

Investment Fund Services

# IFSL Avellemy OEIC

Annual Report and Audited  
Financial Statements

for the year ended 31 January 2024

**AVELLEMY**

## **IFSL AVELLEMY OEIC**

### **CONTACT INFORMATION**

#### **Registered Office**

Marlborough House  
59 Chorley New Road  
Bolton  
BL1 4QP

#### **Authorised Corporate Director (ACD) and Registrar**

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

Investor Support: (0808) 178 9321 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

#### **Directors of the ACD**

Andrew Staley (Non-Executive)  
Allan Hamer  
Dom Clarke  
Helen Derbyshire – resigned, 11 December 2023  
Helen Redmond  
Sally Helston  
Guy Sears (Independent Non-Executive) – resigned, 25 March 2024  
Katherine Damsell (Independent Non-Executive) – appointed, 25 March 2024  
Sarah Peaston (Independent Non-Executive)

#### **Investment Manager**

Avellemy Limited  
Ground Floor  
Reading Bridge House  
George Street  
Reading  
Berkshire  
RG1 8LS

Authorised and regulated by the Financial Conduct Authority.

#### **Depositary**

HSBC Bank plc  
8 Canada Square  
London  
E14 5HQ

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

#### **Auditor**

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

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**The statements for each of the above sub-funds are set out in the following order:**

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## **IFSL AVELLEMY OEIC**

### **AUTHORISED STATUS**

IFSL Avellemy OEIC (the Company) is an open-ended investment company (OEIC) with variable capital incorporated under the OEIC Regulations. The Company is a non-UCITS Retail Scheme as defined in the Collective Investment Schemes Sourcebook (COLL) and the Investment Funds Sourcebook (FUND) and is also an umbrella company for the purposes of the OEIC Regulations. The Company is incorporated in England and Wales with registered number IC001126. The Company was authorised by an order made by the FCA with effect from 12 October 2018 with the Product Reference Number (PRN) 816795.

The Company currently has six sub-funds: IFSL Avellemy 3; IFSL Avellemy 4; IFSL Avellemy 5; IFSL Avellemy 6; IFSL Avellemy 7; and IFSL Avellemy 8.

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

### **GENERAL INFORMATION**

#### **IFSL Avellemy 3**

##### Investment objective

The investment objective of the sub-fund is to seek a combination of capital growth and income. This will be achieved whilst aiming to maintain the sub-fund's risk rating classification as set by an independent asset allocator.

The sub-fund has a risk rating classification of '3'.

The independent asset allocator has a risk rating range from '1' which is classified as the lowest risk to '10' which is classified as the highest risk. The independent risk rating is separate to the Synthetic Risk and Reward Indicator (SRRI).

As the sub-fund is managed within the asset allocation limits of the risk rating this may limit the potential for capital growth and income.

##### Investment policy

The sub-fund will be actively managed on a low risk strategy and assets may be allocated to any geographical sector through gaining exposure to a range of asset classes by investing at least 70% in collective investment schemes. The asset class exposure is likely to have a higher percentage invested in lower and medium-risk investments such as cash, bonds and property, with lower exposure to higher-risk investments such as shares in companies, usually below 35%.

The sub-fund may also invest directly in cash, shares in companies, fixed interest securities (including government bonds), corporate bonds and structured products.

The sub-fund will be fully invested save for an amount to enable ready settlement of liabilities (including redemption of shares) and efficient management of the sub-fund both generally and in relation to its strategic objective.

Whilst the sub-fund itself will not use derivatives, the collective investment schemes purchased may have the ability to use derivatives to varying degrees.

The sub-fund may invest scheme property in units/shares of schemes managed, operated or administered by the ACD (or one of its associates).

The sub-fund will not maintain a direct interest in any immoveable property or tangible moveable property.

##### Assessing performance

The Investment Manager uses the MSCI Multi-Asset Dynamic Planner 3 index as a comparator for risk analysis purposes. This index combines the performance of various market indices. The sub-fund's risk and return characteristics most closely align with the allocation of this index. To assess the performance of the sub-fund, you may wish to compare it with this index.

## **IFSL AVELLEMY OEIC**

### **GENERAL INFORMATION**

#### **IFSL Avellemy 4**

##### Investment objective

The investment objective of the sub-fund is to seek a combination of capital growth and income. This will be achieved whilst aiming to maintain the sub-fund's risk rating classification as set by an independent asset allocator.

The sub-fund has a risk rating classification of '4'.

The independent asset allocator has a risk rating range from '1' which is classified as the lowest risk to '10' which is classified as the highest risk. The independent risk rating is separate to the Synthetic Risk and Reward Indicator (SRRI).

As the sub-fund is managed within the asset allocation limits of the risk rating this may limit the potential for capital growth and income.

##### Investment policy

The sub-fund will be actively managed on a low to medium risk strategy and assets may be allocated to any geographical sector through investment in a range of asset classes by investing at least 70% in collective investment schemes. The asset class exposure is likely to have a higher percentage invested in lower or medium-risk investments such as cash, bonds or property, with typically a lower exposure to higher-risk investments such as shares in companies.

The sub-fund may also invest directly in cash, shares in companies, fixed interest securities (including government bonds), corporate bonds and structured products.

The sub-fund will be fully invested save for an amount to enable ready settlement of liabilities (including redemption of shares) and efficient management of the sub-fund both generally and in relation to its strategic objective.

Whilst the sub-fund itself will not use derivatives, the collective investment schemes purchased may have the ability to use derivatives to varying degrees.

The sub-fund may invest scheme property in units/shares of schemes managed, operated or administered by the ACD (or one of its associates).

The sub-fund will not maintain a direct interest in any immoveable property or tangible moveable property.

##### Assessing performance

The Investment Manager uses the MSCI Multi-Asset Dynamic Planner 4 index as a comparator for risk analysis purposes. This index combines the performance of various market indices. The sub-fund's risk and return characteristics most closely align with the allocation of this index. To assess the performance of the sub-fund, you may wish to compare it with this index.

#### **IFSL Avellemy 5**

##### Investment objective

The investment objective of the sub-fund is to seek a combination of capital growth and income. This will be achieved whilst aiming to maintain the sub-fund's risk rating classification as set by an independent asset allocator.

The sub-fund has a risk rating classification of '5'.

The independent asset allocator has a risk rating range from '1' which is classified as the lowest risk to '10' which is classified as the highest risk. The independent risk rating is separate to the Synthetic Risk and Reward Indicator (SRRI).

As the sub-fund is managed within the asset allocation limits of the risk rating this may limit the potential for capital growth and income.

##### Investment policy

The sub-fund will be actively managed on a low to medium risk strategy and assets may be allocated to any geographical sector through gaining exposure to a range of asset classes by investing at least 70% in collective investment schemes. The asset class exposure is likely to have a mix of lower and medium-risk investments such as cash, bonds and property, and higher-risk investments such as shares in companies.

The sub-fund may also invest directly in cash, shares in companies, fixed interest securities (including government bonds), corporate bonds and structured products.

## **IFSL AVELLEMY OEIC**

### **GENERAL INFORMATION**

#### **IFSL Avellemy 5 (continued)**

##### Investment policy (continued)

The sub-fund will be fully invested save for an amount to enable ready settlement of liabilities (including redemption of shares) and efficient management of the sub-fund both generally and in relation to its strategic objective.

Whilst the sub-fund itself will not use derivatives, the collective investment schemes purchased may have the ability to use derivatives to varying degrees.

The sub-fund may invest scheme property in units/shares of schemes managed, operated or administered by the ACD (or one of its associates).

The sub-fund will not maintain a direct interest in any immovable property or tangible moveable property.

##### Assessing performance

The Investment Manager uses the MSCI Multi-Asset Dynamic Planner 5 index as a comparator for risk analysis purposes. This index combines the performance of various market indices. The sub-fund's risk and return characteristics most closely align with the allocation of this index. To assess the performance of the sub-fund, you may wish to compare it with this index.

#### **IFSL Avellemy 6**

##### Investment objective

The investment objective of the sub-fund is to seek a combination of capital growth and income. This will be achieved whilst aiming to maintain the sub-fund's risk rating classification as set by an independent asset allocator.

The sub-fund has a risk rating classification of '6'.

The independent asset allocator has a risk rating range from '1' which is classified as the lowest risk to '10' which is classified as the highest risk. The independent risk rating is separate to the Synthetic Risk and Reward Indicator (SRRI).

As the sub-fund is managed within the asset allocation limits of the risk rating this may limit the potential for capital growth and income.

##### Investment policy

The sub-fund will be actively managed on a medium risk strategy and assets may be allocated to any geographical sector through gaining exposure to a range of asset classes by investing at least 70% in collective investment schemes. The asset class exposure is likely to include higher-risk investments such as shares in companies with typically a lower exposure to lower and medium-risk investments such as cash, bonds and property.

The sub-fund may also invest directly in cash, shares in companies, fixed interest securities (including government bonds), corporate bonds and structured products.

The sub-fund will be fully invested save for an amount to enable ready settlement of liabilities (including redemption of shares) and efficient management of the sub-fund both generally and in relation to its strategic objective.

Whilst the sub-fund itself will not use derivatives, the collective investment schemes purchased may have the ability to use derivatives to varying degrees.

The sub-fund may invest scheme property in units/shares of schemes managed, operated or administered by the ACD (or one of its associates).

The sub-fund will not maintain a direct interest in any immovable property or tangible moveable property.

##### Assessing performance

The Investment Manager uses the MSCI Multi-Asset Dynamic Planner 6 index as a comparator for risk analysis purposes. This index combines the performance of various market indices. The sub-fund's risk and return characteristics most closely align with the allocation of this index. To assess the performance of the sub-fund, you may wish to compare it with this index.

## **IFSL AVELLEMY OEIC**

### **GENERAL INFORMATION**

#### **IFSL Avellemy 7**

##### Investment objective

The investment objective of the sub-fund is to seek a combination of capital growth and income. This will be achieved whilst aiming to maintain the sub-fund's risk rating classification as set by an independent asset allocator.

The sub-fund has a risk rating classification of '7'.

The independent asset allocator has a risk rating range from '1' which is classified as the lowest risk to '10' which is classified as the highest risk. The independent risk rating is separate to the Synthetic Risk and Reward Indicator (SRRI).

As the sub-fund is managed within the asset allocation limits of the risk rating this may limit the potential for capital growth and income.

##### Investment policy

The sub-fund will be actively managed on a medium to high risk strategy and assets may be allocated to any geographical sector through investment in a range of asset classes by investing at least 70% in collective investment schemes. The asset class exposure is likely to include higher-risk investments such as shares in companies with lower exposure to lower and medium-risk investments such as bonds and property.

The sub-fund may also invest directly in cash, shares in companies, fixed interest securities (including government bonds), corporate bonds and structured products.

The sub-fund will be fully invested save for an amount to enable ready settlement of liabilities (including redemption of shares) and efficient management of the sub-fund both generally and in relation to its strategic objective.

Whilst the sub-fund itself will not use derivatives, the collective investment schemes purchased may have the ability to use derivatives to varying degrees.

The sub-fund may invest scheme property in units/shares of schemes managed, operated or administered by the ACD (or one of its associates).

The sub-fund will not maintain a direct interest in any immoveable property or tangible moveable property.

##### Assessing performance

The Investment Manager uses the MSCI Multi-Asset Dynamic Planner 7 index as a comparator for risk analysis purposes. This index combines the performance of various market indices. The sub-fund's risk and return characteristics most closely align with the allocation of this index. To assess the performance of the sub-fund, you may wish to compare it with this index.

#### **IFSL Avellemy 8**

##### Investment objective

The investment objective of the sub-fund is to seek a combination of capital growth and income. This will be achieved whilst aiming to maintain the sub-fund's risk rating classification as set by an independent asset allocator.

The sub-fund has a risk rating classification of '8'.

The independent asset allocator has a risk rating range from '1' which is classified as the lowest risk to '10' which is classified as the highest risk. The independent risk rating is separate to the Synthetic Risk and Reward Indicator (SRRI).

As the sub-fund is managed within the asset allocation limits of the risk rating this may limit the potential for capital growth and income.

##### Investment policy

The sub-fund will be actively managed on a high risk strategy and assets may be allocated to any geographical sector through investment in a range of asset classes by investing at least 70% in collective investment schemes. The asset class exposure is likely to include higher-risk investments such as shares in companies with lower exposure to lower- and medium-risk investments such as bonds and property.

## IFSL AVELLEMY OEIC

### GENERAL INFORMATION

#### IFSL Avellemy 8 (continued)

##### Investment policy (continued)

The sub-fund may also invest directly in cash, shares in companies, fixed interest securities (including government bonds), corporate bonds and structured products.

The sub-fund will be fully invested save for an amount to enable ready settlement of liabilities (including redemption of shares) and efficient management of the sub-fund both generally and in relation to its strategic objective.

Whilst the sub-fund itself will not use derivatives, the collective investment schemes purchased may have the ability to use derivatives to varying degrees.

The sub-fund may invest scheme property in units/shares of schemes managed, operated or administered by the ACD (or one of its associates).

The sub-fund will not maintain a direct interest in any immoveable property or tangible moveable property.

##### Assessing performance

The Investment Manager uses the MSCI Multi-Asset Dynamic Planner 8 index as a comparator for risk analysis purposes. This index combines the performance of various market indices. The sub-fund's risk and return characteristics most closely align with the allocation of this index. To assess the performance of the sub-fund, you may wish to compare it with this index.

#### Rights and terms attached to each share class

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

#### Assessment of value

The ACD is required to carry out an assessment of value at least annually and publish its findings in a report to investors. The sub-funds of the Company will be assessed and reported on in a composite report which the ACD will be publishing by 30 June 2024 on the website. [www.ifslfunds.com](http://www.ifslfunds.com)

#### Changes in prospectus

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

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

#### Cross holdings

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

#### Leverage

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

The total amount of leverage calculated for each sub-fund as at 31 January 2024 is as follows:

	Gross Method	Commitment Method
IFSL Avellemy 3	79.09%	79.09%
IFSL Avellemy 4	86.32%	86.32%
IFSL Avellemy 5	89.76%	89.76%
IFSL Avellemy 6	92.57%	92.57%
IFSL Avellemy 7	95.73%	95.73%
IFSL Avellemy 8	100.52%	100.52%



## IFSL AVELLEMY OEIC

### GENERAL INFORMATION

#### Leverage (continued)

The total amount of leverage calculated for each sub-fund as at 31 January 2023 is as follows:

	Gross Method	Commitment Method
IFSL Avellemy 3	76.81%	76.81%
IFSL Avellemy 4	81.85%	81.85%
IFSL Avellemy 5	85.42%	85.42%
IFSL Avellemy 6	87.89%	87.89%
IFSL Avellemy 7	94.29%	94.29%
IFSL Avellemy 8	95.37%	95.37%

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

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

#### Remuneration policy

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

The quantitative remuneration disclosures as at 30 September 2023 (the AFM's year end) are set out below:

	Number of identified staff	Total remuneration paid £	Fixed remuneration paid £	Variable remuneration paid £
<b>Remuneration paid to staff of the AIFM who have a material impact on the risk profile of the Company</b>				
Senior management	8	908,018	768,628	139,390
Risk takers and other identified staff	4	411,040	375,277	35,763
<b>Allocation of total remuneration of the employees of the AIFM to the Company</b>				
Senior management	1.04	118,221	100,073	18,148
Risk takers and other identified staff	0.52	53,516	48,860	4,656

The total number of staff employed by the AIFM's group was 238 as at 30 September 2023. The total remuneration paid to those staff was £12,464,744, of which £4,346,942 is attributable to the AIFM. This information is provided for the purpose of Regulations 107(1)(a) of the AIFM Regulation but not for the purposes of Regulations 107(1)(b) and (c) of the AIFM Regulations.

The allocation of remuneration to the Company is based on Assets Under Management (AUM) and the figures disclosed only include remuneration paid to individuals directly employed by the AIFM's group. The way these disclosures are calculated may change in the future.

**AUTHORISED CORPORATE DIRECTOR'S STATEMENT**

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



Allan Hamer  
Director



Helen Redmond  
Director

Investment Fund Services Limited  
30 April 2024

**STATEMENT OF AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES**

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

In preparing those financial statements the ACD is required to:

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

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

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

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

**Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the IFSL Avellemy OEIC ("the Company") for the period ended 31 January 2024**

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

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

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

The Depositary must ensure that:

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

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

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

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

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

HSBC Bank plc

30 April 2024

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL AVELLEMY OEIC**

**Opinion**

We have audited the financial statements of IFSL Avellemey OEIC, ("the Company") comprising each of its sub-funds, for the year ended 31 January 2024, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Company set out on pages 13 to 15, which include a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company, comprising each of its sub-funds, as at 31 January 2024 and of the net revenue and the net capital gains/(losses) on the scheme property of the Company comprising each of its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

**Basis for opinion**

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

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Authorised Corporate Director's ("the ACD") 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 Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information contained within the Annual Report.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL AVELLEMY OEIC**

**Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (the "FCA")**

In our opinion:

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

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

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

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

**Responsibilities of the ACD**

As explained more fully in the ACDs responsibilities statement set out on page 7, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL AVELLEMY OEIC

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP) including FRS 102, Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the OEIC Regulations, the Company's Instrument of Incorporation and the Prospectus.
- We understood how the Company is complying with those frameworks through discussions with the ACD and the Company's administrators and a review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the ACD with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Company.
- Due to the regulated nature of the Company, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

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

### Use of our report

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

Ernst & Young LLP  
Statutory Auditor  
Edinburgh

30 April 2024

### Notes:

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

**AUTHORISED INVESTMENT MANAGER'S REPORT - SUMMARY OF THE MARKETS**

for the year ended 31 January 2024

Investment markets continued to be impacted by rising bond yields\* over the first half of 2023. This was as central banks in the West, notably in the United States (US), United Kingdom (UK) and Europe, continued to raise base rates of interest.

This made it another difficult period for fixed income assets (whose prices move in the opposite direction to bond yields), particularly in the first half of the year. Sentiment did improve towards the end of 2023 as there was a growing expectation that central banks would have to cut interest rates in 2024 to counter slowing economic growth. This led these markets to recover relatively sharply into the year end.

2023 began with some disruption in the US and European banking sectors as some entities struggled to deal with the higher cost of borrowing and a consequent fall in customer and investor confidence. Despite these events, which led authorities to take measures to support the sector, equity markets delivered much more consistent performance than bonds over the year, particularly in the US.

The technology sector, which is a key component of the US equity market, surged on the prospects for Artificial Intelligence (AI) technologies. The markets of Europe, Japan and the UK also delivered positive returns over the year.

Over the period, Asian equity markets, which were primarily driven by China, endured a much slower economic recovery from Covid than many nations and consequently delivered very poor investment returns. The escalation of geopolitical concerns, driven by the continuing war in Ukraine and a new conflict in the Middle East, has served to heighten tensions between the East and West, and this may also have impacted investor confidence.

Avellemy Limited  
21 February 2024

\* Yield - the income from an investment, usually stated as a percentage of the value of the investment.

**NOTES TO THE FINANCIAL STATEMENTS - ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES**

for the year ended 31 January 2024

**1.1 ACCOUNTING POLICIES**

During the year under review, IFSL Avellemy OEIC consisted of six sub-funds: IFSL Avellemy 3; IFSL Avellemy 4; IFSL Avellemy 5; IFSL Avellemy 6; IFSL Avellemy 7; and IFSL Avellemy 8.

These accounting policies apply to all the sub-funds of the Company.

**Basis of accounting**

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

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

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

There are no material events that have been identified that may cast significant doubt about the Company's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The ACD believes that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.

**Revenue**

Dividends from quoted ordinary securities, and distributions receivable from onshore Collective Investment Schemes are recognised when the security is quoted ex-dividend.

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

Bank interest is accounted for on an accruals basis.

**Allocation of revenue**

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

**Expenses**

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

**Distributions from Collective Investment Schemes**

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

**Valuation**

The valuation point was 12:00 on 31 January 2024 being the last valuation point of the accounting year.

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

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

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

Investments in collective investment schemes have been valued at cancellation price for dual-priced funds or the single price for single priced funds, using the latest available published prices at the year end.

**Taxation**

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



**NOTES TO THE FINANCIAL STATEMENTS - ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES**

for the year ended 31 January 2024

**ACCOUNTING POLICIES (continued)**

**Exchange rates**

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at 12:00 on 31 January 2024 being the last valuation point of the accounting period. Revenue and expenditure transactions are translated at the rates of exchange ruling on the dates of the transactions. Exchange differences on such transactions follow the same treatment at the principal amounts.

**1.2 DISTRIBUTION POLICIES**

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

During the year, all sub-funds were less than 60% invested in qualifying investments (as defined by SI 2006/964, Reg. 20) and therefore qualified as equity funds. The sub-funds paid dividend distributions.

**Equalisation**

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

**1.3 RISK MANAGEMENT POLICIES**

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

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

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

**Market price risk**

Market price risk is the risk that the value of a sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-fund holds. It represents the potential loss a sub-fund might suffer through holding market positions in the face of price movements. Each sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the ACD in pursuance of the investment objectives and policies as set out in the Prospectus.

**Foreign currency risk**

The income and capital value of the sub-funds' investments can be affected by foreign currency translation movements as some of a sub-fund's assets and income may be denominated in currencies other than sterling which is the sub-fund's functional currency.

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

To manage foreign currency risk the sub-funds are permitted to invest in forward foreign currency contracts for the purpose of reducing the exposure of the sub-funds to a foreign currency.

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

**NOTES TO THE FINANCIAL STATEMENTS - ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES**

for the year ended 31 January 2024

**RISK MANAGEMENT POLICIES (continued)**

**Interest rate risk**

Interest rate risk is the risk that the value of the sub-funds' investment holdings will fluctuate as a result of changes in interest rates. The sub-funds' cash holdings are held in deposit accounts, whose rates are determined by the banks concerned on a daily basis.

Interest rate risk is managed through a limit framework and investment guidelines with which the sub-funds must comply. These include restrictions on position size, and the level of interest rate risk. The Investment Manager continuously reviews interest rates and inflation expectations, the assessment of this may result in a change in investment strategy.

**Liquidity risk**

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

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

**Credit and counterparty risk**

Certain transactions in securities that the sub-funds enter into expose them to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the sub-funds have fulfilled their responsibilities. The sub-funds only buy and sell investments through brokers which have been approved by the ACD as an acceptable counterparty.

**Concentration risk**

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

**Derivatives and other financial instruments**

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

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

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 3**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 31 January 2024

**Performance to 31 January 2024**

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>14.05.2019<sup>A</sup></u>
IFSL Avellemy 3	4.42%	4.11%	(1.30)%	6.30%
MSCI Multi-Asset Dynamic Planner 3	3.86%	2.58%	(1.16)%	6.98%

<sup>A</sup> Launch period ended 13 May 2019.

External Source of Economic Data: Morningstar (A Accumulation - quoted price to quoted price).

The performance figures above are based on quoted prices and will, therefore, differ from the performance in the Comparative Table.

Capital at risk. Past performance is not a reliable indicator of future performance; the value of your investment and any income from it can go down as well as up. Performance returns are based on the net asset value with distributable income reinvested and take account of all ongoing charges, but not entry charges (if applicable). The past performance of this share class is calculated in sterling.

**Investment commentary**

Performance summary

The sub-fund's A Accumulation shares returned 4.11% over the year to 31 January 2024, compared to a return of 2.58% for the MSCI Multi-Asset Dynamic Planner 3 Index, the sub-fund's performance benchmark\*.

Market review

In the first half of the year, central banks in the West, notably in the United States (US), United Kingdom (UK) and Europe, continued to raise base rates of interest. The associated higher cost of borrowing put pressure on entities with high levels of debt. This included developed market\*\* governments and investors in the commercial property sector. A number of banks in the US and one of the largest European financial institutions failed, causing authorities to take measures to support the sector.

While higher interest rates caused bond prices to fall, US equity markets continued to rise as the technology sector, which is a key component of the US equity market, surged on the prospects for Artificial Intelligence (AI) technologies.

In the second half of the year, there was a growing expectation that central banks would have to cut interest rates in 2024 to counter slowing economic growth. This led to positive returns for both bonds and most equity markets.

Sub-fund performance review

The sub-fund outperformed its benchmark over the period, due to the performance of a number of our active fund selections. Two factors were particularly impactful.

Firstly, the sub-fund held less interest rate risk\*\*\* over much of the period than the benchmark, which was beneficial for performance as interest rates rose (bond prices move in the opposite direction to interest rates).

