

Investment Fund Services

# IFSL CAF Investment Fund

Annual Report and Audited  
Financial Statements

for the year ended 30 April 2024

## IFSL CAF INVESTMENT FUND

### CONTACT INFORMATION

#### Registered Office

Marlborough House  
59 Chorley New Road  
Bolton  
BL1 4QP

#### Authorised Corporate Director (ACD)

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 IFSL

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

abrdrn Investment Management Limited  
1 George Street  
Edinburgh  
EH2 2LL

Authorised and regulated by the Financial Conduct Authority.

#### Depository

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.

#### Administrator and Registrar (from 1 June 2024)

SS&C Financial Services International Limited  
Marlborough House  
59 Chorley New Road  
Bolton  
BL1 4QP

#### Administrator and Registrar (to 1 June 2024)

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

#### Auditor

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

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## IFSL CAF INVESTMENT FUND

### AUTHORISED STATUS

IFSL CAF Investment Fund (the Company) is an investment company with variable capital incorporated in England and Wales under registered number IC000876 and authorised by the FCA with effect from 4 March 2011. The Company is a Non-UCITS Retail Scheme as defined in COLL and is also an umbrella company for the purposes of the OEIC Regulations. The Company is an alternative investment fund and a UK AIF for the purposes of the UK AIFM Regime. The FCA product reference number for the Company is 538475. The Company has an unlimited duration.

The Company currently has four sub-funds: IFSL CAF UK Equity Fund; IFSL CAF ESG Cautious Fund; IFSL CAF ESG Income and Growth Fund; and IFSL CAF ESG Growth Fund.

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

### GENERAL INFORMATION

#### IFSL CAF UK Equity Fund

##### Investment objective

The investment objective of the sub-fund is to achieve capital growth which is profit on investments held, over a minimum of 5 years.

Due to the nature of investments held the sub-fund is also likely to provide an income, which is money paid out of investments such as dividends from shares and interest from bonds, however this will not be the primary focus of the sub-fund.

##### Investment policy

The sub-fund will be actively managed, which means the Investment Manager decides which investments to buy and when. It will invest at least 80% in other collective investment schemes, investment trusts and exchange traded funds (collectively "Investment Funds"). This could include other Investment Funds managed by the Authorised Corporate Director or the Investment Manager.

The sub-fund will have exposure to at least 80% in UK companies (meaning shares of companies that are listed and domiciled in the UK, or incorporated in the UK). This may include up to 20% held directly in shares of UK companies.

The Investment Manager considers economic and market conditions when choosing investments, alongside a focus on individual analysis of the Investment Funds. The aim is to identify fund managers who the Investment Manager believes will add value to the sub-fund in the future and direct shares that provide good liquidity whilst meeting the investment objective.

Through the Investment Funds, the sub-fund may have some exposure in shares of companies in other developed or emerging markets globally, along with other permitted investments such as bonds and money market instruments, although this is expected to be minimal.

The sub-fund may hold up to 20% in cash to enable the ready settlement of liabilities, for the efficient management of the portfolio or in pursuit of the Fund's investment objective.

The sub-fund can use derivatives or forward transactions to manage currency exposure, in order to reduce currency risk in the sub-fund, also known as hedging. The sub-fund will not always hold these, however at times they may be held for extended periods. The use of derivatives is not expected to have a significant impact on the risk profile of the sub-fund. Any underlying funds held within this sub-fund may also use derivatives to varying degrees.

##### Investment strategy

The Investment Manager reviews financial publications, broker opinions and talks to the managers of the funds that are within the scope of the investment policy, to form views on which are suitable for buying and selling. The Investment Manager will assess the appropriate weightings for each sub-sector and fund based on their view of the market and outlook for the future.

##### Benchmark

You may wish to compare the sub-fund with the performance of the FTSE All-Share TR index which is a widely used indicator of the performance of UK stock markets.

The benchmark does not represent, or act as, a constraint in the selection of investments or the management of the sub-fund.

The performance of the sub-fund may deviate materially from the performance of the benchmark.

## IFSL CAF INVESTMENT FUND

### GENERAL INFORMATION

#### IFSL CAF UK Equity Fund (continued)

##### Benchmark (continued)

The Investment Association (IA), the trade body for UK investment managers, has created a number of 'sectors' as a way of dividing funds into broad groups with similar characteristics.

The sub-fund is included in the IA's UK All Companies sector. You may want to assess the sub-fund's performance compared to the performance of this sector.

#### IFSL CAF ESG Cautious Fund

##### Investment objective

The investment objective of the sub-fund is to increase the value of an investment over a minimum of 5 years through a combination of capital growth - which is profit on investments held, and income received by the sub-fund - which is money paid out of investments, such as dividends from shares and interest from bonds.

The sub-fund also aims to outperform, over any rolling 5 year period, inflation plus 1.5% per annum. Inflation is measured as the UK Consumer Prices Index for these purposes.

##### Investment policy

The sub-fund is actively managed which means the Investment Manager decides which investments to buy or sell and when.

The Investment Manager uses a responsible investment selection process which consists of selecting assets that have a strong focus on Environmental, Social and Governance ("ESG") considerations along with the potential to grow in value. The sub-fund aims to deliver a cautious, lower risk level of return.

The sub-fund will have exposure to ESG focused investments through a broad range of asset classes and investments across different industries and geographical regions, however not all asset classes may be held at all times. This will include:

- Between 20% and 50% in bonds.
- Between 10% and 40% in shares of companies.
- Between 10% and 40% in investment trusts providing exposure to alternative assets such as, property and infrastructure.

Bonds, which are loans typically issued by companies, governments, and other institutions, may be either investment grade, where the issuer has a high and reliable capacity to repay the debt, or sub-investment grade, which can be more vulnerable to changing market conditions but typically pay a higher rate of interest.

The Investment Manager applies their own ESG rating mechanism to the investment selection process to identify assets that look to benefit from changes within the economy whilst offering robust management of ESG risks and opportunities. This process involves detailed research and analysis using both investment expertise combined with independent data.

The responsible investment process initially involves negative screening to avoid investing in companies that generate more than a defined percentage of revenue from the following activities:

- Tobacco, gambling services and armaments (military weapons and equipment) and civilian firearms – maximum of 5% of revenue.
- Pornography – maximum of 3% of revenue.
- Predatory lending, cluster munitions and landmines – 0% of revenue.
- Coal, unconventional oil or gas extraction (e.g. tar sands and shale), or coal power generation – maximum of 5% of revenue.

Following this analysis and asset selection the Investment Manager will then use an independent ESG ratings agency to verify their conclusions to ensure an overall high quality ESG rating for the sub-fund which can be independently verified.

The sub-fund will not invest in other collective investment schemes.

The sub-fund may hold up to 20% in cash to enable the ready settlement of liabilities, for the efficient management of the portfolio or in pursuit of the sub-fund's investment objective.

The sub-fund can use derivatives or forward transactions, instruments whose returns are linked to another asset, market or other variable factor, for efficient portfolio management purposes including the reduction of risk (hedging), although their use is expected to be minimal.

## IFSL CAF INVESTMENT FUND

### GENERAL INFORMATION

#### IFSL CAF ESG Cautious Fund (continued)

##### Investment strategy

The Investment Manager seeks returns by investing in companies that are focused on driving and improving ESG change as well as being positioned to grow profit and overall company value.

To do this the Investment Manager uses independent data along with their own analysis to create an internal scoring mechanism for shares in companies and corporate bond issuers.

The Investment Manager also analyses investment trusts and government issued bonds, however, due to their nature, this analysis does not result in a score in the same way as shares in companies and corporate bonds. Instead, the Investment Manager identifies those investment trusts that clearly have a focused ESG objective and investment policy and bonds from governments that have an appropriate focus on ESG practices.

This detailed scoring mechanism and analysis helps the Investment Manager in the selection of these assets enabling them to find investments that have the right focus on ESG areas such as, but not limited to, climate change, the environment, labour rights, human rights and corporate behaviour.

Once the Investment Manager has identified investments they will review financial publications, broker opinions and engage directly with company management, to form a view on which of these are suitable for buying or selling. They do this to construct a portfolio of investments that has both the potential to deliver an increase in value, as well as investments that are maintaining a high standard of ESG practices.

The Investment Manager will assess the appropriate weightings for each sector and investment based on their view of the market and outlook for the future.

Following the Investment Manager's selection, the investments are checked against an independent rating agency's data to ensure a high overall score from an ESG perspective is achieved for the combined portfolio.

The Investment Manager will exercise their shareholding voting rights to influence good ESG behaviour on an ongoing basis.

Revenue screening is provided by an independent revenue screening company and the portfolio is assessed quarterly. Any companies reporting above the revenue limits will be investigated and sold if the number is confirmed as accurate and any remedial action from the company will not bring the number back below the limit within one month. These will not be held longer than one month following identification.

##### Performance target

The performance target is the level of performance the Investment Manager aims to deliver, after charges, in normal market conditions. However, returns will fluctuate, and it will not necessarily be achieved over every rolling 5 year period.

The UK Consumer Prices Index has been chosen as it is a standard and broadly accepted measure of UK inflation which a real return can be targeted against.

##### Assessing performance

The ARC Charity Indices (ACI) are a set of risk-based indices designed to help charity trustees in assessing the performance of their portfolio against their peers.

Charities have historically tended to place a higher importance on ESG and ethical restrictions, so the ACI index represents the performance of a mix of portfolios with varying degrees of restrictions applied, so you may wish to compare the sub-fund's performance to this index.

The sub-fund has similar characteristics to the ARC Sterling Balanced Asset ACI. You may wish to compare the sub-fund's performance to this index.

##### Assessing ESG Performance

The sub-fund will seek validation of its ESG credentials using an independent ESG ratings agency to assess the portfolio's overall ESG score.

The sub-fund currently uses MSCI for this assessment and a "high" ESG score should be considered as AA or AAA.

## IFSL CAF INVESTMENT FUND

### GENERAL INFORMATION

#### IFSL CAF ESG Income and Growth Fund

##### Investment objective

The investment objective of the sub-fund is to increase the value of an investment over a minimum of 5 years through a combination of capital growth - which is profit on investments held, and income received by the sub-fund - which is money paid out of investments, such as dividends from shares and interest from bonds.

The sub-fund also aims to outperform, over any rolling 5 year period, inflation plus 3% per annum. Inflation is measured as the UK Consumer Prices Index for these purposes.

##### Investment policy

The sub-fund is actively managed which means the Investment Manager decides which investments to buy or sell and when.

The Investment Manager uses a responsible investment selection process which consists of selecting assets that have a strong focus on Environmental, Social and Governance ("ESG") considerations along with the potential to grow in value. The sub-fund aims to deliver a mixture of income and growth from a medium risk level of return.

The sub-fund will have exposure to ESG focused investments through a broad range of asset classes and investments across different industries and geographical regions, however not all asset classes may be held at all times. This will include:

- Between 40% and 70% in shares of companies.
- Between 10% and 40% in bonds.
- Up to 20% in investment trusts providing exposure to alternative assets such as, property and infrastructure.

Bonds, which are loans typically issued by companies, governments, and other institutions, may be either investment grade, where the issuer has a high and reliable capacity to repay the debt, or sub-investment grade, which can be more vulnerable to changing market conditions but typically pay a higher rate of interest.

The Investment Manager applies their own ESG rating mechanism to the investment selection process to identify assets that look to benefit from changes within the economy whilst offering robust management of ESG risks and opportunities. This process involves detailed research and analysis using both investment expertise combined with independent data.

The responsible investment process initially involves negative screening to avoid investing in companies that generate more than a defined percentage of revenue from the following activities:

- Tobacco, gambling services and armaments (military weapons and equipment) and civilian firearms – maximum of 5% of revenue.
- Pornography – maximum of 3% of revenue.
- Predatory lending, cluster munitions and landmines – 0% of revenue.
- Coal, unconventional oil or gas extraction (e.g. tar sands and shale), or coal power generation – maximum of 5% of revenue.

Following this analysis and asset selection the Investment Manager will then use an independent ESG ratings agency to verify their conclusions to ensure an overall high quality ESG rating for the sub-fund which can be independently verified.

