euro Index Equity Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.06% (TER which Includes management And other expenses)

17. INVESTMENTS IN COLLECTIVE INVESTMENT SCHEMES (continued)

Underlying Fund	Domicile	Regulatory Status	Investment Manager	TER*
<b>State Street Spectrum Diversified Fund cont'd</b>				
State Street GRU World Ex Euro Index Equity Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.05% (TER which includes management And other expenses)
<b>State Street Spectrum Moderate Balanced Fund</b>				
State Street GRU EMU Bond Index Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.05% (TER which includes management And other expenses)
State Street GRU Euribor Plus Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.05% (TER which includes management And other expenses)
State Street GRU Euro Index Equity Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.06% (TER which includes management And other expenses)
State Street GRU World Ex Euro Index Equity Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.05% (TER which includes management And other expenses)
L&G Longer Dated All Commodities UCITS ETF	Ireland	UCITS	Go ETF Solutions LLP	0.30% (TER which includes management and other expenses)
SPDR Dow Jones Global Real Estate UCITS ETF	Ireland	UCITS	State Street Global Advisors Europe Limited	0.40% (TER which includes management and other expenses)
SPDR Morningstar Multi-Asset Global Infrastructure UCITS ETF	Ireland	UCITS	State Street Global Advisors Europe Limited	0.40% (TER which includes management and other expenses)
State Street Flexible Asset Allocation Plus Fund	Luxembourg	UCITS	State Street Global Advisors Europe Limited	0.10% (TER which includes management and other expenses)
SPDR Morningstar Multi-Asset Global Infrastructure UCITS ETF	Ireland	UCITS	State Street Global Advisors Europe Limited	0.40% (TER which includes management and other expenses)
State Street Flexible Asset Allocation Plus Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.10% (TER which includes management and other expenses)
State Street GRU Euribor Plus Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.05% (TER which includes management and other expenses)
State Street GRU Euro Index Equity Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.06% (TER which includes management and other expenses)

Underlying Fund	Domicile	Regulatory Status	Investment Manager	TER*
<b>State Street Spectrum Moderate Balanced Fund cont'd</b>				
State Street GRU World Ex Euro Index Equity Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.05% (TER which includes management and other expenses)
State Street Emerging Markets Local Currency Government Bond Index Fund	Luxembourg	UCITS	State Street Global Advisors Europe Limited	0.07% (TER which includes management and other expenses)
L&G Longer Dated All Commodities UCITS ETF	Ireland	UCITS	Go ETF Solutions LLP	0.30% (TER which includes management and other expenses)
SPDR Dow Jones Global Real Estate UCITS ETF	Ireland	UCITS	State Street Global Advisors Europe Limited	0.40% (TER which includes management and other expenses)
State Street Euro Corporate Bond ESG Screened Index Fund	Luxembourg	UCITS	State Street Global Advisors Europe Limited	0.04% (TER which includes management and other expenses)
State Street Global High Yield Bond ESG Screened Index Fund	Luxembourg	UCITS	State Street Global Advisors Europe Limited	0.11% (TER which includes management and other expenses)
State Street ICAV Emerging Markets Hard Currency Government Bond Index Fund	Ireland	UCITS	State Street Global Advisors Europe Limited	0.10% (TER which includes management and other expenses)

\*The Funds may invest in collective investment schemes which incur costs, represented by their total expense ratios. These ratios may be subject to periodic change.

## 18. POST BALANCE SHEET EVENTS

The Assisted Decision Making (Capacity) Act 2015 will bring into effect a new legislative framework for persons who require assistance with decision making. It is expected that the Act will be commenced in early-2023 and the Decision Support Service will start receiving applications at that time. From the date of commencement of the relevant parts of the Act no new adult Wards of Court will be declared (i.e., persons over the age of 18) and all adult wards will be discharged from wardship within 3 years by order of Court. The Court will also be empowered to make orders in relation to the affairs and welfare of adult wards, depending on their circumstances including their capacity. The Wards of Court Office continues its planning for the Act and the discharge of all adult wards of court, this includes preparation and distribution of information to Committees and Wards, participation in various webinars and online Q&A sessions for Committees and Wards of Court.

There were no material post balance sheet events, which would require revision of the figures or disclosure in the financial statements.

## 19. COMPARATIVE PERIOD

The comparative information covers the year ended 30th September 2021.