Secondly, the sub-fund held greater exposure to a number of the large technology companies in the US, which became known as 'The Magnificent 7' as the year progressed. The US equity market was up nearly 16% in the year to 31 January 2024, and the sub-fund's US equities were up nearly 23%.

Within our fixed income holdings, the allocation to UK inflation-linked government debt\*\*\*\* benefited from lower interest rate risk than the benchmark, a position held as the managers believed that interest rates would continue to rise. Consequently, our inflation-linked government debt exposure fell by 1.3% over the year to 31 January 2024, while the broader market fell by 7.2%.

Negative contribution to performance came from the sub-fund's Japanese equity allocation, which had a disappointing year after good performance in 2022. In the year to 31 January 2024, our Japanese equities were up 5.3%, significantly behind the market return of 14.6%.

Portfolio activity

The fund managers amended their Japanese equity allocation over the period. This was in order to increase exposure to a part of the market that should stand to benefit from the Tokyo Stock Exchange announcement in early 2023, which encouraged the companies listed on the exchange to increase their focus on improving value for shareholders. Towards the end of the year, the fund managers increased the amount of interest rate risk in the sub-fund, which stood to benefit as it became more likely that interest rates would be cut.

Avellemy Limited  
21 February 2024

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 3**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 31 January 2024

**Investment commentary (continued)**

\* Benchmark – comparator for performance purposes.

\*\* Developed market – a country that is most developed in terms of its economy and capital markets.

\*\*\* Interest-rate risk – interest rate risk is the potential that a change in overall interest rates will reduce the value of a bond or other fixed-rate investment.

\*\*\*\* Inflation-linked government debt - bonds issued by the government, in which payment of interest is related to a specific price index, usually the Consumer Price Index (CPI).

**Distributions**

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>A Income (pence per share)</u>				
Net income paid 31 March	0.9063	0.7658	0.3685	-
Net income paid 30 September		0.7547	0.3787	-
<u>A Accumulation (pence per share)</u>				
Net accumulation paid 31 March	0.9427	0.7843	0.3719	0.5110
Net accumulation paid 30 September		0.7790	0.3865	0.5444
<u>C Income (pence per share)</u>				
Net income paid 31 March	1.0006	0.8602	0.4721	0.5691
Net income paid 30 September		0.8480	0.4790	0.6146
<u>D Accumulation (pence per share)</u>				
Net accumulation paid 31 March	0.6501	0.5058	0.0852	0.1899
Net accumulation paid 30 September		0.4892	0.1107	0.2319

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
Federated Hermes Short-Term Sterling Prime '8'	2,239,039
Legal & General All Stocks Index Linked Gilt Index 'C'	409,310
LF Morant Wright Nippon Yield 'B'	294,412
Muzinich Global Tactical Credit 'S' GBP Hedged	187,675
Nomura Global Dynamic Bond 'ID' GBP Hedged	178,290
Jupiter Strategic Bond 'Z'	162,932
IFSL Avellemy US Equity 'A'	123,416
Janus Henderson Horizon Global Property Equities 'M2' GBP	51,665
TwentyFour Corporate Bond 'I' GBP	43,223
Jupiter Japan Income 'I'	30,849
Other purchases	55,494
Total purchases for the year	3,776,305
<u>Largest sales</u>	<u>Proceeds (£)</u>
BlackRock ICS Sterling Liquidity 'Premier' GBP	3,036,598
IFSL Avellemy US Equity 'A'	704,322
Royal London Short Duration Global Index Linked 'Z'	669,651
Federated Hermes Short-Term Sterling Prime '8'	611,093
IFSL Avellemy UK Equity 'A'	530,891
IFSL Avellemy UK Equity Income 'A'	495,282
Allianz Gilt Yield 'I' GBP	377,574
Nomura Global Dynamic Bond 'ID' GBP Hedged	297,075
Muzinich Global Tactical Credit 'S' GBP Hedged	287,822
Jupiter Japan Income 'I'	263,184
Other sales	1,358,805
Total sales for the year	8,632,297

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 3**

**COMPARATIVE TABLE**

**A Income shares**

<b>Change in net assets per share</b>	<b>Year to 31.01.2024 pence</b>	<b>Year to 31.01.2023 pence</b>	<b>Period to 31.01.2022<sup>A</sup> pence</b>
Opening net asset value per share	98.94	108.03	109.30
Return before operating charges*	5.02	(7.00)	0.15
Operating charges	(0.96)	(0.95)	(1.05)
Return after operating charges*	4.06	(7.95)	(0.90)
Distributions on income shares	(1.66)	(1.14)	(0.37)
Closing net asset value per share	101.34	98.94	108.03

\* after direct transaction costs of:

- - -

**Performance**

Return after charges<sup>B</sup> 4.10% (7.36)% (0.82)%

**Other information**

Closing net asset value (£) 261,681 267,766 307,715  
 Closing number of shares 258,215 270,648 284,834  
 Operating charges 0.98%<sup>C</sup> 0.94% 0.95%<sup>D</sup>  
 Direct transaction costs 0.00% 0.00% 0.00%

**Prices (pence per share)**

Highest share price 102.60 108.70 112.70  
 Lowest share price 95.28 92.96 104.20

**A Accumulation shares**

<b>Change in net assets per share</b>	<b>Year to 31.01.2024 pence</b>	<b>Year to 31.01.2023 pence</b>	<b>Year to 31.01.2022 pence</b>
Opening net asset value per share	102.07	110.20	107.73
Return before operating charges*	5.23	(7.16)	3.53
Operating charges	(1.00)	(0.97)	(1.06)
Return after operating charges*	4.23	(8.13)	2.47
Distributions on accumulation shares	(1.72)	(1.17)	(0.92)
Retained distributions on accumulation shares	1.72	1.17	0.92
Closing net asset value per share	106.30	102.07	110.20

\* after direct transaction costs of:

- - -

**Performance**

Return after charges<sup>B</sup> 4.14% (7.38)% 2.29%

**Other information**

Closing net asset value (£) 6,608,921 9,934,606 12,119,353  
 Closing number of shares 6,217,084 9,733,253 10,997,780  
 Operating charges 0.98%<sup>C</sup> 0.94% 0.95%  
 Direct transaction costs 0.00% 0.00% 0.00%

**Prices (pence per share)**

Highest share price 106.70 110.90 114.60  
 Lowest share price 99.12 95.23 106.10

<sup>A</sup> Opening net asset value per share on 19 July 2021.

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

<sup>C</sup> On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

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

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 3**

**COMPARATIVE TABLE**

**C Income shares**

<b>Change in net assets per share</b>	<b>Year to 31.01.2024 pence</b>	<b>Year to 31.01.2023 pence</b>	<b>Year to 31.01.2022 pence</b>
Opening net asset value per share	98.33	107.38	105.85
Return before operating charges*	4.96	(7.02)	3.38
Operating charges	(0.71)	(0.69)	(0.76)
Return after operating charges*	4.25	(7.71)	2.62
Distributions on income shares	(1.85)	(1.34)	(1.09)
Closing net asset value per share	100.73	98.33	107.38

\* after direct transaction costs of: - - -

**Performance**

Return after charges<sup>A</sup> 4.32% (7.18)% 2.48%

**Other information**

Closing net asset value (£)	10,110,732	11,422,478	14,289,329
Closing number of shares	10,037,442	11,616,154	13,307,221
Operating charges	0.73% <sup>B</sup>	0.69%	0.70%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices (pence per share)**

Highest share price	102.10	108.10	112.20
Lowest share price	94.81	92.50	104.20

**D Accumulation shares**

<b>Change in net assets per share</b>	<b>Year to 31.01.2024 pence</b>	<b>Year to 31.01.2023 pence</b>	<b>Year to 31.01.2022 pence</b>
Opening net asset value per share	99.00	107.43	105.59
Return before operating charges*	5.16	(6.84)	3.58
Operating charges	(1.61)	(1.59)	(1.74)
Return after operating charges*	3.55	(8.43)	1.84
Distributions on accumulation shares	(1.14)	(0.62)	(0.32)
Retained distributions on accumulation shares	1.14	0.62	0.32
Closing net asset value per share	102.55	99.00	107.43

\* after direct transaction costs of: - - -

**Performance**

Return after charges<sup>A</sup> 3.59% (7.85)% 1.74%

**Other information**

Closing net asset value (£)	17,780	120,417	112,940
Closing number of shares	17,338	121,639	105,128
Operating charges	1.63% <sup>B</sup>	1.59%	1.60%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices (pence per share)**

Highest share price	102.90	108.10	111.80
Lowest share price	95.68	92.44	103.80

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

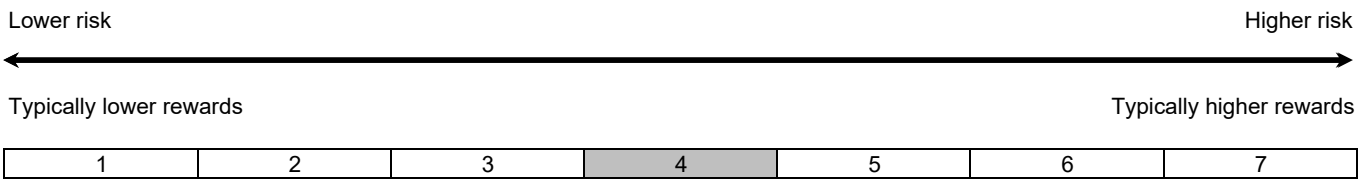
<sup>B</sup> On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each share class in the year. Where it is considered unsuitable to use the total expenses paid by each share class in the year to calculate the OCF because of material changes to the sub-fund's charges an estimate will be calculated instead. The OCFs disclosed in the Key Investor Information Document (KIID) (available on IFSL's website, [www.ifslfunds.com](http://www.ifslfunds.com)) give an estimate of future costs.

Direct transaction costs are the total charges for the year, included in the purchase and sale of investments in the portfolio of the sub-fund. These amounts are expressed as a percentage of the average net asset value over the year and the average shares in issue for the pence per share figures.

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 3**

**SYNTHETIC RISK AND REWARD INDICATOR** (all share classes)



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

The sub-fund has been measured as 4 because its investments have experienced moderate volatility in the past. During the year the synthetic risk and reward indicator has remained unchanged.

The Investment Manager uses the MSCI Multi-Asset Dynamic Planner 3 index as a comparator for risk analysis purposes. This independent asset allocator has a risk rating range from '1' which is classified as the lowest risk to '10' which is classified as the highest risk and is separate to the Synthetic Risk and Reward Indicator (SRR).

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 3**

**PORTFOLIO STATEMENT**

as at 31 January 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>EQUITIES</b> (31 January 2023 - 25.55%)		
<b>Japan</b> (31 January 2023 - 4.96%)		
18,582 Baillie Gifford Japanese 'B'	284,117	1.67
259,976 Jupiter Japan Income 'I'	297,985	1.75
65,828 LF Morant Wright Nippon Yield 'B'	285,132	1.68
Total Japan	867,234	5.10
<b>North America</b> (31 January 2023 - 8.77%)		
1,372,284 IFSL Avellemy US Equity 'A'	1,752,406	10.31
Total North America	1,752,406	10.31
<b>UK All Companies</b> (31 January 2023 - 6.02%)		
834,729 IFSL Avellemy UK Equity 'A'	759,353	4.47
Total UK All Companies	759,353	4.47
<b>UK Equity Income</b> (31 January 2023 - 5.80%)		
744,089 IFSL Avellemy UK Equity Income 'A'	781,293	4.60
Total UK Equity Income	781,293	4.60
<b>Total Equities</b>	<b>4,160,286</b>	<b>24.48</b>
<b>FIXED INTEREST</b> (31 January 2023 - 49.12%)		
<b>Global Inflation Linked Bond</b> (31 January 2023 - 5.22%)		
444,600 Royal London Short Duration Global Index Linked 'Z'	470,831	2.77
Total Global Inflation Linked Bond	470,831	2.77
<b>Sterling Corporate Bond</b> (31 January 2023 - 14.75%)		
871,338 BlackRock Corporate Bond 'S' GBP	864,535	5.09
702,706 Royal London Sterling Credit 'Z'	847,463	4.99
9,899 TwentyFour Corporate Bond 'I' GBP	833,102	4.90
Total Sterling Corporate Bond	2,545,100	14.98
<b>Sterling Strategic Bond</b> (31 January 2023 - 16.72%)		
2,102,542 Jupiter Strategic Bond 'Z'	1,160,183	6.82
12,094 Muzinich Global Tactical Credit 'S' GBP Hedged	1,097,803	6.46
11,869 Nomura Global Dynamic Bond 'ID' GBP Hedged	1,143,258	6.72
Total Sterling Strategic Bond	3,401,244	20.00
<b>UK Gilts</b> (31 January 2023 - 9.78%)		
1,136,598 Allianz Gilt Yield 'I' GBP	1,665,911	9.80
Total UK Gilts	1,665,911	9.80
<b>UK Index Linked Gilts</b> (31 January 2023 - 2.65%)		
900,062 Legal & General All Stocks Index Linked Gilt Index 'C'	831,027	4.89
Total UK Index Linked Gilts	831,027	4.89
<b>Total Fixed Interest</b>	<b>8,914,113</b>	<b>52.44</b>
<b>OTHER</b> (31 January 2023 - 2.50%)		
<b>Property Other</b> (31 January 2023 - 2.50%)		
16,385 Janus Henderson Horizon Global Property Equities 'M2' GBP	425,520	2.50
Total Property Other	425,520	2.50
<b>Total Other</b>	<b>425,520</b>	<b>2.50</b>



IFSL AVELLEMY OEIC  
IFSL AVELLEMY 3

PORTFOLIO STATEMENT  
as at 31 January 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>CASH / LIQUIDITY</b> (31 January 2023 - 21.20%)		
<b>Short Term Money Market</b> (31 January 2023 - 21.20%)		
15,065 BlackRock ICS Sterling Liquidity 'Premier' GBP	1,687,881	9.93
1,482,940 Federated Hermes Short-Term Sterling Prime '8'	1,700,339	10.00
Total Short Term Money Market	3,388,220	19.93
<b>Total Cash / Liquidity</b>	3,388,220	19.93
<b>Portfolio of investments</b>	16,888,139	99.35
<b>Net other assets</b>	110,975	0.65
<b>Total net assets</b>	16,999,114	100.00

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

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 3**

**STATEMENT OF TOTAL RETURN**  
for the year ended 31 January 2024

	Notes	31 January 2024		31 January 2023	
		£	£	£	£
Income:					
Net capital gains/(losses)	2		321,167		(2,274,853)
Revenue	4	476,171		433,795	
Expenses	5	<u>(65,695)</u>		<u>(82,530)</u>	
Net revenue before taxation		410,476		351,265	
Taxation	6	<u>(63,922)</u>		<u>(51,199)</u>	
Net revenue after taxation			<u>346,554</u>		<u>300,066</u>
Total return before distributions			667,721		(1,974,787)
Distributions	7		(346,554)		(300,066)
Change in net assets attributable to shareholders from investment activities			<u>321,167</u>		<u>(2,274,853)</u>

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
for the year ended 31 January 2024

	31 January 2024		31 January 2023	
	£	£	£	£
Opening net assets attributable to shareholders		21,745,267		26,829,337
Amounts receivable on issue of shares	2,654,870		2,741,138	
Amounts payable on cancellation of shares	<u>(7,837,520)</u>		<u>(5,669,478)</u>	
		(5,182,650)		(2,928,340)
Change in net assets attributable to shareholders from investment activities		321,167		(2,274,853)
Retained distribution on accumulation shares		115,330		119,123
Closing net assets attributable to shareholders		<u>16,999,114</u>		<u>21,745,267</u>

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 3**

**BALANCE SHEET**  
as at 31 January 2024

	Notes	31 January 2024 £	31 January 2023 £
<b>Assets:</b>			
<b>Fixed Assets:</b>			
Investments	14	16,888,139	21,390,256
<b>Current Assets:</b>			
Debtors	8	103,631	498,918
Cash and cash equivalents		467,925	583,449
Total assets		<u>17,459,695</u>	<u>22,472,623</u>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Distribution payable on income shares		102,783	102,003
Other creditors	9	357,798	625,353
Total liabilities		<u>460,581</u>	<u>727,356</u>
<b>Net assets attributable to shareholders</b>		<u>16,999,114</u>	<u>21,745,267</u>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

**1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES**

Please refer to the notes applicable to the Company on pages 13 to 15.

**2 NET CAPITAL GAINS/(LOSSES)**

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

	31 January 2024 £	31 January 2023 £
Realised losses on non-derivative securities	(521,350)	(181,115)
Unrealised gains/(losses) on non-derivative securities	844,287	(2,092,543)
Transaction charges	(1,770)	(1,195)
<b>Net capital gains/(losses)</b>	<u>321,167</u>	<u>(2,274,853)</u>

**3 PURCHASES, SALES AND TRANSACTION COSTS**

Purchases excluding transaction costs:

	31 January 2024 £	31 January 2023 £
Collective Investment Schemes	3,776,305	4,076,687
	<u>3,776,305</u>	<u>4,076,687</u>
Total purchase transaction costs	-	-
<b>Purchases including transaction costs</b>	<u>3,776,305</u>	<u>4,076,687</u>

Sales excluding transaction costs:

	31 January 2024 £	31 January 2023 £
Collective Investment Schemes	8,632,297	6,277,168
	<u>8,632,297</u>	<u>6,277,168</u>
Total sale transaction costs	-	-
<b>Sales net of transaction costs</b>	<u>8,632,297</u>	<u>6,277,168</u>

**Transaction handling charges**

These are charges payable to the depositary in respect of each transaction.

£1,770	£1,195
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**Average portfolio dealing spread**

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Average portfolio dealing spread at the balance sheet date	<u>0.00%</u>	<u>0.00%</u>
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**4 REVENUE**

	31 January 2024 £	31 January 2023 £
UK dividends	81,298	95,272
Overseas dividends	9,566	-
Interest distributions	372,026	335,590
Bank interest	13,281	2,933
<b>Total revenue</b>	<u>476,171</u>	<u>433,795</u>

**5 EXPENSES**

Payable to the ACD or associate:

	31 January 2024 £	31 January 2023 £
ACD's periodic charge	46,037	61,123
Registration fees	486	400
KIID production costs	1,800	1,949
	<u>48,323</u>	<u>63,472</u>

Other expenses:

Depositary's fees	6,187	8,744
Safe custody fees	1,603	1,795
FCA fee	77	80
Audit fee	9,505	8,439
	<u>17,372</u>	<u>19,058</u>

**Total expenses**

<u>65,695</u>	<u>82,530</u>
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**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 3**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

**6 TAXATION**

	<b>31 January 2024</b>	<b>31 January 2023</b>
	£	£
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	63,922	51,199
<b>Total tax charge</b> (see note 6(b))	<u>63,922</u>	<u>51,199</u>
b Factors affecting the tax charge for the year		
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below.		
Net revenue before taxation	410,476	351,265
Corporation tax at 20% (2023: 20%)	82,095	70,253
Effects of:		
Revenue not subject to taxation	(18,173)	(19,054)
<b>Total tax charge</b> (see note 6(a))	<u>63,922</u>	<u>51,199</u>
c Provision for deferred taxation		
No provision for deferred tax has been made in the current or prior accounting year.		

**7 DISTRIBUTIONS**

	<b>31 January 2024</b>	<b>31 January 2023</b>
	£	£
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim	153,406	104,218
Final	161,505	178,960
Amounts deducted on cancellation of shares	43,804	30,009
Amounts added on issue of shares	(12,149)	(13,108)
Revenue brought forward	(12)	(13)
<b>Distributions</b>	<u>346,554</u>	<u>300,066</u>

**8 DEBTORS**

	<b>31 January 2024</b>	<b>31 January 2023</b>
	£	£
Amounts receivable for issue of shares	54,539	18,925
Sales awaiting settlement	-	465,499
Accrued income	48,313	9,859
Taxation recoverable	779	4,635
<b>Total debtors</b>	<u>103,631</u>	<u>498,918</u>

**9 OTHER CREDITORS**

	<b>31 January 2024</b>	<b>31 January 2023</b>
	£	£
Amounts payable for cancellation of shares	277,637	548,352
Purchases awaiting settlement	-	10,830
ACD's periodic charge	3,421	4,791
Accrued expenses	12,818	10,180
Corporation tax payable	63,922	51,200
<b>Total other creditors</b>	<u>357,798</u>	<u>625,353</u>

**10 RELATED PARTIES**

The ACD is involved in all transactions in the shares of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to shareholders and note 7. Amounts due from/to the ACD in respect of share transactions at the period end are disclosed in notes 8 and 9, respectively. Amounts paid to the ACD or associates in respect of the ACD's periodic charge and other fees are disclosed in note 5. Amounts due to the ACD at the period end are £226,708 (2023: £534,401).

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 3**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

**11 SHARE CLASSES**

The share classes in issue for the sub-fund and the annual management charge for each share class is as follows:

A Income	0.38%
A Accumulation	0.38%
C Income	0.13%
D Accumulation	1.03%

**12 SHAREHOLDERS' FUND RECONCILIATION**

During the year the ACD has issued and cancelled shares as set out below:

	A Income	A Accumulation	C Income
Opening shares in issue at 1 February 2023	270,648	9,733,253	11,616,154
Share issues	24,043	720,289	1,944,202
Share cancellations	(36,476)	(4,236,458)	(3,522,914)
Closing shares in issue at 31 January 2024	<u>258,215</u>	<u>6,217,084</u>	<u>10,037,442</u>
		D Accumulation	
Opening shares in issue at 1 February 2023		121,639	
Share issues		-	
Share cancellations		(104,301)	
Closing shares in issue at 31 January 2024		<u>17,338</u>	

**13 RISK DISCLOSURES**

**Market price risk sensitivity**

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £844,407 (2023: £1,069,513). A five per cent decrease would have an equal and opposite effect.

**Interest rate risk**

**31 January 2024**

**31 January 2023**

£

£

The interest rate risk profile of financial assets and liabilities consists of the following:

Financial assets floating rate	467,925	583,448
Financial assets interest bearing instruments	12,302,333	15,292,508
Financial assets non-interest bearing instruments	4,689,437	6,596,666
Financial liabilities non-interest bearing instruments	(460,581)	(727,355)
	<u>16,999,114</u>	<u>21,745,267</u>

**Interest rate risk sensitivity**

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

**Liquidity risk**

**31 January 2024**

**31 January 2023**

£

£

The following table provides a maturity analysis of the sub-fund's financial liabilities:

Within one year:

Distribution payable on income shares	102,783	102,003
Other creditors	357,798	625,353
	<u>460,581</u>	<u>727,356</u>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

**14 FAIR VALUE HIERARCHY FOR INVESTMENTS**

Basis of valuation	31 January 2024		31 January 2023	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	-	-	-	-
Level 2 - Observable market data	16,888,139	-	21,390,256	-
Level 3 - Unobservable data	-	-	-	-
	<u>16,888,139</u>	<u>-</u>	<u>21,390,256</u>	<u>-</u>

The intention of a fair value measurement is to estimate the price at which an asset or liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

In accordance with FRS102 the sub-fund classifies fair value measurement under the following levels:

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

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

Level 3 - Valuation techniques using unobservable inputs.

**15 POST BALANCE SHEET EVENTS**

Since 31 January 2024, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)		
	31 January 2024 <sup>A</sup>	26 April 2024	Movement (%)
A Income	102.20	102.00	(0.20)%
A Accumulation	106.30	107.00	0.66%
C Income	101.70	101.40	(0.29)%
D Accumulation	102.50	103.00	0.49%

<sup>A</sup> These Net Asset Values differ from those in the Comparative Table as they are the quoted Net Asset Values.