The sub-fund will not invest in other collective investment schemes.

The sub-fund may hold up to 20% in cash to enable the ready settlement of liabilities, for the efficient management of the portfolio or in pursuit of the sub-fund's investment objective.

The sub-fund can use derivatives or forward transactions, instruments whose returns are linked to another asset, market or other variable factor, for efficient portfolio management purposes including the reduction of risk (hedging), although their use is expected to be minimal.

##### Investment strategy

The Investment Manager seeks returns by investing in companies that are focused on driving and improving ESG change as well as being positioned to grow profit and overall company value.

To do this the Investment Manager uses independent data along with their own analysis to create an internal scoring mechanism for shares in companies and corporate bond issuers.

## IFSL CAF INVESTMENT FUND

### GENERAL INFORMATION

#### IFSL CAF ESG Income and Growth Fund (continued)

##### Investment strategy (continued)

The Investment Manager also analyses investment trusts and government issued bonds, however, due to their nature, this analysis does not result in a score in the same way as shares in companies and corporate bonds. Instead, the Investment Manager identifies those investment trusts that clearly have a focused ESG objective and investment policy and bonds from governments that have an appropriate focus on ESG practices.

This detailed scoring mechanism and analysis helps the Investment Manager in the selection of these assets enabling them to find investments that have the right focus on ESG areas such as, but not limited to, climate change, the environment, labour rights, human rights and corporate behaviour.

Once the Investment Manager has identified investments they will review financial publications, broker opinions and engage directly with company management, to form a view on which of these are suitable for buying or selling. They do this to construct a portfolio of investments that has both the potential to deliver an increase in value, as well as investments that are maintaining a high standard of ESG practices.

The Investment Manager will assess the appropriate weightings for each sector and investment based on their view of the market and outlook for the future.

Following the Investment Manager's selection, the investments are checked against an independent rating agency's data to ensure a high overall score from an ESG perspective is achieved for the combined portfolio.

The Investment Manager will exercise their shareholding voting rights to influence good ESG behaviour on an ongoing basis.

Revenue screening is provided by an independent revenue screening company and the portfolio is assessed quarterly. Any companies reporting above the revenue limits will be investigated and sold if the number is confirmed as accurate and any remedial action from the company will not bring the number back below the limit within one month. These will not be held longer than one month following identification.

##### Performance target

The performance target is the level of performance the Investment Manager aims to deliver, after charges, in normal market conditions. However, returns will fluctuate, and it will not necessarily be achieved over every rolling 5 year period.

The UK Consumer Prices Index has been chosen as it is a standard and broadly accepted measure of UK inflation which a real return can be targeted against.

##### Assessing performance

The ARC Charity Indices (ACI) are a set of risk-based indices designed to help charity trustees in assessing the performance of their portfolio against their peers.

Charities have historically tended to place a higher importance on ESG and ethical restrictions, so the ACI index represents the performance of a mix of portfolios with varying degrees of restrictions applied, so you may wish to compare the sub-fund's performance to this index.

The sub-fund has similar characteristics to the ARC Sterling Steady Growth ACI. You may wish to compare the sub-fund's performance to this index.

Please note both IFSL CAF ESG Income and Growth Fund and IFSL CAF ESG Growth Fund use the ARC Sterling Steady Growth ACI as a comparison benchmark however the IFSL CAF ESG Income and Growth Fund is a lower risk fund. Investors should be considerate of the different risk profiles when comparing performance against the benchmark and reaching a conclusion on its return (which is the money made or lost on an investment). Over the longer-term, lower risk profile funds would be expected to be less volatile and as a result potentially deliver a reduced return versus a higher risk alternative.

##### Assessing ESG performance

The sub-fund will seek validation of its ESG credentials using an independent ESG ratings agency to assess the portfolio's overall ESG score.

The sub-fund currently uses MSCI for this assessment and a "high" ESG score should be considered as AA or AAA.



## IFSL CAF INVESTMENT FUND

### GENERAL INFORMATION

#### IFSL CAF ESG Growth Fund

##### Investment objective

The investment objective of the sub-fund is to increase the value of an investment over a minimum of 5 years through a combination of capital growth - which is profit on investments held, and income received by the sub-fund - which is money paid out of investments, such as dividends from shares and interest from bonds.

The sub-fund also aims to outperform, over any rolling 5 year period, inflation plus 4% per annum. Inflation is measured as the UK Consumer Prices Index for these purposes.

##### Investment policy

The sub-fund is actively managed which means the Investment Manager decides which investments to buy or sell and when.

The Investment Manager uses a responsible investment selection process which consists of selecting assets that have a strong focus on Environmental, Social and Governance ("ESG") considerations along with the potential to grow in value. The sub-fund aims to deliver growth from a higher risk level of return.

The sub-fund will have exposure to ESG focused investments through a broad range of asset classes and investments across different industries and geographical regions, however not all asset classes may be held at all times. This will include:

- Between 55% and 85% in shares of companies.
- Between 5% and 25% in bonds.
- Up to 20% in investment trusts providing exposure to alternative assets such as, property and infrastructure.

Bonds, which are loans typically issued by companies, governments, and other institutions, may be either investment grade, where the issuer has a high and reliable capacity to repay the debt, or sub-investment grade, which can be more vulnerable to changing market conditions but typically pay a higher rate of interest.

The Investment Manager applies their own ESG rating mechanism to the investment selection process to identify assets that look to benefit from changes within the economy whilst offering robust management of ESG risks and opportunities. This process involves detailed research and analysis using both investment expertise combined with independent data.

The responsible investment process initially involves negative screening to avoid investing in companies that generate more than a defined percentage of revenue from the following activities:

- Tobacco, gambling services and armaments (military weapons and equipment) and civilian firearms – maximum of 5% of revenue.
- Pornography – maximum of 3% of revenue.
- Predatory lending, cluster munitions and landmines – 0% of revenue.
- Coal, unconventional oil or gas extraction (e.g. tar sands and shale), or coal power generation – maximum of 5% of revenue.

Following this analysis and asset selection the Investment Manager will then use an independent ESG ratings agency to verify their conclusions to ensure an overall high quality ESG rating for the sub-fund which can be independently verified.

The sub-fund will not invest in other collective investment schemes.

The sub-fund may hold up to 10% in cash to enable the ready settlement of liabilities, for the efficient management of the portfolio or in pursuit of the sub-fund's investment objective.

The sub-fund can use derivatives or forward transactions, instruments whose returns are linked to another asset, market or other variable factor, for efficient portfolio management purposes including the reduction of risk (hedging), although their use is expected to be minimal.

##### Investment strategy

The Investment Manager seeks returns by investing in companies that are focused on driving and improving ESG change as well as being positioned to grow profit and overall company value.

To do this the Investment Manager uses independent data along with their own analysis to create an internal scoring mechanism for shares in companies and corporate bond issuers.

## IFSL CAF INVESTMENT FUND

### GENERAL INFORMATION

#### IFSL CAF ESG Growth Fund (continued)

##### Investment strategy (continued)

The Investment Manager also analyses investment trusts and government issued bonds, however, due to their nature, this analysis does not result in a score in the same way as shares in companies and corporate bonds. Instead, the Investment Manager identifies those investment trusts that clearly have a focused ESG objective and investment policy and bonds from governments that have an appropriate focus on ESG practices.

This detailed scoring mechanism and analysis helps the Investment Manager in the selection of these assets enabling them to find investments that have the right focus on ESG areas such as, but not limited to, climate change, the environment, labour rights, human rights and corporate behaviour.

Once the Investment Manager has identified investments they will review financial publications, broker opinions and engage directly with company management, to form a view on which of these are suitable for buying or selling. They do this to construct a portfolio of investments that has both the potential to deliver an increase in value, as well as investments that are maintaining a high standard of ESG practices.

The Investment Manager will assess the appropriate weightings for each sector and investment based on their view of the market and outlook for the future.

Following the Investment Manager's selection, the investments are checked against an independent rating agency's data to ensure a high overall score from an ESG perspective is achieved for the combined portfolio.

The Investment Manager will exercise their shareholding voting rights to influence good ESG behaviour on an ongoing basis.

Revenue screening is provided by an independent revenue screening company and the portfolio is assessed quarterly. Any companies reporting above the revenue limits will be investigated and sold if the number is confirmed as accurate and any remedial action from the company will not bring the number back below the limit within one month. These will not be held longer than one month following identification.

##### Performance target

The performance target is the level of performance the Investment Manager aims to deliver, after charges, in normal market conditions. However, returns will fluctuate, and it will not necessarily be achieved over every rolling 5 year period.

The UK Consumer Prices Index has been chosen as it is a standard and broadly accepted measure of UK inflation which a real return can be targeted against.

##### Assessing performance

The ARC Charity Indices (ACI) are a set of risk-based indices designed to help charity trustees in assessing the performance of their portfolio against their peers.

Charities have historically tended to place a higher importance on ESG and ethical restrictions, so the ACI index represents the performance of a mix of portfolios with varying degrees of restrictions applied, so you may wish to compare the sub-fund's performance to this index.

The sub-fund has similar characteristics to the ARC Sterling Steady Growth ACI. You may wish to compare the sub-fund's performance to this index.

Please note both IFSL CAF ESG Income and Growth Fund and IFSL CAF ESG Growth Fund use the ARC Sterling Steady Growth ACI as a comparison benchmark however the IFSL CAF ESG Growth Fund is a higher risk fund. Investors should be considerate of the different risk profiles when comparing performance against the benchmark and reaching a conclusion on its return. Over the longer-term higher risk profile funds would be expected to be more volatile and as a result potentially deliver a higher return versus a lower risk alternative.

##### Assessing ESG performance

The sub-fund will seek validation of its ESG credentials using an independent ESG ratings agency to assess the portfolio's overall ESG score.

The sub-fund currently uses MSCI for this assessment and a "high" ESG score should be considered as AA or AAA.

## **IFSL CAF INVESTMENT FUND**

### **GENERAL INFORMATION**

#### **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.

#### **Important information**

On 30 June 2023 termination commenced for IFSL CAF UK Equity Fund and IFSL CAF Fixed Interest Fund. The initial capital repayment made to investors from these sub-funds was on 18 July 2023. On 30 October 2023, the IFSL CAF Fixed Interest Fund completed its wind-up, and the final capital repayment to investors was made on 14 December 2023. The termination for the IFSL CAF Fixed Interest Fund was completed before the interim accounting date. A second capital repayment was made to investors of the IFSL CAF UK Equity Fund, however, the sub-fund continued to hold a suspended fund, LF Equity Income Fund. For this reason, it has not been possible to fully complete the wind-up of IFSL CAF UK Equity Fund, and a further repayment of capital will be made to investors upon receipt of the proceeds from the suspended fund.

#### **Changes in prospectus**

On 30 June 2023, Investment Fund Services (IFSL) suspended all dealing in IFSL CAF Fixed Interest Fund and IFSL CAF UK Equity Fund and commenced with the termination of the sub-funds. The termination for IFSL CAF Fixed Interest Fund was completed on 30 October 2023. The IFSL CAF UK Equity Fund continues to be in wind-up as the Investment Manager continues to liquidate the property held by the sub-fund.

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.

#### **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 are assessed and reported on, in a report which the ACD publishes on the website [www.ifslfunds.com](http://www.ifslfunds.com). The next report is expected to be published by 31 August 2024.

#### **Task force on climate-related financial disclosures**

A statement of the climate related financial disclosures is published on the website <https://www.ifslfunds.com/tcf-reporting>.

## IFSL CAF INVESTMENT FUND

### GENERAL INFORMATION

#### Leverage

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

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%.