## 20. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Accountant of the Courts of Justice on 20 February 2023.

## SUPPLEMENTARY INFORMATION

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(NOT COVERED BY INDEPENDENT AUDITOR'S REPORT)

## HIGH COURT FUNDS

### STATEMENT OF FINANCIAL POSITION AT 30<sup>TH</sup> SEPTEMBER 2022

	30/09/2022	30/09/2021
	€	€
Financial assets at fair value through profit or loss	<u>2,016,297,004</u>	<u>1,924,549,513</u>
<b>CURRENT ASSETS</b>		
Debtors	48,575,453	55,833,128
Cash and cash equivalents	<u>57,880,713</u>	<u>11,496,612</u>
<b>TOTAL CURRENT ASSETS</b>	<u>106,456,166</u>	<u>67,329,740</u>
<b>CURRENT LIABILITIES</b>		
Creditors	<u>(2,167,287)</u>	<u>(1,200,444)</u>
<b>TOTAL LIABILITIES</b>	<u>(2,167,287)</u>	<u>(1,200,444)</u>
<b>NET CURRENT ASSETS</b>	<u>104,288,879</u>	<u>66,129,296</u>
<b>TOTAL NET ASSETS</b>	<u><u>2,120,585,883</u></u>	<u><u>1,990,678,809</u></u>
<b>REPRESENTED BY:</b>		
Funds held for beneficiaries at year end	<u><u>2,120,585,883</u></u>	<u><u>1,990,678,809</u></u>

## HIGH COURT FUNDS

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2022

	30/09/2022	30/09/2021
	€	€
<b>NET REALISED AND UNREALISED (LOSSES) / GAINS</b>		
Net realised gains on financial assets at fair value through profit or loss	13,057,758	9,919,335
Net movement in unrealised (losses) / gains on financial assets at fair value through profit or loss	(42,547,578)	99,915,251
(Losses) realised on transfers out during the year	(620,869)	(91,688)
<b>NET REALISED AND UNREALISED (LOSSES) / GAINS</b>	<b>(30,110,689)</b>	<b>109,742,898</b>
Investment income	67,977	55,663
	(30,042,712)	109,798,561
Expenses	(1,878,164)	(1,967,782)
<b>(DECREASE) / INCREASE IN NET ASSETS FROM OPERATIONS</b>	<b>(31,920,876)</b>	<b>107,830,779</b>

## HIGH COURT FUNDS

### STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2022

	30/09/2022	30/09/2021
	€	€
<b>(DECREASE) / INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>		
Investment income less expenses	(1,810,187)	(1,912,119)
Net realised gains on financial assets at fair value through profit or loss	13,057,758	9,919,335
Net unrealised (losses) / gains on financial assets at fair value through profit or loss	(42,547,578)	99,915,251
(Losses) realised on transfers out during the year	(620,869)	(91,688)
<b>(DECREASE) / INCREASE IN NET ASSETS FROM OPERATIONS</b>	<u>(31,920,876)</u>	<u>107,830,779</u>
<b>CAPITAL TRANSACTIONS</b>		
Receipts	392,707,445	270,724,815
Disbursements	<u>(230,879,495)</u>	<u>(154,390,831)</u>
<b>INCREASE IN NET ASSETS FROM CAPITAL TRANSACTIONS</b>	<u>161,827,950</u>	<u>116,333,984</u>
Increase in net assets	129,907,074	224,164,763
Net assets at beginning of year	<u>1,990,678,809</u>	<u>1,766,514,046</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>2,120,585,883</u></u>	<u><u>1,990,678,809</u></u>

## CIRCUIT COURT FUNDS

### STATEMENT OF FINANCIAL POSITION AT 30<sup>TH</sup> SEPTEMBER 2022

	30/09/2022	30/09/2021
	€	€
Financial assets at fair value through profit or loss	<u>179,047,884</u>	<u>190,817,010</u>
<b>CURRENT ASSETS</b>		
Debtors	1,784,985	2,150,252
Cash and cash equivalents	<u>2,772,725</u>	<u>2,696,738</u>
<b>TOTAL CURRENT ASSETS</b>	<u>4,557,710</u>	<u>4,846,990</u>
<b>CURRENT LIABILITIES</b>		
Creditors	<u>(107,903)</u>	<u>(66,466)</u>
<b>TOTAL LIABILITIES</b>	<u>(107,903)</u>	<u>(66,466)</u>
<b>NET CURRENT ASSETS</b>	<u>4,449,807</u>	<u>4,780,524</u>
<b>TOTAL NET ASSETS</b>	<u><u>183,497,691</u></u>	<u><u>195,597,534</u></u>
<b>REPRESENTED BY:</b>		
Funds held for beneficiaries at year end	<u><u>183,497,691</u></u>	<u><u>195,597,534</u></u>