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 3**

**DISTRIBUTION TABLE**

**Interim distribution or the period from 1 February 2023 to 31 July 2023**

Group 1: Shares purchased prior to 1 February 2023

Group 2: Shares purchased on or after 1 February 2023

		Net revenue 31 July 2023 pence per share	Equalisation 31 July 2023 pence per share	Distribution paid 30 September 2023 pence per share	Distribution paid 30 September 2022 pence per share
A Income	Group 1	0.7547	-	0.7547	0.3787
	Group 2	0.4738	0.2809	0.7547	0.3787
A Accumulation	Group 1	0.7790	-	0.7790	0.3865
	Group 2	0.5691	0.2099	0.7790	0.3865
C Income	Group 1	0.8480	-	0.8480	0.4790
	Group 2	0.4900	0.3580	0.8480	0.4790
D Accumulation	Group 1	0.4892	-	0.4892	0.1107
	Group 2	0.4892	-	0.4892	0.1107

**Final distribution or the period from 1 August 2023 to 31 January 2024**

Group 1: Shares purchased prior to 1 August 2023

Group 2: Shares purchased on or after 1 August 2023

		Net revenue 31 January 2024 pence per share	Equalisation 31 January 2024 pence per share	Distribution paid 31 March 2024 pence per share	Distribution paid 31 March 2023 pence per share
A Income	Group 1	0.9063	-	0.9063	0.7658
	Group 2	0.4836	0.4227	0.9063	0.7658
A Accumulation	Group 1	0.9427	-	0.9427	0.7843
	Group 2	0.1879	0.7548	0.9427	0.7843
C Income	Group 1	1.0006	-	1.0006	0.8602
	Group 2	0.3275	0.6731	1.0006	0.8602
D Accumulation	Group 1	0.6501	-	0.6501	0.5058
	Group 2	0.6501	-	0.6501	0.5058



**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 4**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 31 January 2024

**Performance to 31 January 2024**

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>14.05.2019<sup>A</sup></u>
IFSL Avellemy 4	4.85%	5.43%	3.80%	14.60%
MSCI Multi-Asset Dynamic Planner 4	3.86%	3.66%	4.84%	15.58%

<sup>A</sup> Launch period ended 13 May 2019.

External Source of Economic Data: Morningstar (A Accumulation - quoted price to quoted price).

The performance figures above are based on quoted prices and will, therefore, differ from the performance in the Comparative Table.

Capital at risk. Past performance is not a reliable indicator of future performance; the value of your investment and any income from it can go down as well as up. Performance returns are based on the net asset value with distributable income reinvested and take account of all ongoing charges, but not entry charges (if applicable). The past performance of this share class is calculated in sterling.

**Investment commentary**

Performance summary

The sub-fund's A Accumulation shares returned 5.43% over the year to 31 January 2024, compared to a return of 3.66% for the MSCI Multi-Asset Dynamic Planner 4 Index, the sub-fund's performance benchmark\*.

Market review

In the first half of the year, central banks in the West, notably in the United States (US), United Kingdom (UK) and Europe, continued to raise base rates of interest. The associated higher cost of borrowing put pressure on entities with high levels of debt. This included developed market\*\* governments and investors in the commercial property sector. A number of banks in the US and one of the largest European financial institutions failed, causing authorities to take measures to support the sector.

While higher interest rates caused bond prices to fall, US equity markets continued to rise as the technology sector, which is a key component of the US equity market, surged on the prospects for Artificial Intelligence (AI) technologies.

In the second half of the year, there was a growing expectation that central banks would have to cut interest rates in 2024 to counter slowing economic growth. This led to positive returns for both bonds and most equity markets.

Sub-fund performance review

The sub-fund outperformed its benchmark over the period, due to the performance of a number of our active fund selections. Two factors were particularly impactful.

Firstly, the sub-fund held less interest-rate risk\*\*\* over much of the period than the benchmark, which was beneficial for performance as interest rates rose (bond prices move in the opposite direction to interest rates).

Secondly, the sub-fund held greater exposure to a number of the large technology companies in the US, which became known as 'The Magnificent 7' as the year progressed. The US equity market was up nearly 16% in the year to 31 January 2024, and the sub-fund's US equities were up nearly 23%.

Within our fixed income holdings, the allocation to UK inflation-linked government debt\*\*\*\* benefited from lower interest rate risk than the benchmark, a position held as the managers believed that interest rates would continue to rise. Consequently, our inflation-linked government debt exposure fell by 1.3% over the year to 31 January 2024, while the broader market fell by 7.2%.

The sub-fund's UK equity investments added value as they delivered stronger growth than the market.

Negative contribution to performance came from the sub-fund's Japanese equity allocation, which had a disappointing year after good performance in 2022. In the year to 31 January 2024, our Japanese equities were up 5.3%, significantly behind the market return of 14.6%.

Portfolio activity

The fund managers amended their Japanese equity allocation over the period. This was in order to increase exposure to a part of the market that should stand to benefit from the Tokyo Stock Exchange announcement in early 2023, which encouraged the companies listed on the exchange to increase their focus on improving value for shareholders. Towards the end of the year, the fund managers increased the amount of interest rate risk in the sub-fund which stood to benefit as interest rates fell, as it became more likely that interest rates would be cut.

Avellemy Limited  
21 February 2024

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 4**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 31 January 2024

**Investment commentary (continued)**

\* Benchmark – comparator for performance purposes.

\*\* Developed market – a country that is most developed in terms of its economy and capital markets.

\*\*\* Interest-rate risk – interest rate risk is the potential that a change in overall interest rates will reduce the value of a bond or other fixed-rate investment.

\*\*\*\* Inflation-linked government debt - bonds issued by the government, in which payment of interest is related to a specific price index, usually the Consumer Price Index (CPI).

**Distributions**

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>A Income (pence per share)</u>				
Net income paid 31 March	0.9831	0.8823	0.3552	-
Net income paid 30 September		0.7067	0.3784	-
<u>A Accumulation (pence per share)</u>				
Net accumulation paid 31 March	1.0212	0.9025	0.3545	0.5053
Net accumulation paid 30 September		0.7292	0.3842	0.5526
<u>C Income (pence per share)</u>				
Net income paid 31 March	1.0840	0.9818	0.4633	0.5635
Net income paid 30 September		0.8068	0.4820	0.6270
<u>D Accumulation (pence per share)</u>				
Net accumulation paid 31 March	0.6899	0.5903	0.0433	0.1727
Net accumulation paid 30 September		0.4242	0.0924	0.2214

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
Federated Hermes Short-Term Sterling Prime '8'	16,200,196
Legal & General All Stocks Index Linked Gilt Index 'C'	4,719,866
LF Morant Wright Nippon Yield 'B'	4,089,379
Nomura Global Dynamic Bond 'ID' GBP Hedged	2,633,981
Jupiter Strategic Bond 'Z'	2,420,625
Muzinich Global Tactical Credit 'S' GBP Hedged	2,288,713
IFSL Avellemy European Equity 'A'	2,034,369
Royal London Sterling Credit 'Z'	1,855,251
IFSL Avellemy US Equity 'A'	1,741,384
TwentyFour Corporate Bond 'I' GBP	1,029,897
Other purchases	2,944,117
Total purchases for the year	41,957,778
<u>Largest sales</u>	<u>Proceeds (£)</u>
BlackRock ICS Sterling Liquidity 'Premier' GBP	22,341,396
IFSL Avellemy US Equity 'A'	9,081,243
IFSL Avellemy UK Equity 'A'	5,855,593
Federated Hermes Short-Term Sterling Prime '8'	5,838,276
Royal London Short Duration Global Index Linked 'Z'	5,562,445
IFSL Avellemy UK Equity Income 'A'	4,287,724
Jupiter Japan Income 'I'	2,403,806
Royal London Sterling Credit 'Z'	1,845,283
Baillie Gifford Japanese 'B'	1,842,151
IFSL Avellemy European Equity 'A'	1,593,167
Other sales	9,205,409
Total sales for the year	69,856,493

IFSL AVELLEMY OEIC  
IFSL AVELLEMY 4

COMPARATIVE TABLE

<b><u>A Income shares</u></b>	<b>Year to 31.01.2024</b>	<b>Year to 31.01.2023</b>	<b>Period to 31.01.2022<sup>A</sup></b>
<b>Change in net assets per share</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	105.39	112.74	113.80
Return before operating charges*	6.72	(5.05)	0.41
Operating charges	(1.05)	(1.04)	(1.11)
Return after operating charges*	5.67	(6.09)	(0.70)
Distributions on income shares	(1.69)	(1.26)	(0.36)
Closing net asset value per share	109.37	105.39	112.74

\* after direct transaction costs of:

<b>Performance</b>			
Return after charges <sup>B</sup>	5.38%	(5.40)%	(0.62)%

**Other information**

Closing net asset value (£)	3,085,147	2,947,528	3,385,511
Closing number of shares	2,820,788	2,796,698	3,002,986
Operating charges	1.00% <sup>C</sup>	0.97%	0.96% <sup>D</sup>
Direct transaction costs	0.00%	0.00%	0.00%

**Prices** (pence per share)

Highest share price	110.30	114.00	118.60
Lowest share price	101.70	98.51	107.10

**A Accumulation shares**

<b>Change in net assets per share</b>	<b>Year to 31.01.2024</b>	<b>Year to 31.01.2023</b>	<b>Year to 31.01.2022</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	108.68	114.90	110.33
Return before operating charges*	6.98	(5.16)	5.70
Operating charges	(1.09)	(1.06)	(1.13)
Return after operating charges*	5.89	(6.22)	4.57
Distributions on accumulation shares	(1.75)	(1.29)	(0.91)
Retained distributions on accumulation shares	1.75	1.29	0.91
Closing net asset value per share	114.57	108.68	114.90

\* after direct transaction costs of:

<b>Performance</b>			
Return after charges <sup>B</sup>	5.42%	(5.41)%	4.14%

**Other information**

Closing net asset value (£)	69,780,422	83,361,367	90,163,331
Closing number of shares	60,907,391	76,700,133	78,471,527
Operating charges	1.00% <sup>C</sup>	0.97%	0.96%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices** (pence per share)

Highest share price	114.60	116.20	120.60
Lowest share price	105.60	100.80	109.00

<sup>A</sup> Opening net asset value per share on 19 July 2021.

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

<sup>C</sup> On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

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

IFSL AVELLEMY OEIC  
IFSL AVELLEMY 4

COMPARATIVE TABLE

**C Income shares**

<b>Change in net assets per share</b>	<b>Year to 31.01.2024 pence</b>	<b>Year to 31.01.2023 pence</b>	<b>Year to 31.01.2022 pence</b>
Opening net asset value per share	104.75	112.05	108.45
Return before operating charges*	6.64	(5.07)	5.50
Operating charges	(0.79)	(0.77)	(0.81)
Return after operating charges*	5.85	(5.84)	4.69
Distributions on income shares	(1.89)	(1.46)	(1.09)
Closing net asset value per share	108.71	104.75	112.05

\* after direct transaction costs of: - - -

**Performance**

Return after charges<sup>A</sup> 5.58% (5.21)% 4.32%

**Other information**

Closing net asset value (£)	104,034,589	113,483,474	118,618,026
Closing number of shares	95,698,589	108,338,776	105,860,256
Operating charges	0.75% <sup>B</sup>	0.72%	0.71%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices (pence per share)**

Highest share price	109.80	113.30	118.00
Lowest share price	101.20	98.01	107.10

**D Accumulation shares**

<b>Change in net assets per share</b>	<b>Year to 31.01.2024 pence</b>	<b>Year to 31.01.2023 pence</b>	<b>Year to 31.01.2022 pence</b>
Opening net asset value per share	102.67	109.10	105.34
Return before operating charges*	6.69	(4.76)	5.53
Operating charges	(1.70)	(1.67)	(1.77)
Return after operating charges*	4.99	(6.43)	3.76
Distributions on accumulation shares	(1.11)	(0.68)	(0.26)
Retained distributions on accumulation shares	1.11	0.68	0.26
Closing net asset value per share	107.66	102.67	109.10

\* after direct transaction costs of: - - -

**Performance**

Return after charges<sup>A</sup> 4.86% (5.89)% 3.57%

**Other information**

Closing net asset value (£)	3,624,943	3,542,720	3,749,268
Closing number of shares	3,366,958	3,450,606	3,436,454
Operating charges	1.65% <sup>B</sup>	1.62%	1.61%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices (pence per share)**

Highest share price	107.70	110.30	114.50
Lowest share price	99.35	95.31	104.00

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

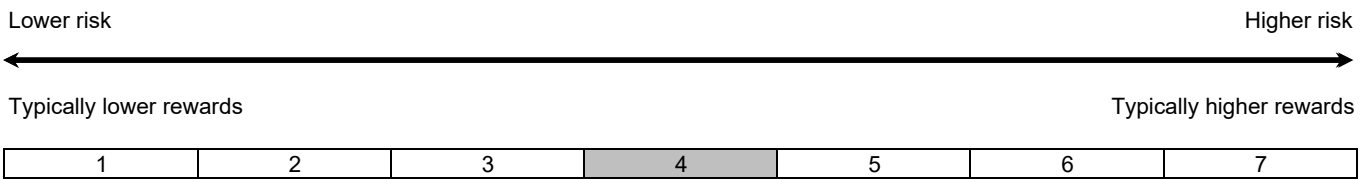
<sup>B</sup> On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each share class in the year. Where it is considered unsuitable to use the total expenses paid by each share class in the year to calculate the OCF because of material changes to the sub-fund's charges an estimate will be calculated instead. The OCFs disclosed in the Key Investor Information Document (KIID) (available on IFSL's website, [www.ifslfunds.com](http://www.ifslfunds.com)) give an estimate of future costs.

Direct transaction costs are the total charges for the year, included in the purchase and sale of investments in the portfolio of the sub-fund. These amounts are expressed as a percentage of the average net asset value over the year and the average shares in issue for the pence per share figures.

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 4**

**SYNTHETIC RISK AND REWARD INDICATOR** (all share classes)



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

The sub-fund has been measured as 4 because its investments have experienced moderate volatility in the past. During the year the synthetic risk and reward indicator has remained unchanged.

The Investment Manager uses the MSCI Multi-Asset Dynamic Planner 4 index as a comparator for risk analysis purposes. This independent asset allocator has a risk rating range from '1' which is classified as the lowest risk to '10' which is classified as the highest risk and is separate to the Synthetic Risk and Reward Indicator (SRR).

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 4**

**PORTFOLIO STATEMENT**

as at 31 January 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>EQUITIES</b> (31 January 2023 - 42.26%)		
<b>Asia Pacific excluding Japan</b> (31 January 2023 - 2.70%)		
3,364,167 Schroder Asian Income 'L' GBP	2,380,148	1.32
3,182 Veritas Asian 'D' GBP	2,354,939	1.30
Total Asia Pacific excluding Japan	4,735,087	2.62
<b>Europe excluding UK</b> (31 January 2023 - 4.86%)		
10,318,138 IFSL Avellemy European Equity 'A'	10,916,590	6.05
Total Europe excluding UK	10,916,590	6.05
<b>Japan</b> (31 January 2023 - 5.01%)		
226,168 Baillie Gifford Japanese 'B'	3,458,104	1.92
3,163,018 Jupiter Japan Income 'I'	3,625,452	2.01
829,508 LF Morant Wright Nippon Yield 'B'	3,593,014	1.99
Total Japan	10,676,570	5.92
<b>North America</b> (31 January 2023 - 14.03%)		
21,824,385 IFSL Avellemy US Equity 'A'	27,869,740	15.44
Total North America	27,869,740	15.44
<b>UK All Companies</b> (31 January 2023 - 8.32%)		
11,906,894 IFSL Avellemy UK Equity 'A'	10,831,701	6.00
Total UK All Companies	10,831,701	6.00
<b>UK Equity Income</b> (31 January 2023 - 7.34%)		
10,114,501 IFSL Avellemy UK Equity Income 'A'	10,620,226	5.88
Total UK Equity Income	10,620,226	5.88
<b>Total Equities</b>	<b>75,649,914</b>	<b>41.91</b>
<b>FIXED INTEREST</b> (31 January 2023 - 36.39%)		
<b>Global Inflation Linked Bond</b> (31 January 2023 - 5.18%)		
4,750,768 Royal London Short Duration Global Index Linked 'Z'	5,031,064	2.79
Total Global Inflation Linked Bond	5,031,064	2.79
<b>Sterling Corporate Bond</b> (31 January 2023 - 13.82%)		
8,947,895 BlackRock Corporate Bond 'S' GBP	8,878,030	4.92
7,258,943 Royal London Sterling Credit 'Z'	8,754,285	4.85
107,746 TwentyFour Corporate Bond 'I' GBP	9,067,895	5.02
Total Sterling Corporate Bond	26,700,210	14.79
<b>Sterling Strategic Bond</b> (31 January 2023 - 9.82%)		
15,229,657 Jupiter Strategic Bond 'Z'	8,403,725	4.66
91,937 Muzinich Global Tactical Credit 'S' GBP Hedged	8,345,115	4.62
84,138 Nomura Global Dynamic Bond 'ID' GBP Hedged	8,104,231	4.49
Total Sterling Strategic Bond	24,853,071	13.77
<b>UK Gilts</b> (31 January 2023 - 4.89%)		
6,020,415 Allianz Gilt Yield 'I' GBP	8,824,122	4.89
Total UK Gilts	8,824,122	4.89
<b>UK Index Linked Gilts</b> (31 January 2023 - 2.68%)		
9,820,903 Legal & General All Stocks Index Linked Gilt Index 'C'	9,067,639	5.02
Total UK Index Linked Gilts	9,067,639	5.02
<b>Total Fixed Interest</b>	<b>74,476,106</b>	<b>41.26</b>

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 4**

**PORTFOLIO STATEMENT**

as at 31 January 2024

<b>Holding or nominal value</b>	<b>Bid value £</b>	<b>Percentage of total net assets %</b>
<b>OTHER</b> (31 January 2023 - 3.78%)		
<b>Property Other</b> (31 January 2023 - 2.42%)		
167,714 Janus Henderson Horizon Global Property Equities 'M2' GBP	4,355,538	2.41
Total Property Other	4,355,538	2.41
<b>Specialist</b> (31 January 2023 - 1.36%)		
5,903 Schroder Asian Total Return 'C' GBP	2,341,436	1.30
Total Specialist	2,341,436	1.30
<b>Total Other</b>	<b>6,696,974</b>	<b>3.71</b>
<b>CASH / LIQUIDITY</b> (31 January 2023 - 16.08%)		
<b>Short Term Money Market</b> (31 January 2023 - 16.08%)		
101,014 BlackRock ICS Sterling Liquidity 'Premier' GBP	11,317,547	6.27
9,504,579 Federated Hermes Short-Term Sterling Prime '8'	10,897,950	6.03
Total Short Term Money Market	22,215,497	12.30
<b>Total Cash / Liquidity</b>	<b>22,215,497</b>	<b>12.30</b>
<b>Portfolio of investments</b>	<b>179,038,491</b>	<b>99.18</b>
<b>Net other assets</b>	<b>1,486,610</b>	<b>0.82</b>
<b>Total net assets</b>	<b>180,525,101</b>	<b>100.00</b>

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

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 4**

**STATEMENT OF TOTAL RETURN**  
for the year ended 31 January 2024

	Notes	31 January 2024		31 January 2023	
		£	£	£	£
Income:					
Net capital gains/(losses)	2		6,424,142		(14,499,494)
Revenue	4	4,319,346		3,618,324	
Expenses	5	<u>(567,796)</u>		<u>(626,822)</u>	
Net revenue before taxation		3,751,550		2,991,502	
Taxation	6	<u>(463,393)</u>		<u>(320,507)</u>	
Net revenue after taxation			<u>3,288,157</u>		<u>2,670,995</u>
Total return before distributions			9,712,299		(11,828,499)
Distributions	7		(3,288,157)		(2,670,995)
Change in net assets attributable to shareholders from investment activities			<u>6,424,142</u>		<u>(14,499,494)</u>

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
for the year ended 31 January 2024

	31 January 2024		31 January 2023	
	£	£	£	£
Opening net assets attributable to shareholders		203,335,089		215,916,136
Amounts receivable on issue of shares	14,155,554		28,229,286	
Amounts payable on cancellation of shares	<u>(44,559,846)</u>		<u>(27,341,935)</u>	
		(30,404,292)		887,351
Change in net assets attributable to shareholders from investment activities		6,424,142		(14,499,494)
Retained distribution on accumulation shares		1,170,162		1,031,096
Closing net assets attributable to shareholders		<u>180,525,101</u>		<u>203,335,089</u>



**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 4**

**BALANCE SHEET**  
as at 31 January 2024

	Notes	31 January 2024 £	31 January 2023 £
<b>Assets:</b>			
<b>Fixed Assets:</b>			
Investments	14	179,038,491	200,297,742
<b>Current Assets:</b>			
Debtors	8	564,502	313,918
Cash and cash equivalents		2,686,589	4,622,569
Total assets		<u>182,289,582</u>	<u>205,234,229</u>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Distribution payable on income shares		1,065,165	1,088,423
Other creditors	9	699,316	810,717
Total liabilities		<u>1,764,481</u>	<u>1,899,140</u>
<b>Net assets attributable to shareholders</b>		<u>180,525,101</u>	<u>203,335,089</u>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

**1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES**

Please refer to the notes applicable to the Company on pages 13 to 15.

**2 NET CAPITAL GAINS/(LOSSES)**

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

	31 January 2024 £	31 January 2023 £
Realised losses on non-derivative securities	(1,724,701)	(40,923)
Unrealised gains/(losses) on non-derivative securities	8,150,738	(14,457,901)
Transaction charges	(1,895)	(670)
<b>Net capital gains/(losses)</b>	<b>6,424,142</b>	<b>(14,499,494)</b>

**3 PURCHASES, SALES AND TRANSACTION COSTS**

Purchases excluding transaction costs:

	31 January 2024 £	31 January 2023 £
Collective Investment Schemes	41,957,778	47,838,494
	<u>41,957,778</u>	<u>47,838,494</u>
Total purchase transaction costs	-	-
<b>Purchases including transaction costs</b>	<b>41,957,778</b>	<b>47,838,494</b>

Sales excluding transaction costs:

Collective Investment Schemes	69,856,493	38,723,119
	<u>69,856,493</u>	<u>38,723,119</u>
Total sale transaction costs	-	-
<b>Sales net of transaction costs</b>	<b>69,856,493</b>	<b>38,723,119</b>

**Transaction handling charges**

These are charges payable to the depositary in respect of each transaction.

	<u>£1,895</u>	<u>£670</u>
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**Average portfolio dealing spread**

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Average portfolio dealing spread at the balance sheet date	<u>0.00%</u>	<u>0.00%</u>
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**4 REVENUE**

	31 January 2024 £	31 January 2023 £
UK dividends	1,328,295	1,316,075
Overseas dividends	106,287	72,894
Interest distributions	2,802,494	2,205,737
Bank interest	82,270	23,618
<b>Total revenue</b>	<b>4,319,346</b>	<b>3,618,324</b>

**5 EXPENSES**

Payable to the ACD or associate:

ACD's periodic charge	477,455	526,601
Registration fees	1,170	1,099
KIID production costs	1,800	1,949
	<u>480,425</u>	<u>529,649</u>

Other expenses:

Depositary's fees	61,490	73,573
Safe custody fees	15,962	15,081
HMRC Interest Payment	338	-
FCA fee	77	80
Audit fee	9,504	8,439
	<u>87,371</u>	<u>97,173</u>

**Total expenses**

	<u>567,796</u>	<u>626,822</u>
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**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 4**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

<b>6 TAXATION</b>	<b>31 January 2024</b>	<b>31 January 2023</b>
	<b>£</b>	<b>£</b>
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	463,393	320,507
<b>Total tax charge</b> (see note 6(b))	<u>463,393</u>	<u>320,507</u>
b Factors affecting the tax charge for the year		
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below.		
Net revenue before taxation	3,751,550	2,991,502
Corporation tax at 20% (2023: 20%)	<u>750,310</u>	<u>598,300</u>
Effects of:		
Revenue not subject to taxation	(286,917)	(277,793)
<b>Total tax charge</b> (see note 6(a))	<u>463,393</u>	<u>320,507</u>
c Provision for deferred taxation		
No provision for deferred tax has been made in the current year or prior year.		
<b>7 DISTRIBUTIONS</b>	<b>31 January 2024</b>	<b>31 January 2023</b>
	<b>£</b>	<b>£</b>
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim	1,393,811	844,342
Final	1,710,390	1,801,060
Amounts deducted on cancellation of shares	245,909	140,339
Amounts added on issue of shares	(61,826)	(114,661)
Revenue brought forward	(127)	(85)
<b>Distributions</b>	<u>3,288,157</u>	<u>2,670,995</u>
Movement between net revenue and distributions:		
Net revenue after taxation	<u>3,288,157</u>	<u>2,670,995</u>
<b>8 DEBTORS</b>	<b>31 January 2024</b>	<b>31 January 2023</b>
	<b>£</b>	<b>£</b>
Amounts receivable for issue of units	95,043	130,365
Accrued income	462,790	145,012
Taxation recoverable	6,669	38,541
<b>Total debtors</b>	<u>564,502</u>	<u>313,918</u>
<b>9 OTHER CREDITORS</b>	<b>31 January 2024</b>	<b>31 January 2023</b>
	<b>£</b>	<b>£</b>
Amounts payable for cancellation of shares	379,223	547,745
ACD's periodic charge	38,115	43,467
Accrued expenses	33,584	23,998
Corporation tax payable	248,394	195,507
<b>Total other creditors</b>	<u>699,316</u>	<u>810,717</u>

**10 RELATED PARTIES**

The ACD is involved in all transactions in the shares of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to shareholders and note 7. Amounts due from/to the ACD in respect of share transactions at the period end are disclosed in notes 8 and 9, respectively. Amounts paid to the ACD or associates in respect of the ACD's periodic charge and other fees are disclosed in note 5. Amounts due to the ACD at the year end are £322,542 (2023: £461,088).