The total amount of leverage, and the utilisation of the maximum level of leverage, calculated as at 30 April 2024, is as follows:

Sub-fund Name	Gross Method		Commitment Method	
	Total	Utilisation	Total	Utilisation
IFSL CAF ESG Cautious Fund	116.11%	55.29%	86.41%	78.55%
IFSL CAF ESG Income and Growth Fund	91.85%	43.74%	89.62%	81.47%
IFSL CAF ESG Growth Fund	95.76%	45.60%	95.76%	87.05%

The total amount of leverage, and the utilisation of the maximum level of leverage, calculated as at 30 April 2023, is as follows:

Sub-fund Name	Gross Method		Commitment Method	
	Total	Utilisation	Total	Utilisation
IFSL CAF Fixed Interest Fund	98.30%	46.81%	98.30%	89.36%
IFSL CAF UK Equity Fund	97.16%	46.27%	97.16%	88.33%
IFSL CAF ESG Cautious Fund	96.95%	46.17%	87.39%	79.45%
IFSL CAF ESG Income and Growth Fund	83.49%	39.76%	83.49%	75.90%
IFSL CAF ESG Growth Fund	92.72%	44.15%	92.72%	84.29%

#### 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	0.12	13,988	11,841	2,147
Risk takers and other identified staff	0.06	6,332	5,781	551

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. The information is provided for the purpose of Regulation 107(1)(a) of the AIFM regulations but not for the purposes of Regulations 107(1)(b) and (c) of the AIFM regulations.

The allocation of remuneration to the AIF 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.

## IFSL CAF INVESTMENT FUND

### 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 August 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/(expense) 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
- for the reasons stated in note 1 of the accounting policies, prepare the financial statements for IFSL CAF UK Equity Fund on a break up basis as the sub-fund is no longer a going concern.

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.

## IFSL CAF INVESTMENT FUND

### 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 IFSL CAF Investment Fund ("the Company") for the Period Ended 30 April 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 (SI 2001/1228), 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 into 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 the 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 Scheme documents of the Company.

HSBC Bank plc  
30 August 2024

## IFSL CAF INVESTMENT FUND

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL CAF INVESTMENT FUND

#### Opinion

We have audited the financial statements of IFSL CAF Investment Fund (the Company) comprising each of its sub-funds for the year ended 30 April 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, 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 30 April 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 (the "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.

#### Emphasis of Matter - Financial Statements Prepared on a Break-up Basis

We draw attention to note 1 of the financial statements which explains that the ACD intends to terminate the IFSL CAF UK Equity Fund and therefore does not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements for these sub-funds. Accordingly, the financial statements of the sub-fund have been prepared on a break up basis as described in note 1. The financial statements for the Company as a whole remain prepared on a going concern basis. Our opinion is not modified in respect of this matter.

#### Conclusions relating to going concern

The financial statements for IFSL CAF UK Equity Fund has been prepared on a break-up basis as disclosed in note 1.

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 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.

## **IFSL CAF INVESTMENT FUND**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL CAF INVESTMENT FUND**

#### **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 Financial Conduct Authority 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 Financial Conduct Authority 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 10, 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 CAF INVESTMENT FUND**

**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 Principles (UK GAAP) including FRS 102, the Investment Management Association Statement of Recommended Practice, 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. We corroborated our enquiries through 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. We identified a fraud risk in relation to incomplete or inaccurate revenue recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution. In response to our fraud risk, we tested the appropriateness of management's classification of a sample of special dividends as either a capital or revenue return.
- 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 Financial Conduct Authority. 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 August 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.

## IFSL CAF INVESTMENT FUND

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

for the year ended 30 April 2024

#### 1.1 ACCOUNTING POLICIES

During the year under review, IFSL CAF Investment Fund consisted of four sub-funds: IFSL CAF UK Equity Fund; IFSL CAF ESG Cautious Fund; IFSL CAF ESG Income and Growth Fund; and IFSL CAF ESG Growth Fund.

These accounting policies apply to all the sub-funds of the Company and were applied consistently in the prior period.

##### **Basis of accounting**

The financial statements have been prepared in compliance with Financial Reporting Standard (FRS) 102 and in accordance with the Statement of Recommended Practice (SORP) for UK Authorised Funds issued by the Investment Management Association (renamed to 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 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. The financial statements of the IFSL CAF UK Equity Fund has been prepared on a break up basis as the ACD has closed this sub-fund, effective 30 June 2023. Under a break up basis, assets are recorded at their recoverable value and liabilities are recorded at their expected settlement value. Any additional costs in respect of the termination of the sub-fund will be borne by the ACD.

##### **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 30 April 2024 being the last valuation point of the accounting year.

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

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 period end.

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.

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

for the year ended 30 April 2024

**ACCOUNTING POLICIES** (continued)

**Taxation**

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

**Exchange rates**

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at 12:00 on 30 April 2024 being the last valuation point of the accounting year. Revenue and expenditure transactions are translated at the rates of exchange ruling on the dates of the transactions. Exchange differences on such transactions follow the same treatment at the principal amounts.

**Dilution adjustment**

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

**1.2 DISTRIBUTION POLICIES**

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

**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.

**Expenses**

For the purposes of determining the distribution, all ACD's periodic charges are borne by the revenue of the sub-funds, with the exception of IFSL CAF UK Equity Fund and IFSL CAF ESG Cautious Fund, whereby the ACD fees are allocated 50:50 between capital and revenue, and IFSL CAF ESG Income and Growth Fund where the ACD fees are borne by capital.

**ACD Rebates**

The expenses incorporate fees payable to the depository, custodian, auditor and other associated fund costs including registration fees and KID production fees.

With respect to the sub-funds, the ACD has agreed to cap the expenses of each sub-fund at the level of the ACD's periodic charge plus the custodian's transaction charge, therefore, these other expenses are not charged to the sub-funds and as such are not disclosed separately in Note 5.

**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 Depository) 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.

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

for the year ended 30 April 2024

**RISK MANAGEMENT POLICIES** (continued)

**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. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the ACD in pursuance of the investment objective and policy 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 period 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.

**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.

**Liquidity risk**

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

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

**Concentration risk**

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

**Derivatives and other financial instruments**

The ACD is permitted to use derivatives for the purposes of efficient portfolio management. 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 CAF INVESTMENT FUND**  
**IFSL CAF UK EQUITY FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 30 April 2024

**Performance to 30 June 2023**

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL CAF UK Equity Fund	1.03%	4.50%	9.75%	1.99%
FTSE All-Share TR GBP	2.61%	7.89%	10.02%	3.11%
IA UK All Companies	1.82%	6.07%	7.29%	1.46%

External Source of Economic Data: Morningstar (B Income - quoted to quoted price, net income reinvested).

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

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

**Investment commentary**

On 30 June 2023 we suspended all dealing and commenced liquidating the IFSL CAF UK Equity Fund.

The fund manager has been liquidating the assets within the sub-fund and the first payment was made on 18 July 2023. A further payment was made on the 14 December 2023.

IFSL CAF UK Equity Fund has a small holding in a suspended fund (LF Equity Income Fund) which will affect the time it takes to fully close the sub-fund. On 14 December 2023 Link Fund Solutions, the Authorised Corporate Director for the LF Equity Income Fund, announced that investors had overwhelmingly voted to approve a scheme of arrangement. On the 18th and 19th of January 2024, the Court issued an order sanctioning the scheme. The Sanction Order was registered with the Registrar of Companies on 28 February 2024 and as a result, the Scheme is now binding. Compensation payments from the scheme have commenced to creditors, the IFSL CAF UK Equity Fund is a creditor of the scheme, once in receipt of the compensation, a settlement distribution will be paid to investors who held shares in the Fund as of 30th June 2023.

Investment Fund Services Limited  
23 July 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 15 March	N/A	1.2685	1.3380	1.7580
Net income paid 15 June	N/A	1.6418	0.9010	-
Net income paid 15 September		N/A	0.1044	0.2437
Net income paid 15 December		N/A	1.3336	0.6340
<u>A Accumulation (pence per share)</u>				
Net accumulation paid 15 March	N/A	1.6249	1.6858	2.1771
Net accumulation paid 15 June	N/A	2.1233	1.1446	-
Net accumulation paid 15 September		N/A	1.2771	0.2943
Net accumulation paid 15 December		N/A	1.6938	0.7961
<u>B Income (pence per share)</u>				
Net income paid 15 March	N/A	1.2685	1.3379	1.7580
Net income paid 15 June	N/A	1.6462	0.9009	-
Net income paid 15 September		N/A	0.8311	0.2440
Net income paid 15 December		N/A	1.3338	0.6340
<u>B Accumulation (pence per share)</u>				
Net accumulation paid 15 March	N/A	1.6248	1.6858	2.1769
Net accumulation paid 15 June	N/A	2.1250	1.1445	-
Net accumulation paid 15 September		N/A	-	0.3097
Net accumulation paid 15 December		N/A	1.6935	0.7958
<u>C Accumulation (pence per share)</u>				
Net accumulation paid 15 March	N/A	1.6250	1.6860	2.1771
Net accumulation paid 15 June	N/A	2.0974	1.1445	-
Net accumulation paid 15 September		N/A	-	0.3116
Net accumulation paid 15 December		N/A	1.6925	0.7959

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF UK EQUITY FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 30 April 2024

**Distributions** (continued)

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>D Income (pence per share)</u>				
Net income paid 15 March	N/A	0.9095	0.9630	1.2526
Net income paid 15 June	N/A	1.1736	0.6552	-
Net income paid 15 September		N/A	-	0.1947
Net income paid 15 December		N/A	0.9541	0.4693
<u>D Accumulation (pence per share)</u>				
Net accumulation paid 15 March	N/A	1.0568	1.0941	1.3978
Net accumulation paid 15 June	N/A	1.3746	0.7504	-
Net accumulation paid 15 September		N/A	-	0.2337
Net accumulation paid 15 December		N/A	1.0987	0.5310

**Portfolio changes**

Purchases

	<u>Cost (£)</u>
Aberdeen Standard Liquidity 'Z' GBP	3,664,000
Total purchases for the year	3,664,000

Sales

	<u>Proceeds (£)</u>
JPM UK Equity Core 'E Net'	5,407,043
JOHCM UK Dynamic 'B'	4,349,750
Aberdeen Standard Liquidity 'Z' GBP	4,113,266
Royal London UK Equity Income 'Z'	2,658,368
Artemis Income 'I' GBP	2,618,410
TM Tellworth UK Smaller Companies 'F'	1,664,024
Ninety One UK Alpha 'J' Sterling	989,871
iShares Core FTSE 100 UCITS ETF GBP	595,172
Vanguard FTSE 250 UCITS ETF GBP	161,289
Total sales for the year	22,557,193

**IFSL CAF INVESTMENT FUND  
IFSL CAF UK EQUITY FUND**

**COMPARATIVE TABLE**

**A Income shares**

<b>Change in net assets per share</b>	<b>Year to 30.04.2024 pence</b>	<b>Year to 30.04.2023 pence</b>	<b>Year to 30.04.2022 pence</b>
Opening net asset value per share	166.11	161.32	160.49
Return before operating charges*	(8.63)	10.92	5.84
Operating charges	(0.30)	(1.78)	(1.89)
Return after operating charges*	(8.93)	9.14	3.95
Distributions on income shares	-	(4.35)	(3.12)
Capital repayment to shareholders	(155.82)	-	-
Closing net asset value per share	1.36	166.11	161.32

\* after direct transaction costs of: - - -

**Performance**

Return after charges<sup>A</sup> (5.38)% 5.67% 2.46%

**Other information**

Closing net asset value (£) 1,099 184,448 2,834,024  
 Closing number of shares 80,990 111,043 1,756,804  
 Operating charges 1.11%<sup>B</sup> 1.11% 1.15%  
 Direct transaction costs 0.00% 0.00% 0.00%

**Prices (pence per share)<sup>C</sup>**

Highest share price 167.18 170.98 171.15  
 Lowest share price 158.02 146.17 147.36

**A Accumulation shares**

<b>Change in net assets per share</b>	<b>Year to 30.04.2024 pence</b>	<b>Year to 30.04.2023 pence</b>	<b>Year to 30.04.2022 pence</b>
Opening net asset value per share	216.55	206.05	201.15
Return before operating charges*	(11.24)	12.78	7.28
Operating charges	(0.40)	(2.28)	(2.38)
Return after operating charges*	(11.64)	10.50	4.90
Distributions on accumulation shares	-	(6.72)	(3.92)
Retained distributions on accumulation shares	-	6.72	3.92
Capital repayment to shareholders	(203.14)	-	-
Closing net asset value per share	1.77	216.55	206.05

\* after direct transaction costs of: - - -

**Performance**

Return after charges<sup>A</sup> (5.38)% 5.10% 2.44%

**Other information**

Closing net asset value (£) 528 112,593 880,357  
 Closing number of shares 29,806 51,995 427,253  
 Operating charges 1.11%<sup>B</sup> 1.11% 1.15%  
 Direct transaction costs 0.00% 0.00% 0.00%

**Prices (pence per share)<sup>C</sup>**

Highest share price 217.95 220.72 215.66  
 Lowest share price 205.99 185.62 187.17

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

<sup>B</sup> From 1 May 2023 to 30 June 2023, we estimate the annualised operating charges to be the same as those calculated as at 30 April 2023.