## CIRCUIT COURT FUNDS

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2022

	30/09/2022	30/09/2021
	€	€
<b>NET REALISED AND UNREALISED (LOSSES) / GAINS</b>		
Net realised gains on financial assets at fair value through profit or loss	363,974	249,139
Net movement in unrealised (losses) / gains on financial assets at fair value through profit or loss	<u>(5,751,364)</u>	<u>3,162,169</u>
<b>NET REALISED AND UNREALISED (LOSSES) / GAINS</b>	(5,387,390)	3,411,308
Investment income	<u>129</u>	<u>26</u>
<b>(DECREASE) / INCREASE IN NET ASSETS FROM OPERATIONS</b>	<u><u>(5,387,261)</u></u>	<u><u>3,411,334</u></u>

## CIRCUIT COURT FUNDS

### STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2022

	30/09/2022	30/09/2021
	€	€
<b>(DECREASE) / INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>		
Investment income less expenses	129	26
Net realised gains on financial assets at fair value through profit or loss	363,974	249,139
Net unrealised (losses) / gains on financial assets at fair value through profit or loss	<u>(5,751,364)</u>	<u>3,162,169</u>
<b>(DECREASE) / INCREASE IN NET ASSETS FROM OPERATIONS</b>	<u>(5,387,261)</u>	<u>3,411,334</u>
<b>CAPITAL TRANSACTIONS</b>		
Receipts	14,305,491	24,691,287
Disbursements	<u>(21,018,073)</u>	<u>(18,288,995)</u>
<b>(DECREASE) / INCREASE IN NET ASSETS FROM CAPITAL TRANSACTIONS</b>	<u>(6,712,582)</u>	<u>6,402,292</u>
(Decrease) / Increase in net assets	(12,099,843)	9,813,626
Net assets at beginning of year	<u>195,597,534</u>	<u>185,783,908</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>183,497,691</u></u>	<u><u>195,597,534</u></u>

## DISTRICT COURT FUNDS

STATEMENT OF FINANCIAL POSITION  
AT 30<sup>TH</sup> SEPTEMBER 2022

	30/09/2022	30/09/2021
	€	€
Financial assets at fair value through profit or loss	<u>32,148,357</u>	<u>32,006,647</u>
<b>CURRENT ASSETS</b>		
Debtors	436,899	745,825
Cash and cash equivalents	<u>334,668</u>	<u>211,624</u>
<b>TOTAL CURRENT ASSETS</b>	<u>771,567</u>	<u>957,449</u>
<b>CURRENT LIABILITIES</b>		
Creditors	<u>(6,700)</u>	<u>(4,045)</u>
<b>TOTAL LIABILITIES</b>	<u>(6,700)</u>	<u>(4,045)</u>
<b>NET CURRENT ASSETS</b>	<u>764,867</u>	<u>953,404</u>
<b>TOTAL NET ASSETS</b>	<u><u>32,913,224</u></u>	<u><u>32,960,051</u></u>
<b>REPRESENTED BY:</b>		
Funds held for beneficiaries at year end	<u><u>32,913,224</u></u>	<u><u>32,960,051</u></u>

## DISTRICT COURT FUNDS

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2022

	30/09/2022	30/09/2021
	€	€
<b>NET REALISED AND UNREALISED (LOSSES) / GAINS</b>		
Net realised gains on financial assets at fair value through profit or loss	10,320	6,232
Net movement in unrealised (losses) / gains on financial assets at fair value through profit or loss	(1,032,909)	710,705
<b>NET REALISED AND UNREALISED (LOSSES) / GAINS</b>	(1,022,589)	716,937
Investment income	827	197
<b>(DECREASE) / INCREASE IN NET ASSETS FROM OPERATIONS</b>	(1,021,762)	717,134

## DISTRICT COURT FUNDS

### STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2022

	30/09/2022	30/09/2021
	€	€
<b>(DECREASE) / INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>		
Investment income less expenses	827	197
Net realised gains on financial assets at fair value through profit or loss	10,320	6,232
Net unrealised (losses) / gains on financial assets at fair value through profit or loss	<u>(1,032,909)</u>	<u>710,705</u>
<b>(DECREASE) / INCREASE IN NET ASSETS FROM OPERATIONS</b>	<u>(1,021,762)</u>	<u>717,134</u>
<b>CAPITAL TRANSACTIONS</b>		
Receipts	3,520,532	5,526,355
Disbursements	<u>(2,545,597)</u>	<u>(1,769,253)</u>
<b>INCREASE IN NET ASSETS FROM CAPITAL TRANSACTIONS</b>	<u>974,935</u>	<u>3,757,102</u>
(Decrease) / Increase in net assets	(46,827)	4,474,236
Net assets at beginning of year	<u>32,960,051</u>	<u>28,485,815</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>32,913,224</u></u>	<u><u>32,960,051</u></u>



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