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

**11 SHARE CLASSES**

The share classes in issue for the sub-fund and the annual management charge for each share class is as follows:

A Income	0.38%
A Accumulation	0.38%
C Income	0.13%
D Accumulation	1.03%

**12 SHAREHOLDERS' FUND RECONCILIATION**

During the year the ACD has issued and cancelled shares as set out below:

	A Income	A Accumulation	C Income
Opening shares in issue at 1 February 2023	2,796,698	76,700,133	108,338,776
Share issues	143,719	6,857,952	6,007,213
Share cancellations	(119,629)	(22,650,694)	(18,647,400)
Closing shares in issue at 31 January 2024	<u>2,820,788</u>	<u>60,907,391</u>	<u>95,698,589</u>
		D Accumulation	
Opening shares in issue at 1 February 2023		3,450,606	
Share issues		301,880	
Share cancellations		(385,528)	
Closing shares in issue at 31 January 2024		<u>3,366,958</u>	

**13 RISK DISCLOSURES**

**Market price risk sensitivity**

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £8,951,925 (2023: £10,014,887). A five per cent decrease would have an equal and opposite effect.

**Interest rate risk**

31 January 2024

31 January 2022

£

£

The interest rate risk profile of financial assets and liabilities consists of the following:

Financial assets floating rate	2,686,589	4,622,569
Financial assets interest bearing instruments	96,691,602	106,667,489
Financial assets non-interest bearing instruments	82,911,391	93,944,171
Financial liabilities non-interest bearing instruments	(1,764,481)	(1,899,140)
	<u>180,525,101</u>	<u>203,335,089</u>

**Interest rate risk sensitivity**

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

**Liquidity risk**

31 January 2024

31 January 2023

£

£

The following table provides a maturity analysis of the sub-fund's financial liabilities:

Within one year:

Distribution payable on income shares	1,065,165	1,088,423
Other creditors	699,316	810,717
	<u>1,764,481</u>	<u>1,899,140</u>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

**14 FAIR VALUE HIERARCHY FOR INVESTMENTS**

Basis of valuation	31 January 2024		31 January 2023	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	-	-	-	-
Level 2 - Observable market data	179,038,491	-	200,297,742	-
Level 3 - Unobservable data	-	-	-	-
	<u>179,038,491</u>	<u>-</u>	<u>200,297,742</u>	<u>-</u>

The intention of a fair value measurement is to estimate the price at which an asset or liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

In accordance with FRS102 the sub-fund classifies fair value measurement under the following levels:

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

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

Level 3 - Valuation techniques using unobservable inputs.

**15 POST BALANCE SHEET EVENTS**

Since 31 January 2024, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)		
	31 January 2024 <sup>A</sup>	26 April 2024	Movement (%)
A Income	110.30	111.00	0.63%
A Accumulation	114.60	116.30	1.48%
C Income	109.80	110.40	0.55%
D Accumulation	107.60	109.10	1.39%

<sup>A</sup> These Net Asset Values differ from those in the Comparative Table as they are the quoted Net Asset Values.

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 4**

**DISTRIBUTION TABLE**

**Interim distribution or the period from 1 February 2023 to 31 July 2023**

Group 1: Shares purchased prior to 1 February 2023

Group 2: Shares purchased on or after 1 February 2023

		Net revenue 31 July 2023 pence per share	Equalisation 31 July 2023 pence per share	Distribution paid 30 September 2023 pence per share	Distribution paid 30 September 2022 pence per share
A Income	Group 1	0.7067	-	0.7067	0.3784
	Group 2	0.3807	0.3260	0.7067	0.3784
A Accumulation	Group 1	0.7292	-	0.7292	0.3842
	Group 2	0.3241	0.4051	0.7292	0.3842
C Income	Group 1	0.8068	-	0.8068	0.4820
	Group 2	0.3863	0.4205	0.8068	0.4820
D Accumulation	Group 1	0.4242	-	0.4242	0.0924
	Group 2	0.1755	0.2487	0.4242	0.0924

**Final distribution or the period from 1 August 2023 to 31 January 2024**

Group 1: Shares purchased prior to 1 August 2023

Group 2: Shares purchased on or after 1 August 2023

		Net revenue 31 January 2024 pence per share	Equalisation 31 January 2024 pence per share	Distribution paid 31 March 2024 pence per share	Distribution paid 31 March 2023 pence per share
A Income	Group 1	0.9831	-	0.9831	0.8823
	Group 2	0.3404	0.6427	0.9831	0.8823
A Accumulation	Group 1	1.0212	-	1.0212	0.9025
	Group 2	0.3648	0.6564	1.0212	0.9025
C Income	Group 1	1.0840	-	1.0840	0.9818
	Group 2	0.4347	0.6493	1.0840	0.9818
D Accumulation	Group 1	0.6899	-	0.6899	0.5903
	Group 2	0.0009	0.6890	0.6899	0.5903

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 5**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 31 January 2024

**Performance to 31 January 2024**

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>14.05.2019<sup>A</sup></u>
IFSL Avellemy 5	5.09%	6.84%	8.36%	21.80%
MSCI Multi-Asset Dynamic Planner 5	3.67%	4.84%	12.65%	26.77%

<sup>A</sup> Launch period ended 13 May 2019.

External Source of Economic Data: Morningstar (A Accumulation - quoted price to quoted price).

The performance figures above are based on quoted prices and will, therefore, differ from the performance in the Comparative Table.

Capital at risk. Past performance is not a reliable indicator of future performance; the value of your investment and any income from it can go down as well as up. Performance returns are based on the net asset value with distributable income reinvested and take account of all ongoing charges, but not entry charges (if applicable). The past performance of this share class is calculated in sterling.

**Investment commentary**

Performance summary

The sub-fund's A Accumulation shares returned 6.84% over the year to 31 January 2024, compared to a return of 4.84% for the MSCI Multi-Asset Dynamic Planner 5 Index, the sub-fund's performance benchmark\*.

Market review

In the first half of the year, central banks in the West, notably in the United States (US), United Kingdom (UK) and Europe, continued to raise base rates of interest. The associated higher cost of borrowing put pressure on entities with high levels of debt. This included developed market\*\* governments and investors in the commercial property sector. A number of banks in the US and one of the largest European financial institutions failed, causing authorities to take measures to support the sector.

While higher interest rates caused bond prices to fall, US equity markets continued to rise as the technology sector, which is a key component of the US equity market, surged on the prospects for Artificial Intelligence (AI) technologies.

In the second half of the year, there was a growing expectation that central banks would have to cut interest rates in 2024 to counter slowing economic growth. This led to positive returns for both bonds and most equity markets.

Sub-fund performance review

The sub-fund outperformed its benchmark over the period, due to the performance of a number of our active fund selections. Two factors were particularly impactful.

Firstly, the sub-fund held less interest-rate risk\*\*\* over much of the period than the benchmark, which was beneficial for performance as interest rates rose (bond prices move in the opposite direction to interest rates).

Secondly, the sub-fund held greater exposure to a number of the large technology companies in the US, which became known as 'The Magnificent 7' as the year progressed. The US equity market was up nearly 16% in the year to 31 January 2024, and the sub-fund's US equities were up nearly 23%.

Within our fixed income holdings, the allocation to UK inflation-linked government debt\*\*\*\* benefited from lower interest rate risk than the benchmark, a position held as the managers believed that interest rates would continue to rise. Consequently, our inflation-linked government debt exposure fell by 1.3% over the year to 31 January 2024, while the broader market fell by 7.2%.

The sub-fund's UK equity investments added value as the selection of companies delivered stronger growth than the market. In addition, the sub-fund's Asia Pacific exposure also added value as it had less exposure than the market to China, which fell over 30% in the period.

Negative contribution to performance came from the sub-fund's Japanese equity allocation, which had a disappointing year after good performance in 2022. In the year to 31 January 2024, our Japanese equities were up 5.3%, significantly behind the market return of 14.6%.

Portfolio activity

The fund managers amended their Japanese equity allocation over the period. This was in order to increase exposure to a part of the market that should stand to benefit from the Tokyo Stock Exchange announcement in early 2023, which encouraged the companies listed on the exchange to increase their focus on improving value for shareholders. Towards the end of the year, the fund managers increased the amount of interest rate risk in the sub-fund, which stood to benefit as it became more likely that interest rates would be cut.

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 5**

**AUTHORISED INVESTMENT MANAGER'S REPORT**  
for the year ended 31 January 2024

**Investment commentary (continued)**

Avellemy Limited  
21 February 2024

\* Benchmark – comparator for performance purposes.

\*\* Developed market – a country that is most developed in terms of its economy and capital markets.

\*\*\* Interest-rate risk – interest rate risk is the potential that a change in overall interest rates will reduce the value of a bond or other fixed-rate investment.

\*\*\*\* Inflation-linked government debt - bonds issued by the government, in which payment of interest is related to a specific price index, usually the Consumer Price Index (CPI).

**Distributions**

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>A Income (pence per share)</u>				
Net income paid 31 March	0.9087	0.8763	0.2861	N/A
Net income paid 30 September		0.6474	0.3376	0.3705
<u>A Accumulation (pence per share)</u>				
Net accumulation paid 31 March	0.9483	0.9018	0.2903	0.5054
Net accumulation paid 30 September		0.6720	0.3463	0.6177
<u>C Income (pence per share)</u>				
Net income paid 31 March	1.0191	0.9834	0.4030	0.5618
Net income paid 30 September		0.7554	0.4473	0.6902
<u>D Income (pence per share)</u>				
Net income paid 31 March	0.5532	0.5310 -		N/A
Net income paid 30 September		0.3263	0.0480	0.1019
<u>D Accumulation (pence per share)</u>				
Net accumulation paid 31 March	0.5929	0.5645 -		0.1667
Net accumulation paid 30 September		0.3489	0.0474	0.2731



**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 5**

**AUTHORISED INVESTMENT MANAGER'S REPORT**  
for the year ended 31 January 2024

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
Federated Hermes Short-Term Sterling Prime '8'	41,482,414
LF Morant Wright Nippon Yield 'B'	11,125,512
Nomura Global Dynamic Bond 'ID' GBP Hedged	8,967,795
Jupiter Strategic Bond 'Z'	8,864,428
Muzinich Global Tactical Credit 'S' GBP Hedged	8,572,714
Legal & General All Stocks Index Linked Gilt Index 'C'	7,158,902
IFSL Avellemy European Equity 'A'	6,069,135
IFSL Avellemy US Equity 'A'	5,957,681
Fidelity Sustainable Emerging Markets Equity 'I' GBP	4,998,392
Pacific North of South EM All Cap Equity 'I' GBP	4,366,381
Other purchases	13,807,265
Total purchases for the year	121,370,619
<u>Largest sales</u>	<u>Proceeds (£)</u>
BlackRock ICS Sterling Liquidity 'Premier' GBP	62,606,128
IFSL Avellemy US Equity 'A'	30,188,290
Federated Hermes Short-Term Sterling Prime '8'	17,656,045
IFSL Avellemy UK Equity Income 'A'	16,686,010
IFSL Avellemy UK Equity 'A'	16,594,781
Royal London Short Duration Global Index Linked 'Z'	8,652,021
Jupiter Japan Income 'I'	8,108,634
IFSL Avellemy European Equity 'A'	8,022,028
Goldman Sachs Emerging Markets Equity 'I' GBP	7,079,783
TwentyFour Corporate Bond 'I' GBP	6,761,937
Other sales	29,580,446
Total sales for the year	211,936,103

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 5**

**COMPARATIVE TABLE**

**A Income shares**

<b>Change in net assets per share</b>	<b>Year to 31.01.2024 pence</b>	<b>Year to 31.01.2023 pence</b>	<b>Period to 31.01.2022<sup>A</sup> pence</b>
Opening net asset value per share	109.96	115.60	111.80
Return before operating charges*	8.64	(3.29)	5.66
Operating charges	(1.19)	(1.14)	(1.20)
Return after operating charges*	7.45	(4.43)	4.46
Distributions on income shares	(1.56)	(1.21)	(0.66)
Closing net asset value per share	115.85	109.96	115.60

\* after direct transaction costs of:

- - -

**Performance**

Return after charges<sup>B</sup> 6.78% (3.83)% 3.99%

**Other information**

Closing net asset value (£)	2,637,316	2,393,285	2,167,712
Closing number of shares	2,276,583	2,176,446	1,875,179
Operating charges	1.08% <sup>C</sup>	1.04%	1.02% <sup>D</sup>
Direct transaction costs	0.00%	0.00%	0.00%

**Prices (pence per share)**

Highest share price	116.70	117.40	122.10
Lowest share price	106.60	102.90	109.20

**A Accumulation shares**

<b>Change in net assets per share</b>	<b>Year to 31.01.2024 pence</b>	<b>Year to 31.01.2023 pence</b>	<b>Year to 31.01.2022 pence</b>
Opening net asset value per share	113.99	118.54	112.30
Return before operating charges*	8.99	(3.37)	7.47
Operating charges	(1.24)	(1.18)	(1.23)
Return after operating charges*	7.75	(4.55)	6.24
Distributions on accumulation shares	(1.62)	(1.25)	(0.91)
Retained distributions on accumulation shares	1.62	1.25	0.91
Closing net asset value per share	121.74	113.99	118.54

\* after direct transaction costs of:

- - -

**Performance**

Return after charges<sup>B</sup> 6.80% (3.84)% 5.56%

**Other information**

Closing net asset value (£)	295,113,155	358,431,323	384,553,675
Closing number of shares	242,403,384	314,432,895	324,412,991
Operating charges	1.08% <sup>C</sup>	1.04%	1.02%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices (pence per share)**

Highest share price	121.80	120.50	125.10
Lowest share price	111.20	105.90	111.50

<sup>A</sup> Opening net asset value per share on 11 February 2021.

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

<sup>C</sup> On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

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

IFSL AVELLEMY OEIC  
IFSL AVELLEMY 5

COMPARATIVE TABLE

**C Income shares**

Change in net assets per share	Year to 31.01.2024 pence	Year to 31.01.2023 pence	Year to 31.01.2022 pence
Opening net asset value per share	109.69	115.31	110.09
Return before operating charges*	8.55	(3.32)	7.21
Operating charges	(0.91)	(0.87)	(0.90)
Return after operating charges*	7.64	(4.19)	6.31
Distributions on income shares	(1.77)	(1.43)	(1.09)
Closing net asset value per share	115.56	109.69	115.31

\* after direct transaction costs of:

- - -

**Performance**

Return after charges <sup>B</sup>	6.97%	(3.63)%	5.73%
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**Other information**

Closing net asset value (£)	228,727,497	225,076,199	227,234,586
Closing number of shares	197,921,987	205,197,645	197,064,814
Operating charges	0.83% <sup>C</sup>	0.79%	0.77%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices** (pence per share)

Highest share price	116.60	117.10	122.00
Lowest share price	106.40	102.70	109.20

**D Income shares**

Change in net assets per share	Year to 31.01.2024 pence	Year to 31.01.2023 pence	Year to 31.01.2022 <sup>A</sup> pence
Opening net asset value per share	98.70	103.77	100.00
Return before operating charges*	7.85	(2.82)	5.64
Operating charges	(1.71)	(1.67)	(1.77)
Return after operating charges*	6.14	(4.49)	3.87
Distributions on income shares	(0.88)	(0.58)	(0.10)
Closing net asset value per share	103.96	98.70	103.77

\* after direct transaction costs of:

- - -

**Performance**

Return after charges <sup>B</sup>	6.22%	(4.33)%	3.87%
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**Other information**

Closing net asset value (£)	263,857	265,476	297,799
Closing number of shares	253,804	268,973	286,984
Operating charges	1.73% <sup>C</sup>	1.69%	1.67% <sup>D</sup>
Direct transaction costs	0.00%	0.00%	0.00%

**Prices** (pence per share)

Highest share price	104.40	105.30	109.40
Lowest share price	95.48	92.20	99.90

<sup>A</sup> Opening net asset value per share on 23 March 2021.

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

<sup>C</sup> On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

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

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 5**

**COMPARATIVE TABLE**

**D Accumulation shares**

<b>Change in net assets per share</b>	<b>Year to 31.01.2024 pence</b>	<b>Year to 31.01.2023 pence</b>	<b>Year to 31.01.2022 pence</b>
Opening net asset value per share	105.46	110.23	105.00
Return before operating charges*	8.41	(3.00)	7.08
Operating charges	(1.83)	(1.77)	(1.85)
Return after operating charges*	6.58	(4.77)	5.23
Distributions on accumulation shares	(0.94)	(0.61)	(0.27)
Retained distributions on accumulation shares	0.94	0.61	0.27
Closing net asset value per share	112.04	105.46	110.23

\* after direct transaction costs of:

- - -

**Performance**

Return after charges<sup>A</sup> 6.24% (4.33)% 4.98%

**Other information**

Closing net asset value (£)	15,568,326	17,573,233	18,767,913
Closing number of shares	13,895,614	16,663,801	17,026,177
Operating charges	1.73% <sup>B</sup>	1.69%	1.67%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices (pence per share)**

Highest share price	112.00	111.90	116.30
Lowest share price	102.40	98.04	104.10

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

<sup>B</sup> On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each share class in the year. Where it is considered unsuitable to use the total expenses paid by each share class in the year to calculate the OCF because of material changes to the sub-fund's charges an estimate will be calculated instead. The OCFs disclosed in the Key Investor Information Document (KIID) (available on IFSL's website, [www.ifslfunds.com](http://www.ifslfunds.com)) give an estimate of future costs.

Direct transaction costs are the total charges for the year, included in the purchase and sale of investments in the portfolio of the sub-fund. These amounts are expressed as a percentage of the average net asset value over the year and the average shares in issue for the pence per share figures.

**SYNTHETIC RISK AND REWARD INDICATOR (all share classes)**

Lower risk

Higher risk



Typically lower rewards

Typically higher rewards

1	2	3	4	5	6	7
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This indicator aims to give you a measure of the price movement of the sub-fund based on past data. It uses historic returns over the last five years. If five years' data is not available, simulated data based on a representative portfolio is used.

The sub-fund has been measured as 4 because its investments have experienced moderate volatility in the past. During the year the synthetic risk and reward indicator has remained unchanged.

The Investment Manager uses the MSCI Multi-Asset Dynamic Planner 5 index as a comparator for risk analysis purposes. This independent asset allocator has a risk rating range from '1' which is classified as the lowest risk to '10' which is classified as the highest risk and is separate to the Synthetic Risk and Reward Indicator (SRRRI).

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 5**

**PORTFOLIO STATEMENT**

as at 31 January 2024

Holding or nominal value		Bid value £	Percentage of total net assets %
<b>EQUITIES</b> (31 January 2023 - 61.20%)			
<b>Asia Pacific excluding Japan</b> (31 January 2023 - 2.67%)			
9,723,310	Schroder Asian Income 'L' GBP	6,879,242	1.27
9,424	Veritas Asian 'D' GBP	6,974,740	1.29
	Total Asia Pacific excluding Japan	<u>13,853,982</u>	<u>2.56</u>
<b>Europe excluding UK</b> (31 January 2023 - 5.40%)			
30,774,709	IFSL Avellemy European Equity 'A'	32,559,642	6.00
	Total Europe excluding UK	<u>32,559,642</u>	<u>6.00</u>
<b>Global Emerging Markets</b> (31 January 2023 - 4.04%)			
4,752,218	Fidelity Sustainable Emerging Markets Equity 'I' GBP	3,901,571	0.72
319,776	Pacific North of South EM All Cap Equity 'I' GBP	4,442,964	0.82
8,101,136	Schroder Global Emerging Markets 'Z' GBP	6,572,452	1.21
52,890	Vontobel mtx Sustainable Emerging Markets Leaders 'N' GBP	5,865,001	1.08
	Total Global Emerging Markets	<u>20,781,988</u>	<u>3.83</u>
<b>Japan</b> (31 January 2023 - 5.25%)			
721,890	Baillie Gifford Japanese 'B'	11,037,697	2.04
9,132,348	Jupiter Japan Income 'I'	10,467,498	1.93
2,533,135	LF Morant Wright Nippon Yield 'B'	10,972,275	2.02
	Total Japan	<u>32,477,470</u>	<u>5.99</u>
<b>North America</b> (31 January 2023 - 19.92%)			
98,127,476	IFSL Avellemy US Equity 'A'	125,308,787	23.11
	Total North America	<u>125,308,787</u>	<u>23.11</u>
<b>UK All Companies</b> (31 January 2023 - 11.79%)			
60,585,344	IFSL Avellemy UK Equity 'A'	55,114,488	10.16
	Total UK All Companies	<u>55,114,488</u>	<u>10.16</u>
<b>UK Equity Income</b> (31 January 2023 - 12.13%)			
54,250,170	IFSL Avellemy UK Equity Income 'A'	56,962,678	10.50
	Total UK Equity Income	<u>56,962,678</u>	<u>10.50</u>
	<b>Total Equities</b>	<u>337,059,035</u>	<u>62.15</u>
<b>FIXED INTEREST</b> (31 January 2023 - 20.78%)			
<b>Global Inflation Linked Bond</b> (31 January 2023 - 2.51%)			
7,069,169	Royal London Short Duration Global Index Linked 'Z'	7,486,250	1.38
	Total Global Inflation Linked Bond	<u>7,486,250</u>	<u>1.38</u>
<b>Sterling Corporate Bond</b> (31 January 2023 - 9.05%)			
13,667,097	BlackRock Corporate Bond 'S' GBP	13,560,384	2.50
12,321,574	Royal London Sterling Credit 'Z'	14,859,818	2.74
168,768	TwentyFour Corporate Bond 'I' GBP	14,203,525	2.61
	Total Sterling Corporate Bond	<u>42,623,727</u>	<u>7.85</u>
<b>Sterling Strategic Bond</b> (31 January 2023 - 5.00%)			
32,606,548	Jupiter Strategic Bond 'Z'	17,992,293	3.32
200,142	Muzinich Global Tactical Credit 'S' GBP Hedged	18,166,887	3.35
176,521	Nomura Global Dynamic Bond 'ID' GBP Hedged	17,002,673	3.14
	Total Sterling Strategic Bond	<u>53,161,853</u>	<u>9.81</u>
<b>UK Gilts</b> (31 January 2023 - 2.93%)			
10,735,597	Allianz Gilt Yield 'I' GBP	15,735,164	2.90
	Total UK Gilts	<u>15,735,164</u>	<u>2.90</u>

IFSL AVELLEMY OEIC  
IFSL AVELLEMY 5

PORTFOLIO STATEMENT

as at 31 January 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>FIXED INTEREST</b> (continued)		
<b>UK Index Linked Gilts</b> (31 January 2023 - 1.29%)		
14,489,974 Legal & General All Stocks Index Linked Gilt Index 'C'	13,378,594	2.47
Total UK Index Linked Gilts	<u>13,378,594</u>	<u>2.47</u>
<b>Total Fixed Interest</b>	<u>132,385,588</u>	<u>24.41</u>
<b>OTHER</b> (31 January 2023 - 3.74%)		
<b>Property Other</b> (31 January 2023 - 2.39%)		
503,101 Janus Henderson Horizon Global Property Equities 'M2' GBP	13,065,543	2.41
Total Property Other	<u>13,065,543</u>	<u>2.41</u>
<b>Specialist</b> (31 January 2023 - 1.35%)		
17,406 Schroder Asian Total Return 'C' GBP	6,904,394	1.27
Total Specialist	<u>6,904,394</u>	<u>1.27</u>
<b>Total Other</b>	<u>19,969,937</u>	<u>3.68</u>
<b>CASH / LIQUIDITY</b> (31 January 2023 - 13.95%)		
<b>Short Term Money Market</b> (31 January 2023 - 13.95%)		
223,754 BlackRock ICS Sterling Liquidity 'Premier' GBP	25,069,236	4.62
21,921,541 Federated Hermes Short-Term Sterling Prime '8'	25,135,239	4.64
Total Short Term Money Market	<u>50,204,475</u>	<u>9.26</u>
<b>Total Cash / Liquidity</b>	<u>50,204,475</u>	<u>9.26</u>
<b>Portfolio of investments</b>	539,619,035	99.50
<b>Net other assets</b>	<u>2,691,116</u>	<u>0.50</u>
<b>Total net assets</b>	<u><u>542,310,151</u></u>	<u><u>100.00</u></u>

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

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 5**

**STATEMENT OF TOTAL RETURN**  
for the year ended 31 January 2024

	Notes	31 January 2024		31 January 2023	
		£	£	£	£
Income:					
Net capital gains/(losses)	2		27,704,323		(31,482,829)
Revenue	4	10,891,813		9,596,943	
Expenses	5	<u>(1,888,297)</u>		<u>(2,087,665)</u>	
Net revenue before taxation		9,003,516		7,509,278	
Taxation	6	<u>(667,757)</u>		<u>(388,220)</u>	
Net revenue after taxation			<u>8,335,759</u>		<u>7,121,058</u>
Total return before distributions			36,040,082		(24,361,771)
Distributions	7		(8,335,759)		(7,121,058)
Change in net assets attributable to shareholders from investment activities			<u>27,704,323</u>		<u>(31,482,829)</u>

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
for the year ended 31 January 2024

	31 January 2024		31 January 2023	
	£	£	£	£
Opening net assets attributable to shareholders		603,739,515		633,021,685
Amounts receivable on issue of shares	25,164,307		51,727,343	
Amounts payable on cancellation of shares	(118,618,941)		(53,607,885)	
Amounts payable on share class conversions	<u>18</u>		<u>-</u>	
		(93,454,616)		(1,880,542)
Change in net assets attributable to shareholders from investment activities		27,704,323		(31,482,829)
Retained distribution on accumulation shares		4,320,929		4,081,201
Closing net assets attributable to shareholders		<u>542,310,151</u>		<u>603,739,515</u>

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 5**

**BALANCE SHEET**  
as at 31 January 2024

	Notes	31 January 2024 £	31 January 2023 £
<b>Assets:</b>			
<b>Fixed Assets:</b>			
Investments	14	539,619,035	601,755,470
<b>Current Assets:</b>			
Debtors	8	1,413,009	837,724
Cash and cash equivalents		6,838,815	5,127,481
Total assets		<u>547,870,859</u>	<u>607,720,675</u>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Distribution payable on income shares		2,039,193	2,038,479
Other creditors	9	3,521,515	1,942,681
Total liabilities		<u>5,560,708</u>	<u>3,981,160</u>
<b>Net assets attributable to shareholders</b>		<u><u>542,310,151</u></u>	<u><u>603,739,515</u></u>



**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

**1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES**

Please refer to the notes applicable to the Company on pages 13 to 15.