<sup>C</sup> The last valuation point and dealing day of the sub-fund was 30 June 2023. There are no highest and lowest share prices after that date.

IFSL CAF INVESTMENT FUND  
IFSL CAF UK EQUITY FUND

COMPARATIVE TABLE

**B Income shares**

Change in net assets per share	Year to 30.04.2024 pence	Year to 30.04.2023 pence	Year to 30.04.2022 pence
Opening net asset value per share	166.13	161.31	160.49
Return before operating charges*	(8.63)	11.68	5.83
Operating charges	(0.30)	(1.78)	(1.89)
Return after operating charges*	(8.93)	9.90	3.94
Distributions on income shares	-	(5.08)	(3.12)
Capital repayment to shareholders	(155.85)	-	-
Closing net asset value per share	1.35	166.13	161.31

\* after direct transaction costs of: - - -

**Performance**

Return after charges<sup>A</sup> (5.38)% 6.14% 2.45%

**Other information**

Closing net asset value (£) 50,775 13,967,464 76,111,130  
Closing number of shares 3,750,916 8,407,426 47,183,205  
Operating charges 1.11%<sup>B</sup> 1.11% 1.15%  
Direct transaction costs 0.00% 0.00% 0.00%

**Prices (pence per share)<sup>C</sup>**

Highest share price 167.21 171.01 171.14  
Lowest share price 158.04 146.19 147.35

**B Accumulation shares**

Change in net assets per share	Year to 30.04.2024 pence	Year to 30.04.2023 pence	Year to 30.04.2022 pence
Opening net asset value per share	216.56	206.05	201.15
Return before operating charges*	(11.24)	12.79	7.28
Operating charges	(0.40)	(2.28)	(2.38)
Return after operating charges*	(11.64)	10.51	4.90
Distributions on accumulation shares	-	(5.44)	(3.94)
Retained distributions on accumulation shares	-	5.44	3.94
Capital repayment to shareholders	(203.16)	-	-
Closing net asset value per share	1.76	216.56	206.05

\* after direct transaction costs of: - - -

**Performance**

Return after charges<sup>A</sup> (5.37)% 5.10% 2.44%

**Other information**

Closing net asset value (£) 16,558 3,962,668 6,954,639  
Closing number of shares 938,351 1,829,831 3,375,201  
Operating charges 1.11%<sup>B</sup> 1.11% 1.15%  
Direct transaction costs 0.00% 0.00% 0.00%

**Prices (pence per share)<sup>C</sup>**

Highest share price 217.96 220.73 215.66  
Lowest share price 206.01 185.63 187.17

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

<sup>B</sup> From 1 May 2023 to 30 June 2023, we estimate the annualised operating charges to be the same as those calculated as at 30 April 2023.

<sup>C</sup> The last valuation point and dealing day of the sub-fund was 30 June 2023. There are no highest and lowest share prices after that date.



IFSL CAF INVESTMENT FUND  
IFSL CAF UK EQUITY FUND

COMPARATIVE TABLE

**C Accumulation shares**

Change in net assets per share	Period to 04.05.2023 pence	Year to 30.04.2023 pence	Year to 30.04.2022 pence
Opening net asset value per share	216.51	206.06	201.16
Return before operating charges*	(0.70)	12.72	7.28
Operating charges	(0.03)	(2.27)	(2.38)
Return after operating charges*	(0.73)	10.45	4.90
Distributions on accumulation shares	-	(5.41)	(3.94)
Retained distributions on accumulation shares	-	5.41	3.94
Closing net asset value per share	215.78	216.51	206.06

\* after direct transaction costs of: - - -

**Performance**

Return after charges<sup>A</sup> (0.34)% 5.07% 2.44%

**Other information**

Closing net asset value (£)	- <sup>B</sup>	266,963	6,667,428
Closing number of shares	- <sup>B</sup>	123,302	3,235,626
Operating charges	1.11% <sup>D</sup>	1.11%	1.15%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices** (pence per share)

Highest share price	217.91	220.74	215.67
Lowest share price	215.78	185.64	187.19

**D Income shares**

Change in net assets per share	Period to 14.06.2023 pence	Year to 30.04.2023 pence	Year to 30.04.2022 pence
Opening net asset value per share	115.98	113.13	112.45
Return before operating charges*	(2.26)	6.94	4.09
Operating charges	(0.13)	(1.05)	(1.13)
Return after operating charges*	(2.39)	5.89	2.96
Distributions on income shares	-	(3.04)	(2.28)
Closing net asset value per share	113.59	115.98	113.13

\* after direct transaction costs of: - - -

**Performance**

Return after charges<sup>A</sup> (2.06)% 5.21% 2.63%

**Other information**

Closing net asset value (£)	- <sup>C</sup>	500,610	535,941
Closing number of shares	- <sup>C</sup>	431,619	473,745
Operating charges	0.94% <sup>E</sup>	0.94%	0.98%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices** (pence per share)

Highest share price	116.74	119.37	120.02
Lowest share price	112.08	102.03	103.33

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

<sup>B</sup> All shares in this share class were redeemed on 4 May 2023.

<sup>C</sup> All shares in this share class were redeemed on 14 June 2023.

<sup>D</sup> From 1 May 2023 to 4 May 2023, we estimate the annualised operating charges to be the same as those calculated as at 30 April 2023.

<sup>E</sup> From 1 May 2023 to 14 June 2023, we estimate the annualised operating charges to be the same as those calculated as at 30 April 2023.

**IFSL CAF INVESTMENT FUND  
IFSL CAF UK EQUITY FUND**

**COMPARATIVE TABLE**

**D Accumulation shares**

<b>Change in net assets per share</b>	<b>Year to 30.04.2024 pence</b>	<b>Year to 30.04.2023 pence</b>	<b>Year to 30.04.2022 pence</b>
Opening net asset value per share	137.21	130.33	127.01
Return before operating charges*	(7.16)	8.10	4.60
Operating charges	(0.21)	(1.22)	(1.28)
Return after operating charges*	(7.37)	6.88	3.32
Distributions on accumulation shares	-	(3.53)	(2.61)
Retained distributions on accumulation shares	-	3.53	2.61
Capital repayment to shareholders	(128.72)	-	-
Closing net asset value per share	1.12	137.21	130.33

\* after direct transaction costs of: - - -

**Performance**

Return after charges<sup>A</sup> (5.37)% 5.28% 2.61%

**Other information**

Closing net asset value (£)	2,405	589,881	560,299
Closing number of shares	214,922	429,922	429,922
Operating charges	0.94% <sup>B</sup>	0.94%	0.98%
Direct transaction costs	0.00%	0.00%	0.00%

**Prices (pence per share)<sup>C</sup>**

Highest share price	138.10	139.80	136.34
Lowest share price	130.56	117.50	118.36

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

<sup>B</sup> From 1 May 2023 to 30 June 2023, we estimate the annualised operating charges to be the same as those calculated as at 30 April 2023.

<sup>C</sup> The last valuation point and dealing day of the sub-fund was 30 June 2023. There are no highest and lowest share prices after that date.

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.

With effect from 30 June 2023, the operating charges are no longer taken from the sub-fund.

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF UK EQUITY FUND**

**PORTFOLIO STATEMENT**

as at 30 April 2024

<b>Holding or nominal value</b>	<b>Bid value £</b>	<b>Percentage of total net assets %</b>
<b>COLLECTIVE INVESTMENT SCHEMES</b> (30 April 2023 - 93.87%)		
9,102,570 LF Equity Income 'C' Sterling <sup>A</sup>	71,365	100.00
Total Collective Investment Schemes	<u>71,365</u>	<u>100.00</u>
<b>EXCHANGE TRADED FUNDS</b> (30 April 2023 - 4.01%)		
<b>OFFSHORE FUNDS</b> (30 April 2023 - 3.28%)		
<b>Portfolio of investments</b>	71,365	100.00
<b>Net other assets</b>	-	-
<b>Total net assets</b>	<u><u>71,365</u></u>	<u><u>100.00</u></u>

<sup>A</sup> This fund has been suspended and is valued based on the latest information received.

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 CAF INVESTMENT FUND**  
**IFSL CAF UK EQUITY FUND**

**STATEMENT OF TOTAL RETURN**  
for the year ended 30 April 2024

	Notes	30 April 2024		30 April 2023	
		£	£	£	£
Income:					
Net capital losses	2		(735,089)		(1,829,447)
Revenue	4	144,813		1,261,904	
Expenses	5	<u>(17,432)</u>		<u>(226,663)</u>	
Net revenue before taxation		127,381		1,035,241	
Taxation	6	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>127,381</u>		<u>1,035,241</u>
Total return before distributions			(607,708)		(794,206)
Distributions	7		(134,570)		(1,205,525)
Change in net assets attributable to shareholders from investment activities			<u><u>(742,278)</u></u>		<u><u>(1,999,731)</u></u>

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
for the year ended 30 April 2024

	30 April 2024		30 April 2023	
	£	£	£	£
Opening net assets attributable to shareholders		19,584,627		94,543,818
Amounts receivable on issue of shares		-	187,950	
Amounts payable on cancellation of shares	(10,510,820)		(73,375,235)	
Amounts payable on share class conversions		-	(65)	
Capital repayment to shareholders	<u>(8,260,162)</u>		<u>-</u>	
		(18,770,982)		(73,187,350)
Change in net assets attributable to shareholders from investment activities		(742,278)		(1,999,731)
Retained distribution on accumulation shares		(2)		226,992
Unclaimed distributions		-		898
Closing net assets attributable to shareholders		<u><u>71,365</u></u>		<u><u>19,584,627</u></u>

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF UK EQUITY FUND**

**BALANCE SHEET**  
as at 30 April 2024

	Notes	30 April 2024 £	30 April 2023 £
<b>Assets:</b>			
<b>Current Assets:</b>			
Investments	14	71,365	19,811,070
Debtors	8	-	874,025
Cash and bank balances		-	-
<b>Total assets</b>		<u>71,365</u>	<u>20,685,095</u>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Bank overdrafts		-	358,393
Distribution payable on income shares		-	145,299
Other creditors	9	-	596,776
<b>Total liabilities</b>		<u>-</u>	<u>1,100,468</u>
<b>Net assets attributable to shareholders</b>		<u>71,365</u>	<u>19,584,627</u>

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF UK EQUITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2024

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

Please refer to the notes applicable to the Company on pages 15 to 17.

**2 NET CAPITAL LOSSES**

The net losses on investments during the year comprise:

	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
Realised gains on non-derivative securities	276,147	17,011
Unrealised losses on non-derivative securities	(972,989)	(1,912,896)
Rebates received from underlying funds	(38,247)	65,023
Transaction write-backs	-	1,415
<b>Net capital losses</b>	<b>(735,089)</b>	<b>(1,829,447)</b>

**3 PURCHASES, SALES AND TRANSACTION COSTS**

Purchases excluding transaction costs:

	<b>30 April 2024</b>	<b>30 April 2024</b>
	£	£
Collective Investment Schemes	3,664,000	15,885,397
	<u>3,664,000</u>	<u>15,885,397</u>
Collective Investment Schemes: Commissions	-	-
Total purchase transaction costs	-	-
<b>Purchases including transaction costs</b>	<b><u>3,664,000</u></b>	<b><u>15,885,397</u></b>

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

Collective Investment Schemes: Commissions	0.00%	0.00%
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Sales excluding transaction costs:

Exchange Traded Funds	756,461	954,309
Collective Investment Schemes	21,800,732	87,613,266
	<u>22,557,193</u>	<u>88,567,575</u>
Exchange Traded Funds: Commissions	-	-
Collective Investment Schemes: Commissions	-	-
Total sale transaction costs	-	-
<b>Sales net of transaction costs</b>	<b><u>22,557,193</u></b>	<b><u>88,567,575</u></b>

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

Exchange Traded Funds: Commissions	0.00%	0.00%
Collective Investment Schemes: Commissions	0.00%	0.00%

Total purchases and sales transaction costs expressed as a percentage of the average net asset value over the year:

0.00%	0.00%
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Transaction costs are commissions paid to agents, levies by regulatory agencies and securities exchanges, and transfer taxes and duties associated with investment transactions on the sub-fund. These exclude any differences between quoted bid and offer prices or internal administrative on holding costs.

**Transaction handling (write-backs)/charges**

These are write-backs receivable to the depositary in respect of each transaction: - (1,415)

**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%

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF UK EQUITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2024

<b>4 REVENUE</b>	<b>30 April 2024</b>	<b>30 April 2023</b>
	<b>£</b>	<b>£</b>
Non-taxable UK dividends	135,806	1,195,439
Non-taxable overseas dividends	10,304	36,421
Interest distributions	1,681	17,966
Bank interest	8,505	1,092
Compensation to sub-fund	421	-
Rebates received from underlying funds	(11,904)	10,986
<b>Total revenue</b>	<u>144,813</u>	<u>1,261,904</u>
<b>5 EXPENSES</b>	<b>30 April 2024</b>	<b>30 April 2023</b>
	<b>£</b>	<b>£</b>
Payable to the ACD or associate: ACD's periodic charge	<u>14,378</u>	<u>217,998</u>
	14,378	217,998
Other expenses: Bank interest	<u>3,054</u>	<u>8,665</u>
	3,054	8,665
<b>Total expenses</b>	<u>17,432</u>	<u>226,663</u>
<b>6 TAXATION</b>	<b>30 April 2024</b>	<b>30 April 2023</b>
	<b>£</b>	<b>£</b>
a Analysis of the tax charge for the year		
Irrecoverable income tax	-	-
<b>Total tax charge for the year</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	<u>127,381</u>	<u>1,035,241</u>
Corporation tax at 20% (2023: 20%)	25,476	207,048
Effects of:		
Movement in excess management expenses	11,395	26,319
Revenue not subject to taxation	(29,222)	(246,372)
Rebated capital expenses deductible for tax purposes	<u>(7,649)</u>	<u>13,005</u>
<b>Total tax charge for the year</b> (see note 6(a))	<u>-</u>	<u>-</u>
c Provision for deferred taxation		
At 30 April 2024 the sub-fund has deferred tax assets of £815,033 (2023: £803,638) 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>30 April 2024</b>	<b>30 April 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:		
First quarter	-	114,904
Interim	-	286,168
Third quarter	-	262,659
Final	-	193,785
Amounts deducted on cancellation of shares	134,579	348,812
Amounts added on issue of shares	-	(697)
Equalisation on conversions	-	(65)
Revenue brought forward	(9)	(41)
<b>Distributions</b>	<u>134,570</u>	<u>1,205,525</u>
Net revenue after taxation	127,381	1,035,241
Tax effect of ACD's fee/management fee rebate borne by capital	7,189	108,999
Net deficit of revenue for the year	-	61,285
<b>Distributions</b>	<u>134,570</u>	<u>1,205,525</u>

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF UK EQUITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2024

**8 DEBTORS**

	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
Amounts receivable for issue of shares	-	2
Sales awaiting settlement	-	467,591
Accrued revenue	-	354,616
Amount due for rebate from underlying funds	-	51,816
<b>Total debtors</b>	<u>-</u>	<u>874,025</u>

**9 OTHER CREDITORS**

	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
Amounts payable for cancellation of shares	-	587,623
ACD's periodic charge	-	9,153
<b>Total other creditors</b>	<u>-</u>	<u>596,776</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, 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 nil (2023: £596,774).

**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 / Accumulation	0.55%
B Income / Accumulation	0.55%
C Accumulation	0.55%
D Income / Accumulation	0.38%

**12 SHAREHOLDERS' FUND RECONCILIATION**

	A Income	A Accumulation	B Income
Opening shares in issue at 1 May 2023	111,043	51,995	8,407,426
Share cancellations	(30,053)	(22,189)	(4,656,510)
Closing shares in issue at 30 April 2024	<u>80,990</u>	<u>29,806</u>	<u>3,750,916</u>
	B Accumulation	C Accumulation	D Income
Opening shares in issue at 1 May 2023	1,829,831	123,302	431,619
Share cancellations	(891,480)	(123,302)	(431,619)
Closing shares in issue at 30 April 2024	<u>938,351</u>	<u>-</u>	<u>-</u>
			D Accumulation
Opening shares in issue at 1 May 2023			429,922
Share cancellations			(215,000)
Closing shares in issue at 30 April 2024			<u>214,922</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 £3,568 (2023: £990,554). A five per cent decrease would have an equal and opposite effect.

**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.



**IFSL CAF INVESTMENT FUND**  
**IFSL CAF UK EQUITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2024

**RISK DISCLOSURES** (continued)

**Interest rate risk**

**30 April 2024**                      **30 April 2023**  
**£**    **£**

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

Financial assets interest bearing instruments	-	642,000
Financial assets non-interest bearing instruments	71,365	20,043,095
Financial liabilities floating rate <sup>A</sup>	-	(358,393)
Financial liabilities non-interest bearing instruments	-	(742,075)
	<u>71,365</u>	<u>19,584,627</u>

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

**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 and exchange traded funds, which may invest in interest bearing financial assets, however, information regarding these investments is not available from the ACDs/fund managers as at the sub-fund's balance sheet date.

**Liquidity risk**

**30 April 2024**                      **30 April 2023**  
**£**    **£**

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

Within one year:

Bank overdrafts	-	358,393
Distribution payable on income shares	-	145,299
Other creditors	-	596,776
	-	<u>1,100,468</u>

**14 FAIR VALUE HIERARCHY FOR INVESTMENTS**

Basis of valuation	30 April 2024		30 April 2023	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	-	-	785,069	-
Level 2 - Observable market data	-	-	18,939,345	-
Level 3 - Unobservable data	71,365	-	86,656	-
	<u>71,365</u>	-	<u>19,811,070</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**

On 30 June 2023, the Company commenced termination of the sub-fund and ceased pricing. As a result, there are no published prices available after this date.

On 12 June 2024, a large liquidation payment was received by the sub-fund in relation to it's holding in LF Equity Income Fund. This amount was subsequently paid out to investors on 20 August 2024.

**IFSL CAF INVESTMENT FUND  
IFSL CAF UK EQUITY FUND**

**DISTRIBUTION TABLE**

**First interim distribution for the period from 1 May 2023 to 31 July 2023**

Group 1: Shares purchased prior to 1 May 2023

Group 2: Shares purchased on or after 1 May 2023

		Net revenue 31 July 2023 pence per share	Equalisation 31 July 2023 pence per share	Distribution paid 15 September 2023 pence per share	Distribution paid 15 September 2022 pence per share
A Income	Group 1	-	-	-	0.1044
	Group 2	-	-	-	0.1044
A Accumulation	Group 1	-	-	-	1.2771
	Group 2	-	-	-	1.2771
B Income	Group 1	-	-	-	0.8311
	Group 2	-	-	-	0.8311
B Accumulation	Group 1	-	-	-	-
	Group 2	-	-	-	-
C Accumulation	Group 1	-	-	-	-
	Group 2	-	-	-	-
D Income	Group 1	-	-	-	-
	Group 2	-	-	-	-
D Accumulation	Group 1	-	-	-	-
	Group 2	-	-	-	-

**Second interim distribution for the period from 1 August 2023 to 31 October 2023**

Group 1: Shares purchased prior to 1 August 2023

Group 2: Shares purchased on or after 1 August 2023

		Net revenue 31 October 2023 pence per share	Equalisation 31 October 2023 pence per share	Distribution paid 15 December 2023 pence per share	Distribution paid 15 December 2022 pence per share
A Income	Group 1	-	-	-	1.3336
	Group 2	-	-	-	1.3336
A Accumulation	Group 1	-	-	-	1.6938
	Group 2	-	-	-	1.6938
B Income	Group 1	-	-	-	1.3338
	Group 2	-	-	-	1.3338
B Accumulation	Group 1	-	-	-	1.6935
	Group 2	-	-	-	1.6935
C Accumulation	Group 1	-	-	-	1.6925
	Group 2	-	-	-	1.6925
D Income	Group 1	-	-	-	0.9541
	Group 2	-	-	-	0.9541
D Accumulation	Group 1	-	-	-	1.0987
	Group 2	-	-	-	1.0987

**IFSL CAF INVESTMENT FUND  
IFSL CAF UK EQUITY FUND**

**DISTRIBUTION TABLE**

**Third interim distribution for the period from 1 November 2023 to 31 January 2024**

Group 1: Shares purchased prior to 1 November 2023

Group 2: Shares purchased on or after 1 November 2023

		Net revenue 31 January 2024 pence per share	Equalisation 31 January 2024 pence per share	Distribution paid 15 March 2024 pence per share	Distribution paid 15 March 2023 pence per share
A Income	Group 1	-	-	-	1.2685
	Group 2	-	-	-	1.2685
A Accumulation	Group 1	-	-	-	1.6249
	Group 2	-	-	-	1.6249
B Income	Group 1	-	-	-	1.2685
	Group 2	-	-	-	1.2685
B Accumulation	Group 1	-	-	-	1.6248
	Group 2	-	-	-	1.6248
C Accumulation	Group 1	-	-	-	1.6250
	Group 2	-	-	-	1.6250
D Income	Group 1	-	-	-	0.9095
	Group 2	-	-	-	0.9095
D Accumulation	Group 1	-	-	-	1.0568
	Group 2	-	-	-	1.0568

**Final distribution for the period from 1 February 2024 to 30 April 2024**

Group 1: Shares purchased prior to 1 February 2024

Group 2: Shares purchased on or after 1 February 2024

		Net revenue 30 April 2024 pence per share	Equalisation 30 April 2024 pence per share	Distribution paid 15 June 2024 pence per share	Distribution paid 15 June 2023 pence per share
A Income	Group 1	-	-	-	1.6418
	Group 2	-	-	-	1.6418
A Accumulation	Group 1	-	-	-	2.1233
	Group 2	-	-	-	2.1233
B Income	Group 1	-	-	-	1.6462
	Group 2	-	-	-	1.6462
B Accumulation	Group 1	-	-	-	2.1250
	Group 2	-	-	-	2.1250
C Accumulation	Group 1	-	-	-	2.0974
	Group 2	-	-	-	2.0974
D Income	Group 1	-	-	-	1.1736
	Group 2	-	-	-	1.1736
D Accumulation	Group 1	-	-	-	1.3746
	Group 2	-	-	-	1.3746

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG CAUTIOUS FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 30 April 2024

**Performance to 30 April 2024**

	<u>Six months</u>	<u>1 year</u>	<u>14.06.2022<sup>A</sup></u>
IFSL CAF ESG Cautious Fund	7.37%	1.26%	(1.87)%
UK Consumer Prices Index +1.5%	1.86%	3.87%	13.61%
ARC Balanced Asset Charity Index TR GBP	8.65%	5.58%	4.10%

<sup>A</sup> Since launch period ended.

External Source of Economic Data: Morningstar (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 takes account of all ongoing charges, but not entry charges. The past performance of this share class is calculated in sterling.

**Investment commentary**

Performance statement

IFSL CAF ESG Cautious Fund (the sub-fund) Accumulation shares returned 1.3% over the 12-month period to 30 April 2024. This was behind its performance target (CPI +1.5%) which was 3.9%.

Market review

With inflation falling it was anticipated that weaker economic data would lead central banks to begin cutting interest rates in 2024. Interest rate cut expectations are now materially lower than they were at the turn of the year, which has caused market volatility\*. Over the period we saw weakness in government bonds (FTSE Actuaries UK Conventional Gilts All Stocks Total Return Index -1.3%), whilst corporate bonds were stronger (ICE BofA Sterling Non-Gilt Index +4.2%).