**2 NET CAPITAL GAINS/(LOSSES)**

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

	31 January 2024 £	31 January 2023 £
Realised losses on non-derivative securities	(3,619,183)	(862,432)
Unrealised gains/(losses) on non-derivative securities	31,325,826	(30,620,098)
Transaction charges	(2,320)	(299)
<b>Net capital gains/(losses)</b>	<u>27,704,323</u>	<u>(31,482,829)</u>

**3 PURCHASES, SALES AND TRANSACTION COSTS**

Purchases excluding transaction costs:

	31 January 2024 £	31 January 2023 £
Collective Investment Schemes	121,370,619	113,346,941
	<u>121,370,619</u>	<u>113,346,941</u>
Total purchase transaction costs	-	-
<b>Purchases including transaction costs</b>	<u>121,370,619</u>	<u>113,346,941</u>

Sales excluding transaction costs:

	31 January 2024 £	31 January 2023 £
Collective Investment Schemes	211,936,103	83,325,553
	<u>211,936,103</u>	<u>83,325,553</u>
Total sale transaction costs	-	-
<b>Sales net of transaction costs</b>	<u>211,936,103</u>	<u>83,325,553</u>

**Transaction handling charges**

These are charges payable to the depositary in respect of each transaction.

£2,320	£299
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**Average portfolio dealing spread**

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Average portfolio dealing spread at the balance sheet date	<u>0.00%</u>	<u>0.00%</u>
--	--------------	--------------

**4 REVENUE**

	31 January 2024 £	31 January 2023 £
UK dividends	5,164,108	5,183,627
Overseas dividends	500,622	384,549
Interest distributions	5,004,220	3,954,656
Bank interest	222,863	74,111
<b>Total revenue</b>	<u>10,891,813</u>	<u>9,596,943</u>

**5 EXPENSES**

Payable to the ACD or associate:

	31 January 2024 £	31 January 2023 £
ACD's periodic charge	1,698,885	1,884,435
Registration fees	1,636	1,369
KIID production costs	1,800	1,949
	<u>1,702,321</u>	<u>1,887,753</u>

Other expenses:

Depositary's fees	128,170	146,395
Safe custody fees	47,836	44,655
Bank interest	-	343
HMRC Interest Payment	388	-
FCA fee	77	80
Audit fee	9,505	8,439
	<u>185,976</u>	<u>199,912</u>

**Total expenses**

<u>1,888,297</u>	<u>2,087,665</u>
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**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 5**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

**6 TAXATION**

	<b>31 January 2024</b>	<b>31 January 2023</b>
	£	£
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	667,757	388,220
<b>Total tax charge</b> (see note 6(b))	<u>667,757</u>	<u>388,220</u>
b Factors affecting the tax charge for the year		
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below.		
Net revenue before taxation	9,003,516	7,509,278
Corporation tax at 20% (2023: 20%)	<u>1,800,703</u>	<u>1,501,855</u>
Effects of:		
Revenue not subject to taxation	(1,132,946)	(1,113,635)
<b>Total tax charge</b> (see note 6(a))	<u>667,757</u>	<u>388,220</u>
c Provision for deferred taxation		
No provision for deferred tax has been made in the current year or prior year.		

**7 DISTRIBUTIONS**

	<b>31 January 2024</b>	<b>31 January 2023</b>
	£	£
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim	3,452,858	2,074,096
Final	4,420,387	4,968,308
Amounts deducted on cancellation of shares	596,149	282,292
Amounts added on issue of shares	(133,382)	(203,549)
Equalisation on conversions	17	-
Revenue brought forward	(270)	(89)
<b>Distributions</b>	<u>8,335,759</u>	<u>7,121,058</u>

**8 DEBTORS**

	<b>31 January 2024</b>	<b>31 January 2023</b>
	£	£
Amounts receivable for issue of shares	474,587	393,735
Accrued income	918,766	329,823
Taxation recoverable	19,656	114,166
<b>Total debtors</b>	<u>1,413,009</u>	<u>837,724</u>

**9 OTHER CREDITORS**

	<b>31 January 2024</b>	<b>31 January 2023</b>
	£	£
Amounts payable for cancellation of shares	2,946,972	1,473,005
ACD's periodic charge	135,616	156,658
Accrued expenses	71,170	39,797
Corporation tax payable	367,757	273,221
<b>Total other creditors</b>	<u>3,521,515</u>	<u>1,942,681</u>

**10 RELATED PARTIES**

The ACD is involved in all transactions in the shares of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to shareholders and note 7. Amounts due from/to the ACD in respect of share transactions at the period end are disclosed in notes 8 and 9, respectively. Amounts paid to the ACD or associates in respect of the ACD's periodic charge and other fees are disclosed in note 5. Amounts due to the ACD at the period end are £2,608,290 (2023: £1,236,197).

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**IFSL AVELLEMY 5**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

**11 SHARE CLASSES**

The share classes in issue for the sub-fund and the annual management charge for each share class is as follows:

A Income	0.38%
A Accumulation	0.38%
C Income	0.13%
D Income	1.03%
D Accumulation	1.03%

**12 SHAREHOLDERS' FUND RECONCILIATION**

During the year the ACD has issued and cancelled shares as set out below:

	A Income	A Accumulation	C Income
Opening shares in issue at 1 February 2023	2,176,446	314,432,895	205,197,645
Share issues	949,298	5,104,796	15,810,496
Share cancellations	(938,770)	(77,134,307)	(22,996,382)
Share conversions	89,609	-	(89,772)
Closing shares in issue at 31 January 2024	<u>2,276,583</u>	<u>242,403,384</u>	<u>197,921,987</u>
	D Income	D Accumulation	
Opening shares in issue at 1 February 2023	268,973	16,663,801	
Share issues	2,440	936,109	
Share cancellations	(17,609)	(3,704,296)	
Closing shares in issue at 31 January 2024	<u>253,804</u>	<u>13,895,614</u>	

**13 RISK DISCLOSURES**

**Market price risk sensitivity**

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £26,980,952 (2023: £30,087,774). A five per cent decrease would have an equal and opposite effect.

**Interest rate risk**

**31 January 2024**

**31 January 2023**

£

£

The interest rate risk profile of financial assets and liabilities consists of the following:

Financial assets floating rate	6,838,815	5,127,481
Financial assets interest bearing instruments	182,590,063	209,655,261
Financial assets non-interest bearing instruments	358,441,981	392,937,933
Financial liabilities non-interest bearing instruments	(5,560,708)	(3,981,160)
	<u>542,310,151</u>	<u>603,739,515</u>

**Interest rate risk sensitivity**

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

**Liquidity risk**

**31 January 2024**

**31 January 2023**

£

£

The following table provides a maturity analysis of the sub-fund's financial liabilities:

Within one year:		
Distribution payable on income shares	2,039,193	2,038,479
Other creditors	3,521,515	1,942,681
	<u>5,560,708</u>	<u>3,981,160</u>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

**14 FAIR VALUE HIERARCHY FOR INVESTMENTS**

Basis of valuation	31 January 2024		31 January 2023	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	-	-	-	-
Level 2 - Observable market data	539,619,035	-	601,755,470	-
Level 3 - Unobservable data	-	-	-	-
	<u>539,619,035</u>	<u>-</u>	<u>601,755,470</u>	<u>-</u>

The intention of a fair value measurement is to estimate the price at which an asset or liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

In accordance with FRS102 the sub-fund classifies fair value measurement under the following levels:

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

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

Level 3 - Valuation techniques using unobservable inputs.

**15 POST BALANCE SHEET EVENTS**

Since 31 January 2024, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)		
	31 January 2024 <sup>A</sup>	26 April 2024	Movement (%)
A Income	116.70	118.80	1.80%
A Accumulation	121.80	125.00	2.63%
C Income	116.60	118.60	1.72%
D Income	104.40	106.40	1.92%
D Accumulation	112.00	114.80	2.50%

<sup>A</sup> These Net Asset Values differ from those in the Comparative Table as they are the quoted Net Asset Values.

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**DISTRIBUTION TABLE**

**Interim distribution or the period from 1 February 2023 to 31 July 2023**

Group 1: Shares purchased prior to 1 February 2023

Group 2: Shares purchased on or after 1 February 2023

		Net revenue 31 July 2023 pence per share	Equalisation 31 July 2023 pence per share	Distribution paid 30 September 2023 pence per share	Distribution paid 30 September 2022 pence per share
A Income	Group 1	0.6474	-	0.6474	0.3376
	Group 2	0.1813	0.4661	0.6474	0.3376
A Accumulation	Group 1	0.6720	-	0.6720	0.3463
	Group 2	0.2687	0.4033	0.6720	0.3463
C Income	Group 1	0.7554	-	0.7554	0.4473
	Group 2	0.3225	0.4329	0.7554	0.4473
D Income	Group 1	0.3263	-	0.3263	0.0480
	Group 2	0.1574	0.1689	0.3263	0.0480
D Accumulation	Group 1	0.3489	-	0.3489	0.0474
	Group 2	0.0351	0.3138	0.3489	0.0474

**Final distribution or the period from 1 August 2023 to 31 January 2024**

Group 1: Shares purchased prior to 1 August 2023

Group 2: Shares purchased on or after 1 August 2023

		Net revenue 31 January 2024 pence per share	Equalisation 31 January 2024 pence per share	Distribution paid 31 March 2024 pence per share	Distribution paid 31 March 2023 pence per share
A Income	Group 1	0.9087	-	0.9087	0.8763
	Group 2	0.0559	0.8528	0.9087	0.8763
A Accumulation	Group 1	0.9483	-	0.9483	0.9018
	Group 2	0.2558	0.6925	0.9483	0.9018
C Income	Group 1	1.0191	-	1.0191	0.9834
	Group 2	0.2765	0.7426	1.0191	0.9834
D Income	Group 1	0.5532	-	0.5532	0.5310
	Group 2	0.0819	0.4713	0.5532	0.5310
D Accumulation	Group 1	0.5929	-	0.5929	0.5645
	Group 2	-	0.5929	0.5929	0.5645

**IFSL AVELLEMY OEIC**  
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**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 31 January 2024

**Performance to 31 January 2024**

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>14.05.2019<sup>A</sup></u>
IFSL Avellemy 6	4.20%	5.55%	7.60%	21.70%
MSCI Multi-Asset Dynamic Planner 6	2.86%	4.23%	14.40%	29.73%

<sup>A</sup> Launch period ended 13 May 2019.

External Source of Economic Data: Morningstar (A Accumulation - quoted price to quoted price).

The performance figures above are based on quoted prices and will, therefore, differ from the performance in the Comparative Table.

Capital at risk. Past performance is not a reliable indicator of future performance; the value of your investment and any income from it can go down as well as up. Performance returns are based on the net asset value with distributable income reinvested and take account of all ongoing charges, but not entry charges (if applicable). The past performance of this share class is calculated in sterling.

**Investment commentary**

Performance summary

The sub-fund's A Accumulation shares returned 5.55% over the year to 31 January 2024, compared to a return of 4.23% for the MSCI Multi-Asset Dynamic Planner 6 Index, the sub-fund's performance benchmark\*.

Market review

In the first half of the year, central banks in the West, notably in the United States (US), United Kingdom (UK) and Europe, continued to raise base rates of interest. The associated higher cost of borrowing put pressure on entities with high levels of debt. This included developed market\*\* governments and investors in the commercial property sector. A number of banks in the US and one of the largest European financial institutions failed, causing authorities to take measures to support the sector.

While higher interest rates caused bond prices to fall, US equity markets continued to rise as the technology sector, which is a key component of the US equity market, surged on the prospects for Artificial Intelligence (AI) technologies.

In the second half of the year, there was a growing expectation that central banks would have to cut interest rates in 2024 to counter slowing economic growth. This led to positive returns for both bonds and most equity markets.

Sub-fund performance review

The sub-fund outperformed its benchmark over the period, due to the performance of a number of our active fund selections. In particular, the sub-fund held greater exposure to a number of the large technology companies in the US, which became known as 'The Magnificent 7' as the year progressed. The US equity market was up nearly 16% in the year to 31 January 2024, and the sub-fund's US equities were up nearly 23%.

The sub-fund's UK equity investments added value as the selection of companies delivered stronger growth than the market. In addition, the sub-fund's Asia Pacific exposure also added value as it had less exposure than the market to China, which fell over 30% in the period.

Negative contribution to performance came from the sub-fund's Japanese equity allocation, which had a disappointing year after good performance in 2022. In the year to 31 January 2024, our Japanese equities were up 5.3%, significantly behind the market return of 14.6%.

Portfolio activity

The fund managers amended their Japanese equity allocation over the period. This was in order to increase exposure to a part of the market that should stand to benefit from the Tokyo Stock Exchange announcement in early 2023, which encouraged the companies listed on the exchange to increase their focus on improving value for shareholders.

Avellemy Limited  
21 February 2024

\* Benchmark - comparator for performance purposes.

\*\* Developed market – a country that is most developed in terms of its economy and capital markets.

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**AUTHORISED INVESTMENT MANAGER'S REPORT**  
for the year ended 31 January 2024

**Distributions**

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>A Income (pence per share)</u>				
Net income paid 31 March	0.8130	0.9276	0.3535	N/A
Net income paid 30 September		0.7020	0.3868	0.0158
<u>A Accumulation (pence per share)</u>				
Net accumulation paid 31 March	0.8446	0.9503	0.3535	0.5195
Net accumulation paid 30 September		0.7253	0.3952	0.6338
<u>C Income (pence per share)</u>				
Net income paid 31 March	0.9205	1.0315	0.4663	0.5765
Net income paid 30 September		0.8077	0.4953	0.7067
<u>D Accumulation (pence per share)</u>				
Net accumulation paid 31 March	0.5133	0.6281	0.0313	0.1873
Net accumulation paid 30 September		0.4089	0.0958	0.2927

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
Federated Hermes Short-Term Sterling Prime '8'	26,924,824
Pacific North of South EM All Cap Equity 'I' GBP	10,521,886
Fidelity Sustainable Emerging Markets Equity 'I' GBP	9,805,748
LF Morant Wright Nippon Yield 'B'	9,508,841
IFSL Avellemy European Equity 'A'	5,217,705
Nomura Global Dynamic Bond 'ID' GBP Hedged	4,601,274
Muzinich Global Tactical Credit 'S' GBP Hedged	4,504,870
Jupiter Strategic Bond 'Z'	4,471,788
Vontobel mtz Sustainable Emerging Markets Leaders 'N' GBP	2,297,057
Jupiter Japan Income 'I'	2,140,430
Other purchases	7,367,540
Total purchases for the year	87,361,963
<u>Largest sales</u>	<u>Proceeds (£)</u>
BlackRock ICS Sterling Liquidity 'Premier' GBP	40,528,622
IFSL Avellemy US Equity 'A'	40,425,550
Goldman Sachs Emerging Markets Equity 'I' GBP	16,236,384
IFSL Avellemy UK Equity 'A'	15,129,474
Federated Hermes Short-Term Sterling Prime '8'	13,875,694
IFSL Avellemy UK Equity Income 'A'	10,915,699
Baillie Gifford Japanese 'B'	6,654,397
Jupiter Japan Income 'I'	6,396,431
IFSL Avellemy European Equity 'A'	6,175,089
Schroder Global Emerging Markets 'Z' GBP	4,577,556
Other sales	32,461,553
Total sales for the year	193,376,449

IFSL AVELLEMY OEIC  
IFSL AVELLEMY 6

COMPARATIVE TABLE

**A Income shares**

<b>Change in net assets per share</b>	<b>Year to 31.01.2024 pence</b>	<b>Year to 31.01.2023 pence</b>	<b>Period to 31.01.2022<sup>A</sup> pence</b>
Opening net asset value per share	111.71	116.31	118.70
Return before operating charges*	7.45	(2.05)	(0.66)
Operating charges	(1.30)	(1.24)	(1.36)
Return after operating charges*	6.15	(3.29)	(2.02)
Distributions on income shares	(1.52)	(1.31)	(0.37)
Closing net asset value per share	116.34	111.71	116.31

\* after direct transaction costs of:

- - -

**Performance**

Return after charges<sup>B</sup> 5.51% (2.83)% (1.70)%

**Other information**

Closing net asset value (£)	4,690,952	4,423,234	5,606,558
Closing number of shares	4,032,264	3,959,744	4,820,177
Operating charges	1.16% <sup>C</sup>	1.12%	1.13% <sup>D</sup>
Direct transaction costs	0.00%	0.00%	0.00%

**Prices (pence per share)**

Highest share price	117.10	118.40	123.90
Lowest share price	107.30	104.00	110.10

**A Accumulation shares**

<b>Change in net assets per share</b>	<b>Year to 31.01.2024 pence</b>	<b>Year to 31.01.2023 pence</b>	<b>Year to 31.01.2022 pence</b>
Opening net asset value per share	115.33	118.70	113.01
Return before operating charges*	7.72	(2.10)	7.06
Operating charges	(1.34)	(1.27)	(1.37)
Return after operating charges*	6.38	(3.37)	5.69
Distributions on accumulation shares	(1.57)	(1.35)	(0.99)
Retained distributions on accumulation shares	1.57	1.35	0.99
Closing net asset value per share	121.71	115.33	118.70

\* after direct transaction costs of:

- - -

**Performance**

Return after charges<sup>B</sup> 5.53% (2.84)% 5.03%

**Other information**

Closing net asset value (£)	278,841,198	372,934,049	393,043,531
Closing number of shares	229,102,094	323,357,727	331,128,744
Operating charges	1.16% <sup>C</sup>	1.12%	1.13%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices (pence per share)**

Highest share price	121.71	121.00	126.20
Lowest share price	111.40	106.60	112.20

<sup>A</sup> Opening net asset value per share on 16 July 2021.

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

<sup>C</sup> On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

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



**IFSL AVELLEMY OEIC**  
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**COMPARATIVE TABLE**

**C Income shares**

<b>Change in net assets per share</b>	<b>Year to 31.01.2024 pence</b>	<b>Year to 31.01.2023 pence</b>	<b>Year to 31.01.2022 pence</b>
Opening net asset value per share	110.97	115.55	110.94
Return before operating charges*	7.35	(2.09)	6.82
Operating charges	(1.01)	(0.96)	(1.04)
Return after operating charges*	6.34	(3.05)	5.78
Distributions on income shares	(1.73)	(1.53)	(1.17)
Closing net asset value per share	115.58	110.97	115.55

\* after direct transaction costs of: - - -

**Performance**

Return after charges<sup>A</sup> 5.71% (2.64)% 5.21%

**Other information**

Closing net asset value (£)	147,238,195	147,368,377	142,558,137
Closing number of shares	127,392,485	132,801,827	123,377,247
Operating charges	0.91% <sup>B</sup>	0.87%	0.88%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices (pence per share)**

Highest share price	116.50	117.70	123.20
Lowest share price	106.70	103.40	110.10

**D Accumulation shares**

<b>Change in net assets per share</b>	<b>Year to 31.01.2024 pence</b>	<b>Year to 31.01.2023 pence</b>	<b>Year to 31.01.2022 pence</b>
Opening net asset value per share	110.19	113.99	109.13
Return before operating charges*	7.47	(1.88)	6.92
Operating charges	(1.99)	(1.92)	(2.06)
Return after operating charges*	5.48	(3.80)	4.86
Distributions on accumulation shares	(0.92)	(0.72)	(0.32)
Retained distributions on accumulation shares	0.92	0.72	0.32
Closing net asset value per share	115.67	110.19	113.99

\* after direct transaction costs of: - - -

**Performance**

Return after charges<sup>A</sup> 4.97% (3.33)% 4.45%

**Other information**

Closing net asset value (£)	5,337,711	6,878,488	6,400,997
Closing number of shares	4,614,488	6,242,593	5,615,328
Operating charges	1.81% <sup>B</sup>	1.77%	1.78%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices (pence per share)**

Highest share price	115.60	116.10	121.20
Lowest share price	106.10	101.90	108.30

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

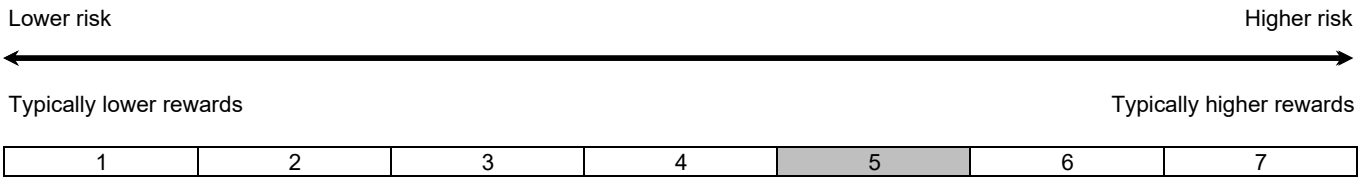
<sup>B</sup> On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each share class in the year. Where it is considered unsuitable to use the total expenses paid by each share class in the year to calculate the OCF because of material changes to the sub-fund's charges an estimate will be calculated instead. The OCFs disclosed in the Key Investor Information Document (KIID) (available on IFSL's website, [www.ifslfunds.com](http://www.ifslfunds.com)) give an estimate of future costs.

Direct transaction costs are the total charges for the year, included in the purchase and sale of investments in the portfolio of the sub-fund. These amounts are expressed as a percentage of the average net asset value over the year and the average shares in issue for the pence per share figures.

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**IFSL AVELLEMY 6**

**SYNTHETIC RISK AND REWARD INDICATOR** (all share classes)



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

The sub-fund has been measured as 5 because its investments have experienced moderate to high volatility in the past. During the year the synthetic risk and reward indicator has remained unchanged.

The Investment Manager uses the MSCI Multi-Asset Dynamic Planner 6 index as a comparator for risk analysis purposes. This independent asset allocator has a risk rating range from '1' which is classified as the lowest risk to '10' which is classified as the highest risk and is separate to the Synthetic Risk and Reward Indicator (SRR).

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 6**

**PORTFOLIO STATEMENT**

as at 31 January 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>EQUITIES</b> (31 January 2023 - 70.65%)		
<b>Asia Pacific excluding Japan</b> (31 January 2023 - 6.61%)		
20,473,964 Schroder Asian Income 'L' GBP	14,485,330	3.32
18,709 Veritas Asian 'D' GBP	13,846,117	3.18
Total Asia Pacific excluding Japan	28,331,447	6.50
<b>Europe excluding UK</b> (31 January 2023 - 4.88%)		
24,956,913 IFSL Avellemly European Equity 'A'	26,404,414	6.05
Total Europe excluding UK	26,404,414	6.05
<b>Global Emerging Markets</b> (31 January 2023 - 9.95%)		
10,487,945 Fidelity Sustainable Emerging Markets Equity 'I' GBP	8,610,603	1.97
623,345 Pacific North of South EM All Cap Equity 'I' GBP	8,660,754	1.99
15,563,547 Schroder Global Emerging Markets 'Z' GBP	12,626,706	2.90
114,752 Vontobel mtx Sustainable Emerging Markets Leaders 'N' GBP	12,724,849	2.92
Total Global Emerging Markets	42,622,912	9.78
<b>Japan</b> (31 January 2023 - 5.04%)		
507,495 Baillie Gifford Japanese 'B'	7,759,591	1.78
7,818,718 Jupiter Japan Income 'I'	8,961,815	2.05
2,037,486 LF Morant Wright Nippon Yield 'B'	8,825,371	2.02
Total Japan	25,546,777	5.85
<b>North America</b> (31 January 2023 - 21.44%)		
77,334,842 IFSL Avellemly US Equity 'A'	98,756,593	22.64
Total North America	98,756,593	22.64
<b>UK All Companies</b> (31 January 2023 - 11.92%)		
52,893,508 IFSL Avellemly UK Equity 'A'	48,117,224	11.04
Total UK All Companies	48,117,224	11.04
<b>UK Equity Income</b> (31 January 2023 - 10.81%)		
44,713,812 IFSL Avellemly UK Equity Income 'A'	46,949,503	10.77
Total UK Equity Income	46,949,503	10.77
<b>Total Equities</b>	316,728,870	72.63
<b>FIXED INTEREST</b> (31 January 2023 - 11.90%)		
<b>Sterling Corporate Bond</b> (31 January 2023 - 7.94%)		
11,599,911 BlackRock Corporate Bond 'S' GBP	11,509,339	2.64
9,260,940 Royal London Sterling Credit 'Z'	11,168,694	2.56
138,925 TwentyFour Corporate Bond 'I' GBP	11,691,937	2.68
Total Sterling Corporate Bond	34,369,970	7.88
<b>Sterling Strategic Bond</b> (31 January 2023 - 3.96%)		
18,134,157 Jupiter Strategic Bond 'Z'	10,006,428	2.29
109,040 Muzinich Global Tactical Credit 'S' GBP Hedged	9,897,541	2.27
104,838 Nomura Global Dynamic Bond 'ID' GBP Hedged	10,098,027	2.32
Total Sterling Strategic Bond	30,001,996	6.88
<b>Total Fixed Interest</b>	64,371,966	14.76

IFSL AVELLEMY OEIC  
IFSL AVELLEMY 6

PORTFOLIO STATEMENT

as at 31 January 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>OTHER</b> (31 January 2023 - 5.70%)		
<b>Property Other</b> (31 January 2023 - 2.36%)		
404,291 Janus Henderson Horizon Global Property Equities 'M2' GBP	10,499,439	2.41
Total Property Other	<u>10,499,439</u>	<u>2.41</u>
<b>Specialist</b> (31 January 2023 - 3.34%)		
36,417 Schroder Asian Total Return 'C' GBP	14,445,373	3.31
Total Specialist	<u>14,445,373</u>	<u>3.31</u>
<b>Total Other</b>	<u>24,944,812</u>	<u>5.72</u>
<b>CASH / LIQUIDITY</b> (31 January 2023 - 10.03%)		
<b>Short Term Money Market</b> (31 January 2023 - 10.03%)		
125,575 BlackRock ICS Sterling Liquidity 'Premier' GBP	14,069,255	3.23
12,074,125 Federated Hermes Short-Term Sterling Prime '8'	13,844,192	3.17
Total Short Term Money Market	<u>27,913,447</u>	<u>6.40</u>
<b>Total Cash / Liquidity</b>	<u>27,913,447</u>	<u>6.40</u>
<b>Portfolio of investments</b>	433,959,095	99.51
<b>Net other assets</b>	2,148,961	0.49
<b>Total net assets</b>	<u><u>436,108,056</u></u>	<u><u>100.00</u></u>

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

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 6**

**STATEMENT OF TOTAL RETURN**  
for the year ended 31 January 2024

	Notes	31 January 2024		31 January 2023	
		£	£	£	£
Income:					
Net capital gains/(losses)	2		16,674,013		(22,406,679)
Revenue	4	8,810,189		8,655,866	
Expenses	5	<u>(1,666,357)</u>		<u>(1,897,549)</u>	
Net revenue before taxation		7,143,832		6,758,317	
Taxation	6	<u>(297,919)</u>		<u>(155,584)</u>	
Net revenue after taxation			<u>6,845,913</u>		<u>6,602,733</u>
Total return before distributions			23,519,926		(15,803,946)
Distributions	7		(6,845,913)		(6,602,733)
Change in net assets attributable to shareholders from investment activities			<u>16,674,013</u>		<u>(22,406,679)</u>

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
for the year ended 31 January 2024

	31 January 2024		31 January 2023	
	£	£	£	£
Opening net assets attributable to shareholders		531,604,147		547,609,223
Amounts receivable on issue of shares	19,429,091		42,969,465	
Amounts payable on cancellation of shares	<u>(135,639,901)</u>		<u>(41,025,562)</u>	
Amounts payable on unit class conversions	<u>(60)</u>		<u>-</u>	
		(116,210,870)		1,943,903
Change in net assets attributable to shareholders from investment activities		16,674,013		(22,406,679)
Retained distribution on accumulation shares		4,040,766		4,457,700
Closing net assets attributable to shareholders		<u>436,108,056</u>		<u>531,604,147</u>

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 6**

**BALANCE SHEET**  
as at 31 January 2024

	Notes	31 January 2024 £	31 January 2023 £
<b>Assets:</b>			
<b>Fixed Assets:</b>			
Investments	14	433,959,095	522,486,020
<b>Current Assets:</b>			
Debtors	8	840,716	748,084
Cash and cash equivalents		5,014,870	11,140,801
Total assets		<u>439,814,681</u>	<u>534,374,905</u>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Distribution payable on income shares		1,205,466	1,406,597
Other creditors	9	2,501,159	1,364,161
Total liabilities		<u>3,706,625</u>	<u>2,770,758</u>
<b>Net assets attributable to shareholders</b>		<u>436,108,056</u>	<u>531,604,147</u>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

**1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES**

Please refer to the notes applicable to the Company on pages 13 to 15.

**2 NET CAPITAL GAINS/(LOSSES)**

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

	31 January 2024 £	31 January 2023 £
Realised losses on non-derivative securities	(4,582,689)	(1,741,887)
Unrealised gains/(losses) on non-derivative securities	21,259,237	(20,664,577)
Transaction charges	(2,535)	(215)
<b>Net capital gains/(losses)</b>	<u>16,674,013</u>	<u>(22,406,679)</u>

**3 PURCHASES, SALES AND TRANSACTION COSTS**

Purchases excluding transaction costs:

	31 January 2024 £	31 January 2023 £
Collective Investment Schemes	87,361,963	82,937,266
	<u>87,361,963</u>	<u>82,937,266</u>
Total purchase transaction costs	-	-
<b>Purchases including transaction costs</b>	<u>87,361,963</u>	<u>82,937,266</u>

Sales excluding transaction costs:

	31 January 2024 £	31 January 2023 £
Collective Investment Schemes	193,376,449	70,121,507
	<u>193,376,449</u>	<u>70,121,507</u>
Total sale transaction costs	-	-
<b>Sales net of transaction costs</b>	<u>193,376,449</u>	<u>70,121,507</u>

**Transaction handling charges**

These are charges payable to the depositary in respect of each transaction.

<u>£2,535</u>	<u>£215</u>
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**Average portfolio dealing spread**

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Average portfolio dealing spread at the balance sheet date	<u>0.00%</u>	<u>0.00%</u>
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**4 REVENUE**

	31 January 2024 £	31 January 2023 £
UK dividends	4,941,785	5,161,366
Overseas dividends	712,446	819,029
Interest distributions	2,972,607	2,617,302
HMRC Interest Payment	-	60
Bank interest	183,344	58,109
Miscellaneous	7	-
<b>Total revenue</b>	<u>8,810,189</u>	<u>8,655,866</u>

**5 EXPENSES**

Payable to the ACD or associate:

	31 January 2024 £	31 January 2023 £
ACD's periodic charge	1,498,654	1,714,615
Registration fees	1,415	1,379
KIID production costs	1,800	1,949
	<u>1,501,869</u>	<u>1,717,943</u>

Other expenses:

Depositary's fees	114,249	132,372
Safe custody fees	40,625	38,715
HMRC Interest Payment	32	-
FCA fee	77	80
Audit fee	9,505	8,439
	<u>164,488</u>	<u>179,606</u>

**Total expenses**

<u>1,666,357</u>	<u>1,897,549</u>
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**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 6**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

<b>6 TAXATION</b>	<b>31 January 2024</b>	<b>31 January 2023</b>
	<b>£</b>	<b>£</b>
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	297,919	155,584
<b>Total tax charge</b> (see note 6(b))	<u>297,919</u>	<u>155,584</u>
b Factors affecting the tax charge for the year		
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below.		
Net revenue before taxation	7,143,832	6,758,317
Corporation tax at 20% (2023: 20%)	<u>1,428,767</u>	<u>1,351,663</u>
Effects of:		
Revenue not subject to taxation	(1,130,848)	(1,196,079)
<b>Total tax charge</b> (see note 6(a))	<u>297,919</u>	<u>155,584</u>
c Provision for deferred taxation		
No provision for deferred tax has been made in the current or prior accounting year.		
<b>7 DISTRIBUTIONS</b>	<b>31 January 2024</b>	<b>31 January 2023</b>
	<b>£</b>	<b>£</b>
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim	3,163,903	2,011,598
Final	3,164,368	4,518,826
Amounts deducted on cancellation of shares	607,230	219,015
Amounts added on issue of shares	(89,362)	(146,429)
Equalisation on conversions	(60)	-
Revenue brought forward	(166)	(277)
<b>Distributions</b>	<u>6,845,913</u>	<u>6,602,733</u>
Movement between net revenue and distributions:		
Net revenue after taxation	<u>6,845,913</u>	<u>6,602,733</u>
	<u>6,845,913</u>	<u>6,602,733</u>
<b>8 DEBTORS</b>	<b>31 January 2024</b>	<b>31 January 2023</b>
	<b>£</b>	<b>£</b>
Amounts receivable for issue of shares	27,050	232,925
Accrued income	796,234	420,494
Taxation recoverable	17,432	94,665
<b>Total debtors</b>	<u>840,716</u>	<u>748,084</u>
<b>9 OTHER CREDITORS</b>	<b>31 January 2024</b>	<b>31 January 2023</b>
	<b>£</b>	<b>£</b>
Amounts payable for cancellation of shares	2,157,598	1,058,418
ACD's periodic charge	112,588	142,846
Accrued expenses	63,054	37,313
Corporation tax payable	167,919	125,584
<b>Total other creditors</b>	<u>2,501,159</u>	<u>1,364,161</u>
<b>10 RELATED PARTIES</b>		
The ACD is involved in all transactions in the shares of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to shareholders and note 7. Amounts due from/to the ACD in respect of share transactions at the period end are disclosed in notes 8 and 9, respectively. Amounts paid to the ACD or associates in respect of the ACD's periodic charge and other fees are disclosed in note 5. Amounts due to the ACD at the year end are £2,243,403 (2023: £968,603).		



**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 6**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

**11 SHARE CLASSES**

The share classes in issue for the sub-fund and the annual management charge for each share class is as follows:

A Income	0.38%
A Accumulation	0.38%
C Income	0.13%
D Accumulation	1.03%

**12 SHAREHOLDERS' FUND RECONCILIATION**

During the year the ACD has issued and cancelled shares as set out below:

	A Income	A Accumulation	C Income
Opening shares in issue at 1 February 2023	3,959,744	323,357,727	132,801,827
Share issues	570,178	5,029,766	11,448,185
Share cancellations	(382,556)	(99,285,399)	(16,973,260)
Share conversions	(115,102)	-	115,733
Closing shares in issue at 31 January 2024	<u>4,032,264</u>	<u>229,102,094</u>	<u>127,392,485</u>
		D Accumulation	
Opening shares in issue at 1 February 2023		6,242,593	
Share issues		360,778	
Share cancellations		(1,988,883)	
Closing shares in issue at 31 January 2024		<u>4,614,488</u>	

**13 RISK DISCLOSURES**

**Market price risk sensitivity**

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £21,697,955 (2023: £26,124,301). A five per cent decrease would have an equal and opposite effect.

**Interest rate risk**

**31 January 2024**

**31 January 2023**

£

£

The interest rate risk profile of financial assets and liabilities consists of the following:

Financial assets floating rate	5,014,870	11,140,801
Financial assets interest bearing instruments	92,285,412	116,541,666
Financial assets non-interest bearing instruments	342,514,399	406,692,438
Financial liabilities non-interest bearing instruments	(3,706,625)	(2,770,758)
	<u>436,108,056</u>	<u>531,604,147</u>

**Interest rate risk sensitivity**

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

**Liquidity risk**

**31 January 2024**

**31 January 2023**

£

£

The following table provides a maturity analysis of the sub-fund's financial liabilities:

Within one year:

Distribution payable on income shares	1,205,466	1,406,597
Other creditors	2,501,159	1,364,161
	<u>3,706,625</u>	<u>2,770,758</u>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

**14 FAIR VALUE HIERARCHY FOR INVESTMENTS**

Basis of valuation	31 January 2024		31 January 2023	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	-	-	-	-
Level 2 - Observable market data	433,959,095	-	522,486,020	-
Level 3 - Unobservable data	-	-	-	-
	<u>433,959,095</u>	<u>-</u>	<u>522,486,020</u>	<u>-</u>

The intention of a fair value measurement is to estimate the price at which an asset or liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

In accordance with FRS102 the sub-fund classifies fair value measurement under the following levels:

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

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

Level 3 - Valuation techniques using unobservable inputs.

**15 POST BALANCE SHEET EVENTS**

Since 31 January 2024, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)		
	31 January 2024 <sup>A</sup>	26 April 2024	Movement (%)
A Income	117.10	120.30	2.73%
A Accumulation	121.70	126.00	3.53%
C Income	116.50	119.70	2.75%
D Accumulation	115.60	119.50	3.37%

<sup>A</sup> These Net Asset Values differ from those in the Comparative Table as they are the quoted Net Asset Values.

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 6**

**DISTRIBUTION TABLE**

**Interim distribution or the period from 1 February 2023 to 31 July 2023**

Group 1: Shares purchased prior to 1 February 2023

Group 2: Shares purchased on or after 1 February 2023

		Net revenue 31 July 2023 pence per share	Equalisation 31 July 2023 pence per share	Distribution paid 30 September 2023 pence per share	Distribution paid 30 September 2022 pence per share
A Income	Group 1	0.7020	-	0.7020	0.3868
	Group 2	0.1961	0.5059	0.7020	0.3868
A Accumulation	Group 1	0.7253	-	0.7253	0.3952
	Group 2	0.3998	0.3255	0.7253	0.3952
C Income	Group 1	0.8077	-	0.8077	0.4953
	Group 2	0.3638	0.4439	0.8077	0.4953
D Accumulation	Group 1	0.4089	-	0.4089	0.0958
	Group 2	0.2518	0.1571	0.4089	0.0958

**Final distribution or the period from 1 August 2023 to 31 January 2024**

Group 1: Shares purchased prior to 1 August 2023

Group 2: Shares purchased on or after 1 August 2023

		Net revenue 31 January 2024 pence per share	Equalisation 31 January 2024 pence per share	Distribution paid 31 March 2024 pence per share	Distribution paid 31 March 2023 pence per share
A Income	Group 1	0.8130	-	0.8130	0.9276
	Group 2	0.2359	0.5771	0.8130	0.9276
A Accumulation	Group 1	0.8446	-	0.8446	0.9503
	Group 2	0.2206	0.6240	0.8446	0.9503
C Income	Group 1	0.9205	-	0.9205	1.0315
	Group 2	0.2108	0.7097	0.9205	1.0315
D Accumulation	Group 1	0.5133	-	0.5133	0.6281
	Group 2	0.0043	0.5090	0.5133	0.6281

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 7**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 31 January 2024

**Performance to 31 January 2024**

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>14.05.2019<sup>A</sup></u>
IFSL Avellemy 7	3.77%	5.09%	8.68%	23.90%
MSCI Multi-Asset Dynamic Planner 7	2.49%	4.12%	18.77%	33.51%

<sup>A</sup> Launch period ended 13 May 2019.

External Source of Economic Data: Morningstar (A Accumulation - quoted price to quoted price).

The performance figures above are based on quoted prices and will, therefore, differ from the performance in the Comparative Table.

Capital at risk. Past performance is not a reliable indicator of future performance; the value of your investment and any income from it can go down as well as up. Performance returns are based on the net asset value with distributable income reinvested and take account of all ongoing charges, but not entry charges (if applicable). The past performance of this share class is calculated in sterling.

**Investment commentary**

Performance summary

The sub-fund's A Accumulation shares returned 5.09% over the year to 31 January 2024, compared to a return of 4.12% for the MSCI Multi-Asset Dynamic Planner 7 Index, the sub-fund's performance benchmark\*.

Market review

In the first half of the year, central banks in the West, notably in the United States (US), United Kingdom (UK) and Europe, continued to raise base rates of interest. The associated higher cost of borrowing put pressure on entities with high levels of debt. This included developed market\*\* governments and investors in the commercial property sector. A number of banks in the US and one of the largest European financial institutions failed, causing authorities to take measures to support the sector.

While higher interest rates caused bond prices to fall, US equity markets continued to rise as the technology sector, which is a key component of the US equity market, surged on the prospects for Artificial Intelligence (AI) technologies.

In the second half of the year, there was a growing expectation that central banks would have to cut interest rates in 2024 to counter slowing economic growth. This led to positive returns for both bonds and most equity markets.

Sub-fund performance review

The sub-fund outperformed its benchmark over the period, due to the performance of a number of our active fund selections. In particular, the sub-fund held greater exposure to a number of the large technology companies in the US, which became known as 'The Magnificent 7' as the year progressed. The US equity market was up nearly 16% in the year to 31 January 2024, and the sub-fund's US equities were up nearly 23%.

The sub-fund's UK equity investments added value as the selection of companies delivered stronger growth than the market. In addition, the sub-fund's Asia Pacific exposure also added value as it had less exposure than the market to China, which fell over 30% in the period.

Negative contribution to performance came from the sub-fund's Japanese equity allocation, which had a disappointing year after good performance in 2022. In the year to 31 January 2024, our Japanese equities were up 5.3%, significantly behind the market return of 14.6%.

The sub-fund does not invest in cash, government bonds or investment-grade corporate bonds. It has a small allocation to high-yield bonds\*\*\*, which made an attractive return of nearly 9% over the year to 31 January 2024.

Portfolio activity

The fund managers amended their Japanese equity allocation over the period. This was in order to increase exposure to a part of the market that should stand to benefit from the Tokyo Stock Exchange announcement in early 2023, which encouraged the companies listed on the exchange to increase their focus on improving value for shareholders.

Avellemy Limited  
21 February 2024

\* Benchmark - comparator for performance purposes.

\*\* Developed market – a country that is most developed in terms of its economy and capital markets.

\*\*\* High-yield bond – issued by companies with low credit ratings and therefore need to pay higher interest as an incentive to purchase. They have a higher default risk than investment grade bonds, which have a higher credit rating.

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 7**

**AUTHORISED INVESTMENT MANAGER'S REPORT**  
for the year ended 31 January 2024

**Distributions**

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>A Income (pence per share)</u>				
Net income paid 31 March	0.9909	1.0487	0.3109	N/A
Net income paid 30 September		0.7596	0.3684	-
<u>A Accumulation (pence per share)</u>				
Net accumulation paid 31 March	1.0367	1.0773	0.3072	0.5269
Net accumulation paid 30 September		0.7880	0.3778	0.6222
<u>C Income (pence per share)</u>				
Net income paid 31 March	1.0896	1.1593	0.4474	0.5826
Net income paid 30 September		0.8561	0.4923	0.7075
<u>D Accumulation (pence per share)</u>				
Net accumulation paid 31 March	0.6537	0.6585	-	0.1869
Net accumulation paid 30 September		0.4887	0.0219	0.2038

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
IFSL Avellemy US Equity 'A'	5,210,272
Fidelity Sustainable Emerging Markets Equity 'I' GBP	3,183,492
Pacific North of South EM All Cap Equity 'I' GBP	3,075,701
Federated Hermes Short-Term Sterling Prime '8'	2,705,459
LF Morant Wright Nippon Yield 'B'	2,250,993
Man GLG High Yield Opportunities 'C'	988,112
Schroder Global Emerging Markets 'Z' GBP	763,004
Schroder Asian Total Return 'C' GBP	747,142
Schroder Asian Income 'L' GBP	664,816
Janus Henderson Horizon Global Property Equities 'M2' GBP	396,138
Other purchases	1,150,392
Total purchases for the year	21,135,521
<u>Largest sales</u>	<u>Proceeds (£)</u>
IFSL Avellemy US Equity 'A'	8,647,673
IFSL Avellemy UK Equity Income 'A'	5,617,644
Goldman Sachs Emerging Markets Equity 'I' GBP	5,425,543
BlackRock ICS Sterling Liquidity 'Premier' GBP	4,424,761
IFSL Avellemy UK Equity 'A'	4,165,012
Schroder Global Emerging Markets 'Z' GBP	2,869,207
Jupiter Japan Income 'I'	1,820,750
IFSL Avellemy European Equity 'A'	1,756,707
Baillie Gifford Japanese 'B'	1,681,436
Federated Hermes Short-Term Sterling Prime '8'	1,472,627
Other sales	6,913,256
Total sales for the year	44,794,616

IFSL AVELLEMY OEIC  
IFSL AVELLEMY 7

COMPARATIVE TABLE

**A Income shares**

<b>Change in net assets per share</b>	<b>Year to 31.01.2024 pence</b>	<b>Year to 31.01.2023 pence</b>	<b>Period to 31.01.2022<sup>A</sup> pence</b>
Opening net asset value per share	113.77	117.33	119.90
Return before operating charges*	7.11	(0.80)	(0.76)
Operating charges	(1.40)	(1.34)	(1.50)
Return after operating charges*	5.71	(2.14)	(2.26)
Distributions on income shares	(1.75)	(1.42)	(0.31)
Closing net asset value per share	117.73	113.77	117.33

\* after direct transaction costs of:

- - -

**Performance**

Return after charges<sup>B</sup> 5.02% (1.82)% (1.88)%

**Other information**

Closing net asset value (£) 941,516 927,626 1,026,421  
 Closing number of shares 799,710 815,342 874,811  
 Operating charges 1.23%<sup>C</sup> 1.20% 1.23%<sup>D</sup>  
 Direct transaction costs 0.00% 0.00% 0.00%

**Prices** (pence per share)

Highest share price 118.70 119.90 125.50  
 Lowest share price 108.20 105.00 110.80

**A Accumulation shares**

<b>Change in net assets per share</b>	<b>Year to 31.01.2024 pence</b>	<b>Year to 31.01.2023 pence</b>	<b>Year to 31.01.2022 pence</b>
Opening net asset value per share	117.92	120.11	114.08
Return before operating charges*	7.40	(0.81)	7.54
Operating charges	(1.45)	(1.38)	(1.51)
Return after operating charges*	5.95	(2.19)	6.03
Distributions on accumulation shares	(1.82)	(1.46)	(0.93)
Retained distributions on accumulation shares	1.82	1.46	0.93
Closing net asset value per share	123.87	117.92	120.11

\* after direct transaction costs of:

- - -

**Performance**

Return after charges<sup>B</sup> 5.05% (1.82)% 5.29%

**Other information**

Closing net asset value (£) 51,244,018 67,656,271 67,884,406  
 Closing number of shares 41,368,068 57,374,036 56,519,171  
 Operating charges 1.23%<sup>C</sup> 1.20% 1.23%  
 Direct transaction costs 0.00% 0.00% 0.00%

**Prices** (pence per share)

Highest share price 123.90 122.80 128.10  
 Lowest share price 112.90 107.90 113.20

<sup>A</sup> Opening net asset value per share on 19 July 2021.