Equity markets were strong (FTSE World GBP +19.1%) with central banks seemingly achieving their goal of bringing down inflation without causing a deep recession\*. This led US equities to hit an all-time high at the start of April (S&P 500 +23.3% in GBP), supported by strong results from technology companies poised to benefit from AI (Artificial Intelligence) led growth.

Sub-fund performance review

The sub-fund was able to generate strong returns from its equity portfolio and a positive return from bonds and cash. Exposure to listed alternative assets (such as property and infrastructure) proved costly in the period.

Positive equity holdings came from the technology, industrial and health care sectors while losses were incurred from the energy, financials, utilities and consumer discretionary sectors.

Technology performed strongly. AI continued to be the dominant growth driver benefitting our holdings in Taiwan Semiconductor Manufacturing Co and ASML Holding. The industrial sector performed well as continued strength in the global economy drove a steady earnings outlook. CRH had strong pricing while AI-driven data centre investment supported Schneider Electric. DS Smith received a bid from US peer International Paper. Within health care, Eli Lilly benefited from the significant growth in its diabetes and obesity franchises.

Negative China sentiment impacted the sub-funds' holdings within the financials and consumer sectors. AIA and Prudential's largest growth opportunities are life assurance products to serve the aging Chinese demographic. Estee Lauder reported that weakness in China had impacted earnings. Watches of Switzerland was weak following a profit warning driven by challenging conditions in retail spending primarily in the UK.

In the utilities sector, Ørsted was weak after it walked away from two US projects. The size of the \$4bn impairment caused the shares to lose more than 25%. Within Energy, Ameresco, was weak after it lowered its near-term growth expectation despite operationally performing well.

Government bonds were a drag on performance as rising interest rates in the period led yields\* higher (and prices lower). In contrast we saw positive returns from the corporate bond portfolio with reducing recession list driving valuations.

Alternatives were also impacted by rising interest rates. Gresham House Energy Storage was a notable negative due to a deterioration in revenues owing to connection issues and less utilisation of battery storage from the grid.

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG CAUTIOUS FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 30 April 2024

**Investment commentary (continued)**

Portfolio activity

Within equities new positions were initiated in global consumer health care products company Haleon, insurance company Zurich, utility company National Grid, and lodgings platform company Airbnb.

Estee Lauder was sold after reporting weaker growth in China, as we are concerned that longer term more consumers may prefer local brands. We sold, data centre landlord Equinix after it was subject to a short attack. We sold DS Smith after it was bid for and Shimano to fund other investments.

We took action to reduce the interest rate sensitivity of the holdings outside of the fixed income allocation within the portfolio. As a result, we reduced exposure to the real estate sector with holdings such as Hannon Armstrong Sustainable Infrastructure, Assura and Tritax Big Box failing to offer attractive returns in excess of corporate bonds. We also sold American Tower as our conviction in the holding has reduced, as it is currently focusing on reducing its level of debt as opposed to growth.

We added several corporate bonds to the portfolio, these included those issued by Pension Insurance Corporation, Coventry Building Society and Aviva.

Investment outlook

It looks possible that inflation in the US can be brought under control without a recession, although we may have to wait longer than the market initially expected before cuts begin. Expectations are still finely balanced. A scenario where immaculate disinflation prevails would likely be positive for equities. However, an economic slowdown, followed by a rapid monetary policy response would be an attractive environment for high-quality fixed income. Although resilient economic activity could keep rates from moving meaningfully lower, we believe fixed income holdings should play the traditional role of providing predictable income and diversification from equities.

As inflation pressures recede, markets will turn their focus to economic growth. We expect regional dispersion in economic growth, policy trajectories and sector leadership. Furthermore, elevated geopolitical tensions continue to present a risk. Cash has offered a reasonable home whilst reviewing the available opportunities, however its attraction will decline with interest rate cuts, not to mention the opportunity cost for long-term investors.

abrdn Investment Management Limited  
6 June 2024

Explanation of terms\*

Volatility - a tendency to change quickly and unpredictably.

Recession - defined as two consecutive negative quarters of economic growth.

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

**Distributions**

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>
<u>Income (pence per share)</u>			
Net income paid 15 June	1.4109	1.2921	-
Net income paid 15 December		1.3750	0.8820
<u>Accumulation (pence per share)</u>			
Net accumulation paid 15 June	1.4533	1.2931	-
Net accumulation paid 15 December		1.3944	0.8714

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG CAUTIOUS FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 30 April 2024

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
UK Treasury 0.125% 30.01.26	556,284
UK Treasury 1% 22.04.24	417,700
UK Treasury 0.25% 31.07.31	325,049
National Grid	274,041
UK Treasury 3.75% 29.01.38	255,213
US Treasury 2.75% 31.08.25	240,642
Haleon	216,182
Zurich Insurance Group	204,482
Airbnb	196,658
Gresham House Energy Storage Fund	183,512
Other purchases	6,639,759
Total purchases for the year	9,509,522
<u>Largest sales</u>	<u>Proceeds (£)</u>
UK Treasury 1% 22.04.24	1,175,600
Round Hill Music Royalty Fund	296,119
Equinix	219,512
Smith (DS)	192,984
Assura	161,797
Dechra Pharmaceuticals	153,502
Eli Lilly and Company	147,424
Tritax Big Box REIT	140,621
HICL Infrastructure	136,619
Sequoia Economic Infrastructure Income Fund	125,317
Other sales	1,052,946
Total sales for the year	3,802,441

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG CAUTIOUS FUND**

**COMPARATIVE TABLE**

<b><u>Income shares</u></b>	<b>Year to</b>	<b>Period to</b>
<b>Change in net assets per share</b>	<b>30.04.2024</b>	<b>30.04.2023<sup>A</sup></b>
	<b>pence</b>	<b>pence</b>
Opening net asset value per share	95.43	100.00
Return before operating charges*	1.54	(1.78)
Operating charges	(0.47)	(0.62)
Return after operating charges*	1.07	(2.40)
Distributions on income shares	(2.79)	(2.17)
Closing net asset value per share	93.71	95.43
* after direct transaction costs of:	0.05	0.13
<b>Performance</b>		
Return after charges <sup>C</sup>	1.12%	(2.40)%
<b>Other information</b>		
Closing net asset value (£)	14,724,789	10,588,797
Closing number of shares	15,713,510	11,095,578
Operating charges	0.50% <sup>E</sup>	0.73% <sup>D</sup>
Direct transaction costs	0.05%	0.15% <sup>D</sup>
<b>Prices (pence per share)</b>		
Highest share price	95.99	105.54
Lowest share price	88.43	92.39
<b><u>Accumulation shares</u></b>	<b>Year to</b>	<b>Period to</b>
<b>Change in net assets per share</b>	<b>30.04.2024</b>	<b>30.04.2023<sup>B</sup></b>
	<b>pence</b>	<b>pence</b>
Opening net asset value per share	96.75	100.00
Return before operating charges*	1.70	(2.63)
Operating charges	(0.48)	(0.62)
Return after operating charges*	1.22	(3.25)
Distributions on accumulation shares	(2.85)	(2.16)
Retained distributions on accumulation shares	2.85	2.16
Closing net asset value per share	97.97	96.75
* after direct transaction costs of:	0.05	0.13
<b>Performance</b>		
Return after charges <sup>C</sup>	1.26%	(3.25)%
<b>Other information</b>		
Closing net asset value (£)	12,585,882	10,480,560
Closing number of shares	12,846,214	10,832,982
Operating charges	0.50% <sup>E</sup>	0.73% <sup>D</sup>
Direct transaction costs	0.05%	0.15% <sup>D</sup>
<b>Prices (pence per share)</b>		
Highest share price	98.87	104.47
Lowest share price	90.83	91.46

<sup>A</sup> This share class launched on 16 May 2022 at 100 pence and commenced pricing on 14 June 2022.

<sup>B</sup> This share class launched on 16 May 2022 at 100 pence and commenced pricing on 13 June 2022.

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

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

<sup>E</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.

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG CAUTIOUS FUND**

**COMPARATIVE TABLE**

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)



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.



**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG CAUTIOUS FUND**

**PORTFOLIO STATEMENT**

as at 30 April 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>FIXED INTEREST (30 April 2023 - 34.01%)</b>		
<b>United Kingdom Fixed Interest (30 April 2023 - 14.63%)</b>		
100,000 Anglian Water Services Financing 5.875% 20.06.31	100,630	0.37
150,000 Aviva 5.125% 04.06.50	140,763	0.52
100,000 Barclays 1.7% 03.11.26	93,974	0.34
100,000 Barclays 3.25% 17.01.33	82,606	0.30
100,000 Coventry Building Society 7% 07.11.27	102,326	0.37
97,000 HSBC Holdings 5.75% 20.12.27	97,178	0.36
100,000 Legal & General Group 5.375% 27.10.45	98,875	0.36
99,000 Lloyds Bank 7.625% 22.04.25	100,594	0.37
100,000 Lloyds Banking Group 6.625% 02.06.33	100,120	0.37
100,000 London & Quadrant Housing Trust 2% 31.03.32	78,114	0.29
100,000 Motability Operations Group 3.625% 10.03.36	85,601	0.31
100,000 National Grid Electricity Distribution (West Midlands) 5.75% 16.04.32	101,052	0.37
150,000 Nationwide Building Society 6.125% 21.08.28	154,074	0.56
100,000 NGG Finance 5.625% 18.06.73	98,625	0.36
100,000 Pension Insurance 8% 13.11.33	106,013	0.39
100,000 Pinewood Finco 6% 27.03.30	97,206	0.36
100,000 Segro 2.375% 11.10.29	86,240	0.32
100,000 Severn Trent Utilities Finance 5.25% 04.04.36	96,324	0.35
50,000 Southern Electric Power Distribution 5.5% 07.06.32	50,960	0.19
50,000 Thames Water Utilities Finance 5.125% 28.09.37	41,476	0.15
600,000 UK Treasury 0.125% 30.01.26	556,131	2.04
788,100 UK Treasury 0.25% 31.07.31	595,500	2.18
881,849 UK Treasury 0.625% 31.07.35	589,547	2.16
296,400 UK Treasury 3.75% 22.10.53	249,028	0.91
280,400 UK Treasury 3.75% 29.01.38	257,695	0.94
100,000 Unilever 1.875% 15.09.29	86,942	0.32
100,000 United Utilities Water Finance 1.75% 10.02.38	63,452	0.23
100,000 Virgin Money UK 3.125% 22.06.25	99,607	0.36
97,000 Vodafone Group 5.9% 26.11.32	101,653	0.37
100,000 Workspace Group 2.25% 11.03.28	84,422	0.31
100,000 Yorkshire Building Society 6.375% 15.11.28	101,722	0.37
Total United Kingdom Fixed Interest	4,698,450	17.20
<b>International Fixed Interest (30 April 2023 - 19.38%)</b>		
110,000 Amgen 4% 13.09.29	104,153	0.38
100,000 Apple 3.05% 31.07.29	92,766	0.34
100,000 Assura Financing 1.5% 15.09.30	79,250	0.29
550,000 Australia 3.75% 21.04.37	264,550	0.97
100,000 BNG Bank 5.2% 07.12.28	101,880	0.37
100,000 BNP Paribas 1.25% 13.07.31	75,536	0.28
411,000 Canada 2% 01.06.28	223,271	0.82
100,000 Carrier Global 2.242% 15.02.25	77,641	0.28
100,000 Digital Stout Holding 3.3% 19.07.29	89,403	0.33
50,000 E.ON International Finance 5.875% 30.10.37	50,548	0.19
100,000 Engie 5.625% 03.04.53	95,837	0.35
100,000 ENW Finance 4.839% 24.11.32	97,759	0.36
80,000 European Investment Bank 4.5% 07.06.29	80,169	0.29
100,000 ING Groep 1.125% 07.12.28	86,375	0.32
100,000 Inter-American Development Bank 4.125% 28.04.28	98,404	0.36
100,000 International Bank for Rec & Dev 1% 21.12.29	83,135	0.30
105,000 Intesa Sanpaolo 6.625% 31.05.33	108,023	0.40
100,000 Mcdonald's 4.125% 11.06.54	79,790	0.29
100,000 Mizuho Financial Group 5.628% 13.06.28	100,928	0.37
165,000 Moody's 2% 19.08.31	104,743	0.38
150,000 Nestlé Holdings 0.625% 18.12.25	139,733	0.51
100,000 Ørsted 2.5% 18.02.21	71,750	0.26
100,000 Prologis 2.25% 30.06.29	86,716	0.32
100,000 Sanctuary Capital 5% 26.04.47	92,000	0.34

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG CAUTIOUS FUND**

**PORTFOLIO STATEMENT**

as at 30 April 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>International Fixed Interest</b> (continued)		
130,000 UnitedHealth Group 5.25% 15.02.28	104,011	0.38
914,800 US Treasury 2% 15.11.41	484,360	1.77
911,400 US Treasury 2.75% 31.08.25	704,424	2.58
674,900 US Treasury Index-Linked 1.125% 15.01.33	512,145	1.88
100,000 Verizon Communications 2.5% 08.04.31	84,234	0.31
100,000 Verizon Communications 4.073% 18.06.24	99,794	0.37
100,000 Volkswagen International Finance 3.75% 28.09.27	85,421	0.31
100,000 Walmart 5.75% 19.12.30	106,259	0.39
Total International Fixed Interest	4,665,008	17.09
Total Fixed Interest	9,363,458	34.29
<b>EQUITIES</b> (30 April 2023 - 29.72%)		
<b>Australian Equities</b> (30 April 2023 - 0.66%)		
3,629 Rio Tinto	246,270	0.90
Total Australian Equities	246,270	0.90
<b>European Equities</b> (30 April 2023 - 8.65%)		
164 Adyen	161,014	0.59
428 ASML Holding	306,864	1.12
6,988 Cellnex Telecom	188,047	0.69
4,864 CRH	307,016	1.13
40,193 Enel	213,636	0.78
102 Hermès International	199,972	0.73
92,154 Koninklijke	269,111	0.99
4,142 Mercedes-Benz Group	253,427	0.93
2,497 Nestlé	202,675	0.74
3,173 Ørsted	139,734	0.51
920 Roche Holding	177,067	0.65
1,709 Schneider Electric	317,509	1.16
500 Zurich Insurance Group	194,345	0.71
Total European Equities	2,930,417	10.73
<b>Far Eastern Equities</b> (30 April 2023 - 1.84%)		
30,800 AIA Group	181,335	0.67
11,770 DBS Group Holdings	240,672	0.88
Total Far Eastern Equities	422,007	1.55
<b>North American Equities</b> (30 April 2023 - 12.59%)		
842 Accenture 'A'	203,411	0.75
1,725 Airbnb	223,155	0.82
2,001 Alphabet 'A'	265,050	0.97
1,455 Amazon.com	209,955	0.77
6,988 Ameresco	121,017	0.44
1,517 Apple	209,879	0.77
949 Autodesk	163,998	0.60
4,967 Boston Scientific	286,923	1.05
5,875 Coca-Cola	290,565	1.06
560 Eli Lilly and Company	328,910	1.20
403 Intuit	205,128	0.75
629 Mastercard 'A'	229,237	0.84
1,120 Microsoft	359,093	1.32
5,327 NextEra Energy	286,312	1.05
2,156 Procter & Gamble	277,949	1.02
2,897 Taiwan Semiconductor Manufacturing Co ADR	319,959	1.17
2,254 Tetra Tech	347,212	1.27
439 West Pharmaceutical Services	124,129	0.45
Total United States Equities	4,451,882	16.30

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG CAUTIOUS FUND**

**PORTFOLIO STATEMENT**

as at 30 April 2024

Holding or nominal value	Bid value £	Percentage of total net assets %	
<b>United Kingdom Equities</b> (30 April 2023 - 5.98%)			
3,248 AstraZeneca	394,112	1.44	
65,000 Haleon	219,570	0.81	
8,823 Keywords Studios	104,376	0.38	
26,407 National Grid	279,122	1.02	
20,229 Prudential	142,574	0.52	
8,265 RELX	273,571	1.00	
30,866 Watches of Switzerland Group	107,846	0.40	
Total United Kingdom Equities	1,521,171	5.57	
Total Equities	9,571,747	35.05	
<b>INVESTMENT TRUSTS</b> (30 April 2023 - 17.30%)			
106,557 3i Infrastructure	351,638	1.29	
168,371 Apax Global Alpha	239,087	0.88	
262,454 BBGI Global Infrastructure	351,688	1.29	
308,069 Bluefield Solar Income Fund	327,169	1.20	
388,867 Cordiant Digital Infrastructure	248,875	0.91	
420,862 Greencoat Renewables	309,594	1.13	
253,131 Greencoat UK Wind	358,687	1.31	
305,931 Gresham House Energy Storage Fund	170,404	0.62	
146,964 HICL Infrastructure	180,766	0.66	
271,546 International Public Partnerships	342,691	1.26	
308,828 Pantheon Infrastructure	244,592	0.90	
206,331 Schiehallion Fund	149,706	0.55	
330,589 The Renewables Infrastructure Group	333,895	1.22	
192,651 Tufton Oceanic Assets	170,501	0.62	
376,255 VH Global Sustainable Energy Opportunities	260,368	0.95	
Total Investment Trusts	4,039,661	14.79	
<b>REAL ESTATE INVESTMENT TRUSTS</b> (30 April 2023 - 5.76%)			
324 Canadian Solar Infrastructure Fund	188,479	0.69	
2,906 Prologis	243,263	0.89	
2,152 PSP Swiss Property	214,810	0.79	
19,378 SEGRO	165,566	0.60	
Total Real Estate Investment Trusts	812,118	2.97	
<b>Portfolio of non-derivative investments</b>	<b>23,786,984</b>	<b>87.10</b>	
<b>OPTIONS</b> (30 April 2023 - 0.04%)			
<b>COUNTERPARTY</b>			
<b>FORWARD CURRENCY EXCHANGE CONTRACTS</b> (30 April 2023 - 0.09%)			
HSBC	Sell AUD 574,276 for GBP 296,604 - 02 July 2024	(2,933)	(0.01)
HSBC	Sell AUD 623,740 for GBP 323,516 - 22 May 2024	(1,508)	(0.01)
HSBC	Sell CAD 395,942 for GBP 230,070 - 22 May 2024	(659)	-
HSBC	Sell CAD 395,942 for GBP 230,299 - 02 July 2024	(539)	-
BNP	Sell CAD 7,700 for GBP 4,476 - 22 May 2024	(11)	-
HSBC	Sell EUR 100,182 for GBP 85,702 - 22 May 2024	(52)	-
HSBC	Sell EUR 100,182 for GBP 85,722 - 02 July 2024	(167)	-
HSBC	Sell GBP 16,788 for USD 20,919 - 02 July 2024	(114)	-
HSBC	Sell GBP 2,110,781 for USD 2,631,255 - 22 May 2024	(13,055)	(0.05)
HSBC	Sell GBP 234,662 for CAD 403,642 - 22 May 2024	555	-
HSBC	Sell GBP 321,987 for AUD 623,740 - 22 May 2024	3,038	0.01
HSBC	Sell GBP 33,547 for AUD 64,777 - 02 July 2024	240	-
HSBC	Sell GBP 4,479 for CAD 7,700 - 02 July 2024	10	-
HSBC	Sell GBP 85,591 for EUR 100,182 - 22 May 2024	163	-
HSBC	Sell USD 2,554,784 for GBP 2,050,277 - 02 July 2024	13,957	0.05
HSBC	Sell USD 2,631,255 for GBP 2,052,696 - 22 May 2024	(45,031)	(0.16)
	Net unrealised losses	(46,106)	(0.17)
<b>Net value of all derivative positions</b>	<b>(46,106)</b>	<b>(0.17)</b>	

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG CAUTIOUS FUND**

**PORTFOLIO STATEMENT**

as at 30 April 2024

	<b>Bid value £</b>	<b>Percentage of total net assets %</b>
<b>Portfolio of investments (including derivative positions)<sup>A</sup></b>	23,740,878	86.93
<b>Net other assets (excluding derivative positions)</b>	3,569,793	13.07
<b>Total net assets</b>	<u>27,310,671</u>	<u>100.00</u>

<sup>A</sup> Net of investment liabilities.

<b>Fixed interest</b>	9,363,458	34.29
<b>Equities</b>	9,571,747	35.05
<b>Investment trusts</b>	4,039,661	14.79
<b>Real estate investment trusts</b>	812,118	2.97
<b>Portfolio of non-derivative investments</b>	<u>23,786,984</u>	<u>87.10</u>
<b>Net value of all derivative positions</b>	(46,106)	(0.17)
<b>Net other assets (excluding derivative positions)</b>	3,569,793	13.07
<b>Total net assets</b>	<u>27,310,671</u>	<u>100.00</u>

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

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG CAUTIOUS FUND**

**STATEMENT OF TOTAL RETURN**  
for the year ended 30 April 2024

	Notes	30 April 2024		30 April 2023	
		£	£	£	£
Income:					
Net capital losses	2		(324,128)		(857,002)
Revenue	4	975,190		451,354	
Expenses	5	<u>(132,889)</u>		<u>(72,586)</u>	
Net revenue before taxation		842,301		378,768	
Taxation	6	<u>(105,023)</u>		<u>(36,073)</u>	
Net revenue after taxation			<u>737,278</u>		<u>342,695</u>
Total return before distributions			413,150		(514,307)
Distributions	7		(790,415)		(371,473)
Change in net assets attributable to shareholders from investment activities			<u><u>(377,265)</u></u>		<u><u>(885,780)</u></u>

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
for the year ended 30 April 2024

	30 April 2024		30 April 2023	
	£	£	£	£
Opening net assets attributable to shareholders		21,069,357		-
Amounts receivable on issue of shares	9,393,575		22,722,665	
Amounts payable on cancellation of shares	<u>(3,172,380)</u>		<u>(1,026,197)</u>	
Compensation to fund	-		65,502	
		6,221,195		21,761,970
Dilution adjustment		4,666		-
Change in net assets attributable to shareholders from investment activities		(377,265)		(885,780)
Retained distribution on accumulation shares		392,718		193,167
Closing net assets attributable to shareholders		<u><u>27,310,671</u></u>		<u><u>21,069,357</u></u>

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG CAUTIOUS FUND**

**BALANCE SHEET**  
as at 30 April 2024

	Notes	30 April 2024 £	30 April 2023 £
<b>Assets:</b>			
<b>Fixed Assets:</b>			
Investments	15	23,806,040	18,316,209
<b>Current Assets:</b>			
Debtors	8	161,585	106,643
Cash and cash equivalents	10	3,743,464	2,971,784
Total assets		<u>27,711,089</u>	<u>21,394,636</u>
<b>Liabilities:</b>			
Investment liabilities		65,162	3,438
<b>Creditors:</b>			
Distribution payable on income shares		221,710	143,369
Other creditors	9	113,546	178,472
Total liabilities		<u>400,418</u>	<u>325,279</u>
<b>Net assets attributable to shareholders</b>		<u><u>27,310,671</u></u>	<u><u>21,069,357</u></u>

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG CAUTIOUS FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2024

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

Please refer to the notes applicable to the Company on pages 15 to 17.