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

<sup>C</sup> On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

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

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 7**

**COMPARATIVE TABLE**

**C Income shares**

<b>Change in net assets per share</b>	<b>Year to 31.01.2024 pence</b>	<b>Year to 31.01.2023 pence</b>	<b>Year to 31.01.2022 pence</b>
Opening net asset value per share	113.11	116.58	111.59
Return before operating charges*	7.01	(0.76)	7.31
Operating charges	(1.11)	(1.06)	(1.17)
Return after operating charges*	5.90	(1.82)	6.14
Distributions on income shares	(1.95)	(1.65)	(1.15)
Closing net asset value per share	117.06	113.11	116.58

\* after direct transaction costs of: - - -

**Performance**

Return after charges<sup>A</sup> 5.22% (1.56)% 5.50%

**Other information**

Closing net asset value (£)	55,093,389	57,228,181	53,561,304
Closing number of shares	47,065,043	50,593,296	45,945,576
Operating charges	0.98% <sup>B</sup>	0.95%	0.98%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices (pence per share)**

Highest share price	118.10	119.20	124.90
Lowest share price	107.60	104.50	110.80

**D Accumulation shares**

<b>Change in net assets per share</b>	<b>Year to 31.01.2024 pence</b>	<b>Year to 31.01.2023 pence</b>	<b>Year to 31.01.2022 pence</b>
Opening net asset value per share	107.09	109.76	104.93
Return before operating charges*	6.88	(0.73)	6.94
Operating charges	(2.01)	(1.94)	(2.11)
Return after operating charges*	4.87	(2.67)	4.83
Distributions on accumulation shares	(1.14)	(0.68)	(0.20)
Retained distributions on accumulation shares	1.14	0.68	0.20
Closing net asset value per share	111.96	107.09	109.76

\* after direct transaction costs of: - - -

**Performance**

Return after charges<sup>A</sup> 4.55% (2.43)% 4.60%

**Other information**

Closing net asset value (£)	446,440	733,606	1,008,666
Closing number of shares	398,740	685,030	919,014
Operating charges	1.88% <sup>B</sup>	1.85%	1.88%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices (pence per share)**

Highest share price	112.10	112.20	117.20
Lowest share price	102.20	98.18	104.10

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

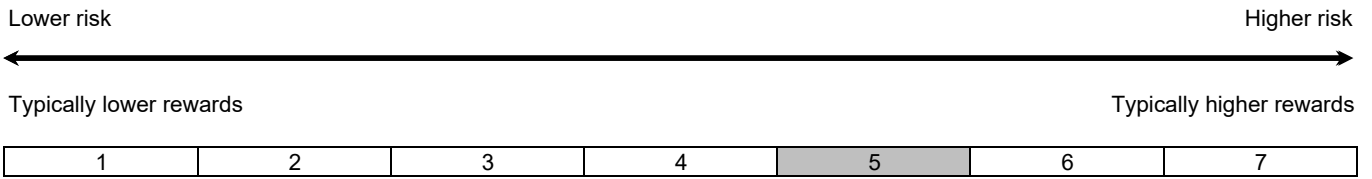
<sup>B</sup> On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each share class in the year. Where it is considered unsuitable to use the total expenses paid by each share class in the year to calculate the OCF because of material changes to the sub-fund's charges an estimate will be calculated instead. The OCFs disclosed in the Key Investor Information Document (KIID) (available on IFSL's website, [www.ifslfunds.com](http://www.ifslfunds.com)) give an estimate of future costs.

Direct transaction costs are the total charges for the year, included in the purchase and sale of investments in the portfolio of the sub-fund. These amounts are expressed as a percentage of the average net asset value over the year and the average shares in issue for the pence per share figures.

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 7**

**SYNTHETIC RISK AND REWARD INDICATOR** (all share classes)



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

The sub-fund has been measured as 5 because its investments have experienced moderate to high volatility in the past. During the year the synthetic risk and reward indicator has remained unchanged.

The Investment Manager uses the MSCI Multi-Asset Dynamic Planner 7 index as a comparator for risk analysis purposes. This independent asset allocator has a risk rating range from '1' which is classified as the lowest risk to '10' which is classified as the highest risk and is separate to the Synthetic Risk and Reward Indicator (SRR).



**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 7**

**PORTFOLIO STATEMENT**

as at 31 January 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>EQUITIES</b> (31 January 2023 - 85.39%)		
<b>Asia Pacific excluding Japan</b> (31 January 2023 - 6.81%)		
5,581,150 Schroder Asian Income 'L' GBP	3,948,663	3.67
5,129 Veritas Asian 'D' GBP	3,796,113	3.52
Total Asia Pacific excluding Japan	<u>7,744,776</u>	<u>7.19</u>
<b>Europe excluding UK</b> (31 January 2023 - 6.04%)		
6,088,455 IFSL Avellemy European Equity 'A'	6,441,585	5.98
Total Europe excluding UK	<u>6,441,585</u>	<u>5.98</u>
<b>Global Emerging Markets</b> (31 January 2023 - 13.82%)		
2,794,725 Fidelity Sustainable Emerging Markets Equity 'I' GBP	2,294,469	2.13
163,392 Pacific North of South EM All Cap Equity 'I' GBP	2,270,175	2.11
4,352,935 Schroder Global Emerging Markets 'Z' GBP	3,531,536	3.28
31,037 Vontobel mtx Sustainable Emerging Markets Leaders 'N' GBP	3,441,707	3.19
Total Global Emerging Markets	<u>11,537,887</u>	<u>10.71</u>
<b>Japan</b> (31 January 2023 - 5.93%)		
148,081 Baillie Gifford Japanese 'B'	2,264,157	2.10
1,755,969 Jupiter Japan Income 'I'	2,012,691	1.87
470,469 LF Morant Wright Nippon Yield 'B'	2,037,836	1.89
Total Japan	<u>6,314,684</u>	<u>5.86</u>
<b>North America</b> (31 January 2023 - 19.02%)		
20,966,692 IFSL Avellemy US Equity 'A'	26,774,466	24.85
Total North America	<u>26,774,466</u>	<u>24.85</u>
<b>UK All Companies</b> (31 January 2023 - 16.13%)		
17,756,257 IFSL Avellemy UK Equity 'A'	16,152,867	15.00
Total UK All Companies	<u>16,152,867</u>	<u>15.00</u>
<b>UK Equity Income</b> (31 January 2023 - 17.64%)		
16,054,544 IFSL Avellemy UK Equity Income 'A'	16,857,271	15.65
Total UK Equity Income	<u>16,857,271</u>	<u>15.65</u>
<b>Total Equities</b>	<u>91,823,536</u>	<u>85.24</u>
<b>FIXED INTEREST</b> (31 January 2023 - 3.93%)		
<b>Sterling High Yield</b> (31 January 2023 - 3.93%)		
3,766,420 Man GLG High Yield Opportunities 'C'	5,261,689	4.88
Total Sterling High Yield	<u>5,261,689</u>	<u>4.88</u>
<b>Total Fixed Interest</b>	<u>5,261,689</u>	<u>4.88</u>
<b>OTHER</b> (31 January 2023 - 5.78%)		
<b>Property Other</b> (31 January 2023 - 2.34%)		
101,307 Janus Henderson Horizon Global Property Equities 'M2' GBP	2,630,946	2.44
Total Property Other	<u>2,630,946</u>	<u>2.44</u>
<b>Specialist</b> (31 January 2023 - 3.44%)		
9,735 Schroder Asian Total Return 'C' GBP	3,861,641	3.59
Total Specialist	<u>3,861,641</u>	<u>3.59</u>
<b>Total Other</b>	<u>6,492,587</u>	<u>6.03</u>

IFSL AVELLEMY OEIC  
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**PORTFOLIO STATEMENT**  
as at 31 January 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>CASH / LIQUIDITY</b> (31 January 2023 - 4.43%)		
<b>Short Term Money Market</b> (31 January 2023 - 4.43%)		
11,677 BlackRock ICS Sterling Liquidity 'Premier' GBP	1,308,271	1.21
1,143,853 Federated Hermes Short-Term Sterling Prime '8'	1,311,542	1.22
Total Short Term Money Market	<u>2,619,813</u>	<u>2.43</u>
<b>Total Cash / Liquidity</b>	<u>2,619,813</u>	<u>2.43</u>
<b>Portfolio of investments</b>	106,197,625	98.58
<b>Net other assets</b>	<u>1,527,738</u>	<u>1.42</u>
<b>Total net assets</b>	<u><u>107,725,363</u></u>	<u><u>100.00</u></u>

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

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 7**

**STATEMENT OF TOTAL RETURN**  
for the year ended 31 January 2024

	Notes	31 January 2024		31 January 2023	
		£	£	£	£
Income:					
Net capital gains/(losses)	2		3,340,388		(3,987,269)
Revenue	4	2,265,901		2,132,124	
Expenses	5	<u>(364,465)</u>		<u>(411,605)</u>	
Net revenue before taxation		1,901,436		1,720,519	
Taxation	6	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>1,901,436</u>		<u>1,720,519</u>
Total return before distributions			5,241,824		(2,266,750)
Distributions	7		(1,901,436)		(1,720,519)
Change in net assets attributable to shareholders from investment activities			<u>3,340,388</u>		<u>(3,987,269)</u>

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
for the year ended 31 January 2024

	31 January 2024		31 January 2023	
	£	£	£	£
Opening net assets attributable to shareholders		126,545,679		123,480,797
Amounts receivable on issue of shares	10,518,559		21,551,767	
Amounts payable on cancellation of shares	<u>(33,515,415)</u>		<u>(15,352,774)</u>	
		(22,996,856)		6,198,993
Change in net assets attributable to shareholders from investment activities		3,340,388		(3,987,269)
Retained distribution on accumulation shares		836,152		853,158
Closing net assets attributable to shareholders		<u>107,725,363</u>		<u>126,545,679</u>

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 7**

**BALANCE SHEET**  
as at 31 January 2024

	Notes	31 January 2024 £	31 January 2023 £
<b>Assets:</b>			
<b>Fixed Assets:</b>			
Investments	14	106,197,625	125,947,739
<b>Current Assets:</b>			
Debtors	8	2,232,578	150,044
Cash and cash equivalents		808,152	2,147,041
Total assets		<u>109,238,355</u>	<u>128,244,824</u>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Bank overdrafts		521,919	-
Distribution payable on income shares		520,785	595,111
Other creditors	9	470,288	1,104,034
Total liabilities		<u>1,512,992</u>	<u>1,699,145</u>
<b>Net assets attributable to shareholders</b>		<u>107,725,363</u>	<u>126,545,679</u>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

**1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES**

Please refer to the notes applicable to the Company on pages 13 to 15.

**2 NET CAPITAL GAINS/(LOSSES)**

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

	31 January 2024 £	31 January 2023 £
Realised losses on non-derivative securities	(723,508)	(1,431,052)
Unrealised gains/(losses) on non-derivative securities	4,065,751	(2,555,297)
Transaction charges	(1,855)	(920)
<b>Net capital gains/(losses)</b>	<b>3,340,388</b>	<b>(3,987,269)</b>

**3 PURCHASES, SALES AND TRANSACTION COSTS**

Purchases excluding transaction costs:

	31 January 2024 £	31 January 2023 £
Collective Investment Schemes	21,135,521	33,061,001
	<u>21,135,521</u>	<u>33,061,001</u>
Total purchase transaction costs	-	-
<b>Purchases including transaction costs</b>	<b>21,135,521</b>	<b>33,061,001</b>

Sales excluding transaction costs:

	31 January 2024 £	31 January 2023 £
Collective Investment Schemes	44,794,616	22,922,649
	<u>44,794,616</u>	<u>22,922,649</u>
Total sale transaction costs	-	-
<b>Sales net of transaction costs</b>	<b>44,794,616</b>	<b>22,922,649</b>

**Transaction handling charges**

These are charges payable to the depositary in respect of each transaction.

£1,855	£920
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**Average portfolio dealing spread**

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Average portfolio dealing spread at the balance sheet date	<u>0.00%</u>	<u>0.00%</u>
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**4 REVENUE**

	31 January 2024 £	31 January 2023 £
UK dividends	1,605,297	1,547,278
Overseas dividends	199,065	225,122
Interest distributions	414,827	342,597
Bank interest	46,712	17,127
<b>Total revenue</b>	<b>2,265,901</b>	<b>2,132,124</b>

**5 EXPENSES**

Payable to the ACD or associate:

	31 January 2024 £	31 January 2023 £
ACD's periodic charge	305,309	345,994
Registration fees	734	677
KIID production costs	1,800	1,949
	<u>307,843</u>	<u>348,620</u>

Other expenses:

Depositary's fees	37,200	45,388
Safe custody fees	9,841	9,078
FCA fee	77	80
Audit fee	9,504	8,439
	<u>56,622</u>	<u>62,985</u>

**Total expenses**

364,465	411,605
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**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 7**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

<b>6 TAXATION</b>	<b>31 January 2024</b>	<b>31 January 2023</b>
	<b>£</b>	<b>£</b>
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	-	-
<b>Total tax charge</b> (see note 6(b))	<u>-</u>	<u>-</u>
b Factors affecting the tax charge for the year		
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below.		
Net revenue before taxation	1,901,436	1,720,519
Corporation tax at 20% (2023: 20%)	<u>380,287</u>	<u>344,104</u>
Effects of:		
Revenue not subject to taxation	(360,872)	(350,301)
Unrelieved excess management expenses	<u>(19,415)</u>	<u>6,197</u>
<b>Total tax charge</b> (see note 6(a))	<u>-</u>	<u>-</u>
c Provision for deferred taxation		
At 31 January 2024 the sub-fund has deferred tax assets of £9,589 (2023: £29,004) arising from surplus management expenses, which have not been recognised due to uncertainty over the availability of future taxable profits.		
<b>7 DISTRIBUTIONS</b>	<b>31 January 2024</b>	<b>31 January 2023</b>
	<b>£</b>	<b>£</b>
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim	828,877	482,357
Final	952,269	1,217,719
Amounts deducted on cancellation of shares	176,170	100,640
Amounts added on issue of shares	(55,841)	(80,158)
Revenue brought forward	(39)	(39)
<b>Distributions</b>	<u>1,901,436</u>	<u>1,720,519</u>
Movement between net revenue and distributions:		
Net revenue after taxation	<u>1,901,436</u>	<u>1,720,519</u>
	<u>1,901,436</u>	<u>1,720,519</u>
<b>8 DEBTORS</b>	<b>31 January 2024</b>	<b>31 January 2023</b>
	<b>£</b>	<b>£</b>
Amounts receivable for issue of units	117,471	57,693
Sales awaiting settlement	2,016,106	-
Accrued income	72,566	70,106
Taxation recoverable	26,435	22,245
<b>Total debtors</b>	<u>2,232,578</u>	<u>150,044</u>
<b>9 OTHER CREDITORS</b>	<b>31 January 2024</b>	<b>31 January 2023</b>
	<b>£</b>	<b>£</b>
Amounts payable for cancellation of shares	327,919	1,057,583
Purchases awaiting settlement	95,396	-
ACD's periodic charge	23,224	29,218
Accrued expenses	23,749	17,233
<b>Total other creditors</b>	<u>470,288</u>	<u>1,104,034</u>

**10 RELATED PARTIES**

The ACD is involved in all transactions in the shares of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to shareholders and note 7. Amounts due from/to the ACD in respect of share transactions at the period end are disclosed in notes 8 and 9, respectively. Amounts paid to the ACD or associates in respect of the ACD's periodic charge and other fees are disclosed in note 5. Amounts due to the ACD at the year end are £233,885 (2023: £1,029,315).

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

**11 SHARE CLASSES**

The share classes in issue for the sub-fund and the annual management charge for each share class is as follows:

A Income	0.38%
A Accumulation	0.38%
C Income	0.13%
D Accumulation	1.03%

**12 SHAREHOLDERS' FUND RECONCILIATION**

During the year the ACD has issued and cancelled shares as set out below:

	A Income	A Accumulation	C Income
Opening shares in issue at 1 February 2023	815,342	57,374,036	50,593,296
Share issues	26,361	3,957,207	5,209,298
Share cancellations	(41,993)	(19,963,175)	(8,737,551)
Closing shares in issue at 31 January 2024	<u>799,710</u>	<u>41,368,068</u>	<u>47,065,043</u>
		D Accumulation	
Opening shares in issue at 1 February 2023		685,030	
Share issues		16,128	
Share cancellations		(302,418)	
Closing shares in issue at 31 January 2024		<u>398,740</u>	

**13 RISK DISCLOSURES**

**Market price risk sensitivity**

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £5,309,881 (2023: £6,297,387). A five per cent decrease would have an equal and opposite effect.

**Interest rate risk**

31 January 2024

31 January 2023

£

£

The interest rate risk profile of financial assets and liabilities consists of the following:

Financial assets floating rate	808,152	2,147,041
Financial assets interest bearing instruments	7,881,502	10,576,677
Financial assets non-interest bearing instruments	100,548,701	115,521,106
Financial liabilities floating rate	(521,919)	-
Financial liabilities non-interest bearing instruments	(991,073)	(1,699,145)
	<u>107,725,363</u>	<u>126,545,679</u>

**Interest rate risk sensitivity**

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

**Liquidity risk**

31 January 2024

31 January 2023

£

£

The following table provides a maturity analysis of the sub-fund's financial liabilities:

Within one year:		
Bank overdrafts	521,919	-
Distribution payable on income shares	520,785	595,111
Other creditors	470,288	1,104,034
	<u>1,512,992</u>	<u>1,699,145</u>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

**14 FAIR VALUE HIERARCHY FOR INVESTMENTS**

Basis of valuation	31 January 2024		31 January 2023	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	-	-	-	-
Level 2 - Observable market data	106,197,625	-	125,947,739	-
Level 3 - Unobservable data	-	-	-	-
	<u>106,197,625</u>	<u>-</u>	<u>125,947,739</u>	<u>-</u>

The intention of a fair value measurement is to estimate the price at which an asset or liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

In accordance with FRS102 the sub-fund classifies fair value measurement under the following levels:

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

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

Level 3 - Valuation techniques using unobservable inputs.

**15 POST BALANCE SHEET EVENTS**

Since 31 January 2024, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)		
	31 January 2024 <sup>A</sup>	26 April 2024	Movement (%)
A Income	118.70	122.70	3.37%
A Accumulation	123.90	129.10	4.20%
C Income	118.10	122.00	3.30%
D Accumulation	112.10	116.80	4.19%

<sup>A</sup> These Net Asset Values differ from those in the Comparative Table as they are the quoted Net Asset Values.



**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 7**

**DISTRIBUTION TABLE**

**Interim distribution or the period from 1 February 2023 to 31 July 2023**

Group 1: Shares purchased prior to 1 February 2023

Group 2: Shares purchased on or after 1 February 2023

		Net revenue 31 July 2023 pence per share	Equalisation 31 July 2023 pence per share	Distribution paid 30 September 2023 pence per share	Distribution paid 30 September 2022 pence per share
A Income	Group 1	0.7596	-	0.7596	0.3684
	Group 2	0.3842	0.3754	0.7596	0.3684
A Accumulation	Group 1	0.7880	-	0.7880	0.3778
	Group 2	0.4137	0.3743	0.7880	0.3778
C Income	Group 1	0.8561	-	0.8561	0.4923
	Group 2	0.3176	0.5385	0.8561	0.4923
D Accumulation	Group 1	0.4887	-	0.4887	0.0219
	Group 2	0.0097	0.4790	0.4887	0.0219

**Final distribution or the period from 1 August 2023 to 31 January 2024**

Group 1: Shares purchased prior to 1 August 2023

Group 2: Shares purchased on or after 1 August 2023

		Net revenue 31 January 2024 pence per share	Equalisation 31 January 2024 pence per share	Distribution paid 31 March 2024 pence per share	Distribution paid 31 March 2023 pence per share
A Income	Group 1	0.9909	-	0.9909	1.0487
	Group 2	0.1222	0.8687	0.9909	1.0487
A Accumulation	Group 1	1.0367	-	1.0367	1.0773
	Group 2	0.3633	0.6734	1.0367	1.0773
C Income	Group 1	1.0896	-	1.0896	1.1593
	Group 2	0.2060	0.8836	1.0896	1.1593
D Accumulation	Group 1	0.6537	-	0.6537	0.6585
	Group 2	0.3015	0.3522	0.6537	0.6585

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 8**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 31 January 2024

**Performance to 31 January 2024**

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>29.04.2020<sup>A</sup></u>
IFSL Avellemy 8	0.08%	(1.14)%	(3.42)%	21.60%
MSCI Multi-Asset Dynamic Planner 8	(0.17)%	(0.23)%	4.80%	30.31%

<sup>A</sup> Launch period ended 28 April 2020.

External Source of Economic Data: Morningstar (A Accumulation - quoted to quoted).

The performance figures above are based on quoted prices and will, therefore, differ from the performance in the Comparative Table.

Capital at risk. Past performance is not a reliable indicator of future performance; the value of your investment and any income from it can go down as well as up. Performance returns are based on the net asset value with distributable income reinvested and take account of all ongoing charges, but not entry charges (if applicable). The past performance of this share class is calculated in sterling.

**Investment commentary**

Performance summary

The sub-fund's A Accumulation shares fell by -1.14% over the year to 31 January 2024, compared to a fall of -0.23% for the MSCI Multi-Asset Dynamic Planner 8 Index, the sub-fund's performance benchmark\*.

Market review

In the first half of the year, central banks in the West, notably in the United States (US), United Kingdom (UK) and Europe, continued to raise base rates of interest. The associated higher cost of borrowing put pressure on entities with high levels of debt. This included developed market\*\* governments and investors in the commercial property sector. A number of banks in the US and one of the largest European financial institutions failed, causing authorities to take measures to support the sector.

While higher interest rates caused bond prices to fall, US equity markets continued to rise as the technology sector, which is a key component of the US equity market, surged on the prospects for Artificial Intelligence (AI) technologies.

In the second half of the year, there was a growing expectation that central banks would have to cut interest rates in 2024 to counter slowing economic growth. This led to positive returns for both bonds and most equity markets.

Sub-fund performance review

The sub-fund underperformed its benchmark, primarily due to the disappointing performance of its emerging market equity allocation.

The emerging market equity allocation is significant in this sub-fund and our bias towards holding market-leading businesses with more predictable growth, underperformed some of the cheaper stocks in the market.

The allocation to Asia Pacific ex-Japan equities is also significant and although the sub-fund's Asia Pacific investments did better than the market, they outperformed by only 0.3% while the emerging market allocation lagged the market by 2.4%.

The sub-fund's UK equity investments added value as the selection of companies delivered stronger growth than the market. However, negative contribution to performance came from the sub-fund's Japanese equity allocation, which had a disappointing year after good performance in 2022. In the year to 31 January 2024, our Japanese equities were up 5.3%, significantly behind the market return of 14.6%.

The sub-fund does not invest in cash, government bonds or investment-grade corporate bonds. It has a small allocation to high-yield bonds\*\*\*, which made an attractive return of nearly 9% over the year to 31 January 2024.

Portfolio activity

The fund managers amended their Japanese equity allocation over the period. This was in order to increase exposure to a part of the market that should stand to benefit from the Tokyo Stock Exchange announcement in early 2023, which encouraged the companies listed on the exchange to increase their focus on improving value for shareholders.

Avellemy Limited  
21 February 2024

\* Benchmark - comparator for performance purposes.

\*\* Developed market – a country that is most developed in terms of its economy and capital markets.

\*\*\* High-yield bond – issued by companies with low credit ratings and therefore need to pay higher interest as an incentive to purchase. They have a higher default risk than investment grade bonds, which have a higher credit rating.

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 8**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 31 January 2024

**Distributions** (pence per share)

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>A Income (pence per share)</u>				
Net accumulation paid 31 March	0.6566	1.1502	0.3997	0.3211
Net accumulation paid 30 September		0.2402	0.4124	0.4498
<u>A Accumulation (pence per share)</u>				
Net income paid 31 March	0.7715	N/A	N/A	N/A
Net income paid 30 September		1.0499	N/A	N/A
<u>C Income (pence per share)</u>				
Net income paid 31 March	0.8953	1.2767	0.5683	0.4103
Net income paid 30 September		1.1597	0.5520	0.5844
<u>D Accumulation (pence per share)</u>				
Net accumulation paid 31 March	0.5500	1.2100	-	N/A
Net accumulation paid 30 September		0.8800	3.1400	-

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
Pacific North of South EM All Cap Equity 'I' GBP	1,199,180
Fidelity Sustainable Emerging Markets Equity 'I' GBP	1,098,637
LF Morant Wright Nippon Yield 'B'	372,552
IFSL Avellemy US Equity 'A'	296,080
Federated Hermes Short-Term Sterling Prime '8'	248,833
Schroder Asian Income 'L' GBP	217,059
Man GLG High Yield Opportunities 'C'	174,507
Schroder Global Emerging Markets 'Z' GBP	63,890
Veritas Asian 'D' GBP	50,835
IFSL Avellemy European Equity 'A'	46,871
Other purchases	97,289
Total purchases for the year	3,865,733
<u>Largest sales</u>	<u>Proceeds (£)</u>
Goldman Sachs Emerging Markets Equity 'I' GBP	1,902,164
IFSL Avellemy UK Equity Income 'A'	1,112,611
IFSL Avellemy US Equity 'A'	1,000,885
IFSL Avellemy UK Equity 'A'	874,306
Schroder Asian Total Return 'C' GBP	621,222
Schroder Global Emerging Markets 'Z' GBP	541,365
Vontobel mtX Sustainable Emerging Markets Leaders 'N' GBP	537,404
IFSL Avellemy European Equity 'A'	454,374
BlackRock ICS Sterling Liquidity 'Premier' GBP	377,570
Pacific North of South EM All Cap Equity 'I' GBP	356,896
Other sales	2,145,757
Total sales for the year	9,924,554

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 8**

**COMPARATIVE TABLE**

**A Income shares**

<b>Change in net assets per share</b>	<b>Year to 31.01.2024 pence</b>	<b>Period to 31.07.2023<sup>A</sup> pence</b>
Opening net asset value per share	101.20	98.98
Return before operating charges*	1.12	2.58
Operating charges	(0.79)	(0.12)
Return after operating charges*	0.33	2.46
Distributions on income shares	(0.90)	(0.24)
Closing net asset value per share	100.63	101.20

\* after direct transaction costs of:

- -

**Performance**

Return after charges<sup>B</sup> 0.33% 2.49%

**Other information**

Closing net asset value (£)	221,064	221,891
Closing number of shares	219,678	219,265
Operating charges	1.32% <sup>C</sup>	1.29% <sup>D</sup>
Direct transaction costs	0.00%	0.00%

**Prices (pence per share)**

Highest share price	102.50	101.40
Lowest share price	95.29	97.16

**A Accumulation shares**

<b>Change in net assets per share</b>	<b>Year to 31.01.2024 pence</b>	<b>Year to 31.01.2023 pence</b>	<b>Year to 31.01.2022 pence</b>
Opening net asset value per share	123.03	126.01	125.91
Return before operating charges*	0.14	(1.49)	1.77
Operating charges	(1.58)	(1.49)	(1.67)
Return after operating charges*	(1.44)	(2.98)	0.10
Distributions on accumulation shares	(1.82)	(1.56)	(0.85)
Retained distributions on accumulation shares	1.82	1.56	0.85
Closing net asset value per share	121.59	123.03	126.01

\* after direct transaction costs of:

- - -

**Performance**

Return after charges<sup>B</sup> (1.17)% (2.36)% 0.08%

**Other information**

Closing net asset value (£)	11,247,157	19,015,042	21,044,901
Closing number of shares	9,249,873	15,455,681	16,701,143
Operating charges	1.32% <sup>C</sup>	1.25%	1.28%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices (pence per share)**

Highest share price	125.50	129.00	135.50
Lowest share price	114.40	109.90	124.20

<sup>A</sup> Opening net asset value per share on 22 June 2023.

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

<sup>C</sup> On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

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

IFSL AVELLEMY OEIC  
IFSL AVELLEMY 8

COMPARATIVE TABLE

**C Income shares**

Change in net assets per share	Year to 31.01.2024 pence	Year to 31.01.2023 pence	Year to 31.01.2022 pence
Opening net asset value per share	121.89	126.40	127.15
Return before operating charges*	0.11	(1.49)	1.75
Operating charges	(1.27)	(1.19)	(1.35)
Return after operating charges*	(1.16)	(2.68)	0.40
Distributions on income shares	(2.06)	(1.83)	(1.15)
Closing net asset value per share	118.67	121.89	126.40

\* after direct transaction costs of: - - -

**Performance**

Return after charges<sup>B</sup> (0.95)% (2.12)% 0.31%

**Other information**

Closing net asset value (£)	4,095,033	4,217,856	3,194,733
Closing number of shares	3,450,739	3,460,303	2,527,558
Operating charges	1.07% <sup>C</sup>	1.00%	1.03%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices** (pence per share)

Highest share price	124.40	129.50	136.50
Lowest share price	112.40	109.90	125.50

**D Accumulation shares**

Change in net assets per share	Year to 31.01.2024 pence	Year to 31.01.2023 pence	Period to 31.01.2022 <sup>A</sup> pence
Opening net asset value per share	96.17	95.30	100.00
Return before operating charges*	0.75	2.63	(3.67)
Operating charges	(1.84)	(1.76)	(1.03)
Return after operating charges*	(1.09)	0.87	(4.70)
Distributions on accumulation shares	(1.43)	(4.35)	-
Retained distributions on accumulation shares	1.43	4.35	-
Closing net asset value per share	95.08	96.17	95.30

\* after direct transaction costs of: - - -

**Performance**

Return after charges<sup>B</sup> (1.13)% 0.91% (4.70)%

**Other information**

Closing net asset value (£)	95	96	95
Closing number of shares	100	100	100
Operating charges	1.97% <sup>C</sup>	1.90%	1.93% <sup>D</sup>
Direct transaction costs	0.00%	0.00%	0.00%

**Prices** (pence per share)

Highest share price	98.29	99.60	103.90
Lowest share price	89.47	85.98	97.10

<sup>A</sup> Opening net asset value per share on 12 March 2021.

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

<sup>C</sup> On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

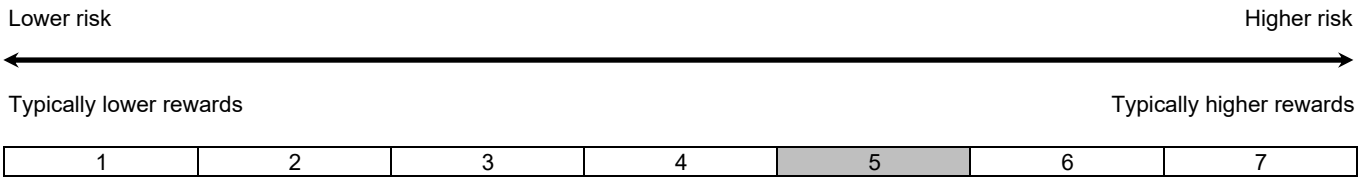
<sup>D</sup> These figures have been annualised.

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each share class in the year. Where it is considered unsuitable to use the total expenses paid by each share class in the year to calculate the OCF because of material changes to the sub-fund's charges an estimate will be calculated instead. The OCFs disclosed in the Key Investor Information Document (KIID) (available on IFSL's website, [www.ifslfunds.com](http://www.ifslfunds.com)) give an estimate of future costs.

Direct transaction costs are the total charges for the year, included in the purchase and sale of investments in the portfolio of the sub-fund. These amounts are expressed as a percentage of the average net asset value over the year and the average shares in issue for the pence per share figures.

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 8**

**SYNTHETIC RISK AND REWARD INDICATOR** (all share classes)



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

The sub-fund has been measured as 5 because its investments have experienced moderate to high volatility in the past. During the year the synthetic risk and reward indicator has remained unchanged.

The Investment Manager uses the MSCI Multi-Asset Dynamic Planner 8 index as a comparator for risk analysis purposes. This independent asset allocator has a risk rating range from '1' which is classified as the lowest risk to '10' which is classified as the highest risk and is separate to the Synthetic Risk and Reward Indicator (SRR).

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 8**

**PORTFOLIO STATEMENT**

as at 31 January 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>EQUITIES</b> (31 January 2023 - 81.14%)		
<b>Asia Pacific excluding Japan</b> (31 January 2023 - 14.62%)		
1,859,014 Schroder Asian Income 'L' GBP	1,315,252	8.45
1,714 Veritas Asian 'D' GBP	1,268,166	8.15
Total Asia Pacific excluding Japan	2,583,418	16.60
<b>Europe excluding UK</b> (31 January 2023 - 5.80%)		
931,018 IFSL Avelley European Equity 'A'	985,018	6.33
Total Europe excluding UK	985,018	6.33
<b>Global Emerging Markets</b> (31 January 2023 - 26.54%)		
976,041 Fidelity Sustainable Emerging Markets Equity 'I' GBP	801,330	5.15
67,564 Pacific North of South EM All Cap Equity 'I' GBP	938,741	6.03
1,668,404 Schroder Global Emerging Markets 'Z' GBP	1,353,577	8.70
11,819 Vontobel mtx Sustainable Emerging Markets Leaders 'N' GBP	1,310,579	8.42
Total Global Emerging Markets	4,404,227	28.30
<b>Japan</b> (31 January 2023 - 5.88%)		
21,602 Baillie Gifford Japanese 'B'	330,293	2.12
286,906 Jupiter Japan Income 'I'	328,852	2.11
78,861 LF Morant Wright Nippon Yield 'B'	341,584	2.20
Total Japan	1,000,729	6.43
<b>North America</b> (31 January 2023 - 9.69%)		
1,609,660 IFSL Avelley US Equity 'A'	2,055,535	13.21
Total North America	2,055,535	13.21
<b>UK All Companies</b> (31 January 2023 - 8.91%)		
1,271,886 IFSL Avelley UK Equity 'A'	1,157,035	7.44
Total UK All Companies	1,157,035	7.44
<b>UK Equity Income</b> (31 January 2023 - 9.70%)		
1,060,398 IFSL Avelley UK Equity Income 'A'	1,113,418	7.15
Total UK Equity Income	1,113,418	7.15
<b>Total Equities</b>	<b>13,299,380</b>	<b>85.46</b>
<b>FIXED INTEREST</b> (31 January 2023 - 3.91%)		
<b>Global High Yield</b> (31 January 2023 - 0.00%)		
1 PIMCO Global High Yield Bond 'Inst' GBP Hedged	3	0.00
Total Global High Yield	3	0.00
<b>Sterling High Yield</b> (31 January 2023 - 3.91%)		
583,993 Man GLG High Yield Opportunities 'C'	815,837	5.24
1 Threadneedle High Yield Bond 'Z' GBP	1	0.00
Total Sterling High Yield	815,838	5.24
<b>Total Fixed Interest</b>	<b>815,841</b>	<b>5.24</b>

IFSL AVELLEMY OEIC  
IFSL AVELLEMY 8

PORTFOLIO STATEMENT

as at 31 January 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>OTHER</b> (31 January 2023 - 10.50%)		
<b>Property Other</b> (31 January 2023 - 2.47%)		
15,046 Janus Henderson Horizon Global Property Equities 'M2' GBP	390,732	2.50
Total Property Other	<u>390,732</u>	<u>2.50</u>
<b>Specialist</b> (31 January 2023 - 8.03%)		
2,996 Schroder Asian Total Return 'C' GBP	1,188,366	7.64
Total Specialist	<u>1,188,366</u>	<u>7.64</u>
<b>Total Other</b>	<u>1,579,098</u>	<u>10.14</u>
<b>CASH / LIQUIDITY</b> (31 January 2023 - 2.44%)		
<b>Short Term Money Market</b> (31 January 2023 - 2.44%)		
1,833 BlackRock ICS Sterling Liquidity 'Premier' GBP	205,350	1.32
172,286 Federated Hermes Short-Term Sterling Prime '8'	197,543	1.27
Total Short Term Money Market	<u>402,893</u>	<u>2.59</u>
<b>Total Cash / Liquidity</b>	<u>402,893</u>	<u>2.59</u>
<b>Portfolio of investments</b>	16,097,212	103.43
<b>Net other liabilities</b>	<u>(533,863)</u>	<u>(3.43)</u>
<b>Total net assets</b>	<u>15,563,349</u>	<u>100.00</u>

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



**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 8**

**STATEMENT OF TOTAL RETURN**  
for the year ended 31 January 2024

	Notes	31 January 2024		31 January 2023	
		£	£	£	£
Income:					
Net capital losses	2		(731,743)		(943,988)
Revenue	4	389,323		418,294	
Expenses	5	<u>(73,173)</u>		<u>(92,783)</u>	
Net revenue before taxation		316,150		325,511	
Taxation	6	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>316,150</u>		<u>325,511</u>
Total return before distributions			(415,593)		(618,477)
Distributions	7		(316,150)		(325,511)
Change in net assets attributable to shareholders from investment activities			<u><u>(731,743)</u></u>		<u><u>(943,988)</u></u>

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
for the year ended 31 January 2024

	31 January 2024		31 January 2023	
	£	£	£	£
Opening net assets attributable to shareholders		23,232,995		24,239,729
Amounts receivable on issue of shares	2,253,141		4,145,338	
Amounts payable on cancellation of shares	<u>(9,399,339)</u>		<u>(4,457,485)</u>	
		(7,146,198)		(312,147)
Change in net assets attributable to shareholders from investment activities		(731,743)		(943,988)
Retained distribution on accumulation shares		208,295		249,401
Closing net assets attributable to shareholders		<u><u>15,563,349</u></u>		<u><u>23,232,995</u></u>

**IFSL AVELLEMY OEIC**  
**IFSL AVELLEMY 8**

**BALANCE SHEET**  
as at 31 January 2024

	Notes	31 January 2024 £	31 January 2023 £
<b>Assets:</b>			
<b>Fixed Assets:</b>			
Investments	14	16,097,212	22,767,123
<b>Current Assets:</b>			
Debtors	8	73,040	1,308,295
Cash and cash equivalents		281,025	500,479
Total assets		<u>16,451,277</u>	<u>24,575,897</u>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Distribution payable on income shares		32,337	44,181
Other creditors	9	855,591	1,298,721
Total liabilities		<u>887,928</u>	<u>1,342,902</u>
<b>Net assets attributable to shareholders</b>		<u>15,563,349</u>	<u>23,232,995</u>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

**1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES**

Please refer to the notes applicable to the Company on pages 13 to 15.

**2 NET CAPITAL LOSSES**

The net losses on investments during the year comprise:

	31 January 2024 £	31 January 2023 £
Realised losses on non-derivative securities	(961,252)	(329,749)
Unrealised gains/(losses) on non-derivative securities	230,109	(614,114)
Transaction charges	(600)	(125)
<b>Net capital losses</b>	<u>(731,743)</u>	<u>(943,988)</u>

**3 PURCHASES, SALES AND TRANSACTION COSTS**

Purchases excluding transaction costs:

	31 January 2024 £	31 January 2023 £
Collective Investment Schemes	3,865,733	5,571,065
	<u>3,865,733</u>	<u>5,571,065</u>
Total purchase transaction costs	-	-
<b>Purchases including transaction costs</b>	<u>3,865,733</u>	<u>5,571,065</u>

Sales excluding transaction costs:

	31 January 2024 £	31 January 2023 £
Collective Investment Schemes	9,924,554	5,322,158
	<u>9,924,554</u>	<u>5,322,158</u>
Total sale transaction costs	-	-
<b>Sales net of transaction costs</b>	<u>9,924,554</u>	<u>5,322,158</u>

**Transaction handling charges**

These are charges payable to the depositary in respect of each transaction.

£600	£125
------	------

**Average portfolio dealing spread**

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Average portfolio dealing spread at the balance sheet date

0.00%	0.00%
-------	-------

**4 REVENUE**

	31 January 2024 £	31 January 2023 £
UK dividends	243,967	253,215
Overseas dividends	68,204	91,860
Interest distributions	68,330	70,434
Bank credit interest	8,822	2,773
HMRC interest payment	-	12
<b>Total revenue</b>	<u>389,323</u>	<u>418,294</u>

**5 EXPENSES**

Payable to the ACD or associate:

	31 January 2024 £	31 January 2023 £
ACD's periodic charge	64,802	81,656
Registration fees	363	384
KIID production costs	1,795	1,749
ACD Rebate	(18,756)	(10,190)
	<u>48,204</u>	<u>73,599</u>

Other expenses:

Depositary's fees	6,363	8,683
Safe custody fees	1,644	1,789
Financial Conduct Authority fee	77	-
Audit fee	16,885	8,712
	<u>24,969</u>	<u>19,184</u>

**Total expenses**

73,173	92,783
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**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

<b>6 TAXATION</b>	<b>31 January 2024</b>	<b>31 January 2023</b>
	<b>£</b>	<b>£</b>
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	-	-
<b>Total tax charge</b> (see note 6(b))	<u>-</u>	<u>-</u>
b Factors affecting the tax charge for the year		
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below.		
Net revenue before taxation	316,150	325,511
Corporation tax at 20% (2023: 20%)	63,230	65,102
Effects of:		
Revenue not subject to taxation	(62,434)	(69,015)
Unrelieved excess management expenses	(796)	3,913
<b>Total tax charge</b> (see note 6(a))	<u>-</u>	<u>-</u>

At 31 January 2024 the sub-fund has deferred tax assets of £12,314 (2023: £13,109) arising from surplus management expenses, which have not been recognised due to uncertainty over the availability of future taxable profits.

<b>7 DISTRIBUTIONS</b>	<b>31 January 2024</b>	<b>31 January 2023</b>
	<b>£</b>	<b>£</b>
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim	173,332	89,613
Final	103,703	221,954
Amounts deducted on cancellation of shares	46,941	24,846
Amounts added on issue of shares	(7,822)	(10,894)
Revenue brought forward	(4)	(8)
<b>Distributions</b>	<u>316,150</u>	<u>325,511</u>
Movement between net revenue and distributions:		
Net revenue after taxation	316,150	325,511
	<u>316,150</u>	<u>325,511</u>

<b>8 DEBTORS</b>	<b>31 January 2024</b>	<b>31 January 2023</b>
	<b>£</b>	<b>£</b>
Amounts receivable for issue of shares	47,901	2,851
Sales awaiting settlement	-	1,256,745
Accrued income	24,251	44,462
Taxation recoverable	888	4,237
<b>Total debtors</b>	<u>73,040</u>	<u>1,308,295</u>

<b>9 OTHER CREDITORS</b>	<b>31 January 2024</b>	<b>31 January 2023</b>
	<b>£</b>	<b>£</b>
Amounts payable for cancellation of shares	847,992	1,212,416
Purchases awaiting settlement	-	77,278
ACD's periodic charge	4,400	6,818
Accrued expenses	3,199	2,209
<b>Total other creditors</b>	<u>855,591</u>	<u>1,298,721</u>

**10 RELATED PARTIES**

The ACD is involved in all transactions in the shares of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to shareholders and note 7. Amounts due from/to the ACD in respect of share transactions at the year end are disclosed in notes 8 and 9. Amounts paid to the ACD or associates in respect of the ACD's periodic charge and other fees are disclosed in note 5. Amounts due to the ACD at the period end are £804,522 (2023: £1,216,413).

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

**11 SHARE CLASSES**

The share classes in issue for the sub-fund and the annual management charge for each share class is as follows:

A Income	0.38%
A Accumulation	0.38%
C Income	0.13%
D Accumulation	1.03%

**12 SHAREHOLDERS' FUND RECONCILIATION**

During the year the ACD has issued and cancelled shares as set out below:

	A Income	A Accumulation	C Income
Opening shares in issue at 1 February 2023	-	15,455,681	3,460,303
Share issues	219,976	791,830	936,835
Share cancellations	(298)	(6,997,638)	(946,399)
Closing shares in issue at 31 January 2024	<u>219,678</u>	<u>9,249,873</u>	<u>3,450,739</u>
		D Accumulation	
Opening shares in issue at 1 February 2023		100	
Share issues		-	
Share cancellations		-	
Closing shares in issue at 31 January 2024		<u>100</u>	

**13 RISK DISCLOSURES**

**Market price risk sensitivity**

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £804,861 (2023: £1,138,356). A five per cent decrease would have an equal and opposite effect.

**Interest rate risk**

**31 January 2024**

**31 January 2023**

£

£

The interest rate risk profile of financial assets and liabilities consists of the following:

Financial assets floating rate	281,025	500,479
Financial assets interest bearing instruments	1,218,735	1,474,928
Financial assets non-interest bearing instruments	14,951,517	22,600,490
Financial liabilities non-interest bearing instruments	(887,928)	(1,342,902)
	<u>15,563,349</u>	<u>23,232,995</u>

**Interest rate risk sensitivity**

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

**Liquidity risk**

**31 January 2024**

**31 January 2023**

£

£

The following table provides a maturity analysis of the sub-fund's financial liabilities:

Within one year:

Distribution payable on income shares	32,337	44,181
Other creditors	855,591	1,298,721
	<u>887,928</u>	<u>1,342,902</u>

**Foreign currency risk**

At the year end date the net assets of the sub-fund were all denominated in sterling and there is therefore no foreign currency risk (2023: nil). No sensitivity analysis has been included for the current or prior accounting period.

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2024

**14 FAIR VALUE HIERARCHY FOR INVESTMENTS**

Basis of valuation	31 January 2024		31 January 2023	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	-	-	-	-
Level 2 - Observable market data	16,097,212	-	22,767,123	-
Level 3 - Unobservable data	-	-	-	-
	<u>16,097,212</u>	<u>-</u>	<u>22,767,123</u>	<u>-</u>

The intention of a fair value measurement is to estimate the price at which an asset or liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

In accordance with FRS102 the sub-fund classifies fair value measurement under the following levels:

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

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

Level 3 - Valuation techniques using unobservable inputs.

**15 POST BALANCE SHEET EVENTS**

Since 31 January 2024, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)		
	31 January 2024 <sup>A</sup>	26 April 2024	Movement (%)
A Income	101.30	101.80	0.49%
A Accumulation	121.60	127.30	4.69%
C Income	119.50	124.30	4.02%
D Accumulation	95.06	99.49	4.66%

<sup>A</sup> These Net Asset Values differ from those in the Comparative Table as they are the quoted Net Asset Values.

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**DISTRIBUTION TABLE**

**Interim distribution or the period from 1 February 2023 to 31 July 2023**

Group 1: Shares purchased prior to 1 February 2023

Group 2: Shares purchased on or after 1 February 2023

		Net revenue 31 July 2023 pence per share	Equalisation 31 July 2023 pence per share	Distribution paid 30 September 2023 pence per share	Distribution paid 30 September 2022 pence per share
A Income	Group 1	0.2402	-	0.2402	N/A
	Group 2	0.2402	-	0.2402	N/A
A Accumulation	Group 1	1.0499	-	1.0499	0.4124
	Group 2	0.5616	0.4883	1.0499	0.4124
C Income	Group 1	1.1597	-	1.1597	0.5520
	Group 2	0.6731	0.4866	1.1597	0.5520
D Accumulation	Group 1	0.8800	-	0.8800	3.1400
	Group 2	0.8800	-	0.8800	3.1400

**Final distribution or the period from 1 August 2023 to 31 January 2024**

Group 1: Shares purchased prior to 1 August 2023

Group 2: Shares purchased on or after 1 August 2023

		Net revenue 31 January 2024 pence per share	Equalisation 31 January 2024 pence per share	Distribution paid 31 March 2024 pence per share	Distribution paid 31 March 2023 pence per share
A Income	Group 1	0.6566	-	0.6566	N/A
	Group 2	0.6227	0.0339	0.6566	N/A
A Accumulation	Group 1	0.7715	-	0.7715	1.1502
	Group 2	0.3977	0.3738	0.7715	1.1502
C Income	Group 1	0.8953	-	0.8953	1.2767
	Group 2	0.3932	0.5021	0.8953	1.2767
D Accumulation	Group 1	0.5500	-	0.5500	1.2100
	Group 2	0.5500	-	0.5500	1.2100

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