**2 NET CAPITAL LOSSES**

The net losses on investments during the year comprise:

	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
Realised losses on non-derivative securities	(143,944)	(317,936)
Unrealised losses on non-derivative securities	(183,427)	(401,718)
Realised losses on derivative contracts	(55,766)	(77,861)
Unrealised gains/(losses) on derivative contracts	46,918	(46,918)
Gains on forward currency contracts	5,073	114,378
Other currency gains/(losses)	7,388	(126,947)
Transaction charges	(370)	-
<b>Net capital losses</b>	<b>(324,128)</b>	<b>(857,002)</b>

**3 PURCHASES, SALES AND TRANSACTION COSTS**

Purchases excluding transaction costs:

	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
Equities	6,049,928	12,249,901
Debt securities	3,447,921	8,108,936
	<u>9,497,849</u>	<u>20,358,837</u>
Equities: Commissions	1,933	2,175
Taxes and other charges	9,740	19,326
Total purchase transaction costs	<u>11,673</u>	<u>21,501</u>
<b>Purchases including transaction costs</b>	<b><u>9,509,522</u></b>	<b><u>20,380,338</u></b>

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

Equities: Commissions	0.03%	0.02%
Taxes and other charges	0.16%	0.16%

Sales excluding transaction costs:

Equities	2,628,419	795,639
Debt securities	1,175,600	620,149
	<u>3,804,019</u>	<u>1,415,788</u>
Equities: Commissions	(1,552)	(675)
Taxes and other charges	(26)	(10)
Total sale transaction costs	<u>(1,578)</u>	<u>(685)</u>
<b>Sales net of transaction costs</b>	<b><u>3,802,441</u></b>	<b><u>1,415,103</u></b>

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

Equities: Commissions	0.06%	0.08%
Taxes and other charges	0.00%	0.00%

Total purchases and sales transaction costs expressed as a percentage of the average net asset value over the year:

Commissions	0.01%	0.02%
Taxes and other charges	0.04%	0.12%
	<u>0.05%</u>	<u>0.14%</u>

Transaction costs are commissions paid to agents, levies by regulatory agencies and securities exchanges, and transfer taxes and duties associated with investment transactions on the sub-fund. These exclude any differences between quoted bid and offer prices or internal administrative on holding costs.

**Transaction handling charges**

These are charges payable to the depositary in respect of each transaction: 370 -

**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 0.33% 0.39%

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG CAUTIOUS FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2024

<b>4 REVENUE</b>	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
Non-taxable UK dividends	109,457	72,459
Taxable UK dividends	41,605	17,248
Non-taxable overseas dividends	296,431	167,354
Taxable overseas dividends	12,395	11,428
Interest distributions	413,691	153,926
Bank interest	101,611	28,939
<b>Total revenue</b>	<u>975,190</u>	<u>451,354</u>
<b>5 EXPENSES</b>	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
Payable to the ACD or associate:		
ACD's periodic charge	132,844	71,947
Bank interest	45	639
<b>Total expenses</b>	<u>132,889</u>	<u>72,586</u>
<b>6 TAXATION</b>	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	87,290	27,043
Double tax relief	(1,841)	(1,504)
Corporation tax prior year adjustment	690	-
Overseas withholding tax	18,891	9,786
Deferred tax	(7)	748
<b>Total tax charge for the year</b> (see note 6(b))	<u>105,023</u>	<u>36,073</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	842,301	378,768
Corporation tax at 20% (2023: 20%)	<u>168,460</u>	<u>75,754</u>
Effects of:		
Revenue not subject to taxation	(81,177)	(47,963)
Double tax relief	(1,841)	(1,504)
Corporation tax prior year adjustment	690	-
Overseas withholding tax	18,891	9,786
<b>Total tax charge for the year</b> (see note 6(a))	<u>105,023</u>	<u>36,073</u>
<b>7 DISTRIBUTIONS</b>	<b>30 April 2024</b>	<b>30 April 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	416,418	142,382
Final	408,414	283,459
Amounts deducted on cancellation of shares	20,751	8,410
Amounts added on issue of shares	(55,156)	(62,778)
Revenue brought forward	(12)	-
<b>Distributions</b>	<u>790,415</u>	<u>371,473</u>
Net revenue after taxation	737,278	342,694
ACD fee borne by capital	66,422	35,974
Tax effect of management fee rebate borne by capital	(13,285)	(7,195)
<b>Distributions</b>	<u>790,415</u>	<u>371,473</u>



**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG CAUTIOUS FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2024

**8 DEBTORS**

	30 April 2024	30 April 2023
	£	£
Amounts receivable for issue of shares	-	1
Accrued revenue	148,631	103,109
Taxation recoverable	12,954	3,533
<b>Total debtors</b>	<b>161,585</b>	<b>106,643</b>

**9 OTHER CREDITORS**

	30 April 2024	30 April 2023
	£	£
Amounts payable for cancellation of shares	11,200	55,250
Purchases awaiting settlement	-	88,472
ACD's periodic charge	11,258	8,461
Accrued expenses	4,899	2
Deferred tax	740	-
Corporation tax payable	85,449	26,287
<b>Total other creditors</b>	<b>113,546</b>	<b>178,472</b>

**10 CASH AND CASH EQUIVALENTS**

	30 April 2024	30 April 2023
	£	£
Cash and bank balances	3,743,463	2,971,784
	<b>3,743,463</b>	<b>2,971,784</b>

**11 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, 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 £22,458 (2023: £63,710).

**12 SHARE CLASSES**

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

Income / Accumulation	0.50%
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**13 SHAREHOLDERS' FUND RECONCILIATION**

	Income	Accumulation
Opening shares in issue at 1 May 2023	11,095,578	10,832,982
Share issues	5,372,920	4,606,771
Share cancellations	(754,988)	(2,593,539)
Closing shares in issue at 30 April 2024	<b>15,713,510</b>	<b>12,846,214</b>

**14 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 £1,189,349 (2023: £914,308). A five per cent decrease would have an equal and opposite effect.

**Foreign currency risk**

At the year end date a portion of the net assets of the sub-fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements.

<u>Foreign currency exposure at 30 April 2024</u>	Investments	Net other assets	Total
	£	£	£
Australian dollar	245,071	264	245,335
Canadian dollar	(3,079)	1,976	(1,103)
Swiss franc	788,897	9,176	798,073
Danish krone	139,734	226	139,960
Euro	2,218,706	5,889	2,224,595
Hong Kong dollar	181,335	-	181,335
Japanese yen	188,480	-	188,480
Singapore dollar	240,672	-	240,672
US dollar	4,983,030	21,079	5,004,109
	<b>8,982,846</b>	<b>38,610</b>	<b>9,021,456</b>

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG CAUTIOUS FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2024

**RISK DISCLOSURES** (continued)

**Foreign currency risk** (continued)

<u>Foreign currency exposure at 30 April 2023</u>	Investments	Net other assets	Total
	£	£	£
Australian dollar	144,046	268	144,314
Canadian dollar	(2,188)	1,709	(479)
Swiss franc	469,804	2,658	472,462
Danish krone	105,648	232	105,880
Euro	1,640,727	3,066	1,643,793
Hong Kong dollar	154,555	-	154,555
Japanese yen	231,995	-	231,995
Singapore dollar	159,467	-	159,467
US dollar	3,367,935	16,279	3,384,214
	<u>6,271,989</u>	<u>24,212</u>	<u>6,296,201</u>

**Foreign currency risk sensitivity**

A five per cent decrease in the value of sterling relative to the foreign currencies above would have the effect of increasing the return and net assets by £451,073 (2023: £314,810). A five per cent increase would have an equal and opposite effect.

**Debt security credit analysis**

	<b>30 April 2024</b>	<b>30 April 2023</b>
	<b>Bid value (£)</b>	<b>Bid value (£)</b>
Investments of investment grade	9,193,083	6,701,311
Investments below investment grade	170,375	165,500
Unrated	-	297,916
<b>Total of debt securities</b>	<u>9,363,458</u>	<u>7,164,727</u>

**Interest rate risk**

<b>30 April 2024</b>	<b>30 April 2023</b>
£	£

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

Financial assets floating rate <sup>A</sup>	3,743,464	2,971,784
Financial assets interest bearing instruments	9,363,458	7,164,726
Financial assets non-interest bearing instruments	14,604,167	11,258,125
Financial liabilities non-interest bearing instruments	(400,418)	(325,278)
	<u>27,310,671</u>	<u>21,069,357</u>

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

**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**

<b>30 April 2024</b>	<b>30 April 2023</b>
£	£

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

Within one year:

Distribution payable on income shares	221,710	143,369
Other creditors	113,546	178,472
	<u>335,256</u>	<u>321,841</u>

**Counterparty and collateral exposure**

The type of derivatives held at the balance sheet date was options contracts. Details of the individual contracts are disclosed separately in the portfolio statement and the total position by counterparty and the collateral pledged, at the balance sheet date, were as follows:

	<b>30 April 2024</b>	<b>30 April 2023</b>
	HSBC	HSBC
Options	-	8,848
Total net exposure	<u>-</u>	<u>8,848</u>

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG CAUTIOUS FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2024

**15 FAIR VALUE HIERARCHY FOR INVESTMENTS**

Basis of valuation	30 April 2024		30 April 2023	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	18,595,626	-	14,337,833	-
Level 2 - Observable market data	5,210,414	65,162	3,978,376	3,438
Level 3 - Unobservable data	-	-	-	-
	<u>23,806,040</u>	<u>65,162</u>	<u>18,316,209</u>	<u>3,438</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.

**16 POST BALANCE SHEET EVENTS**

Since 30 April 2024, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)			Movement (%)
	30 April 2024 <sup>A</sup>	27 August 2024		
Income	95.27	97.83		2.69%
Accumulation	98.13	102.29		4.24%

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

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG CAUTIOUS FUND**

**DISTRIBUTION TABLE**

**Interim distribution for the period from 1 May 2023 to 31 October 2023**

Group 1: shares purchased prior to 1 May 2023

Group 2: shares purchased on or after 1 May 2023

		Net revenue 31 October 2023 pence per share	Equalisation 31 October 2023 pence per share	Distribution paid 15 December 2023 pence per share	Distribution paid 15 December 2022 pence per share
Income	Group 1	1.3750	-	1.3750	0.8820
	Group 2	0.5997	0.7753	1.3750	0.8820
Accumulation	Group 1	1.3944	-	1.3944	0.8714
	Group 2	1.2029	0.1915	1.3944	0.8714

**Final distribution for the period from 1 November 2023 to 30 April 2024**

Group 1: Shares purchased prior to 1 November 2023

Group 2: Shares purchased on or after 1 November 2023

		Net revenue 30 April 2024 pence per share	Equalisation 30 April 2024 pence per share	Distribution paid 15 June 2024 pence per share	Distribution paid 15 June 2023 pence per share
Income	Group 1	1.4109	-	1.4109	1.2921
	Group 2	0.4697	0.9412	1.4109	1.2921
Accumulation	Group 1	1.4533	-	1.4533	1.2931
	Group 2	0.4237	1.0296	1.4533	1.2931

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG INCOME AND GROWTH FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 30 April 2024

**Performance to 30 April 2024**

	<u>Six months</u>	<u>1 year</u>	<u>14.06.2022<sup>A</sup></u>
IFSL CAF ESG Income and Growth Fund	11.46%	7.03%	9.68%
UK Consumer Prices Index +3%	2.61%	5.41%	16.79%
ARC Steady Growth Charity Index TR GBP	10.95%	7.27%	6.76%

<sup>A</sup> Since launch period ended.

External Source of Economic Data: Morningstar (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 takes account of all ongoing charges, but not entry charges. The past performance of this share class is calculated in sterling.

**Investment commentary**

Performance statement

IFSL CAF ESG Income & Growth Fund (the sub-fund) Accumulation shares returned +7.03% over the 12-month period to 30 April 2024. This was ahead of the +5.41% returned by the CPI +3% performance target.

Market review

With inflation falling it was anticipated that weaker economic data would lead central banks to begin cutting interest rates in 2024. Interest rate cut expectations are now materially lower than they were at the turn of the year, which has caused market volatility\*. Over the period we saw weakness in government bonds (FTSE Actuaries UK Conventional Gilts All Stocks Total Return Index -1.3%), whilst corporate bonds were stronger (ICE BofA Sterling Non-Gilt Index +4.2%).

Equity markets were strong (FTSE World GBP +19.1%) with central banks seemingly achieving their goal of bringing down inflation without causing a deep recession\*. This led US equities to hit an all-time high at the start of April (S&P 500 +23.3% in GBP), supported by strong results from technology companies poised to benefit from AI (Artificial Intelligence) led growth.

Sub-fund performance review

Technology was the strongest performing sector over the period with AI continuing to be the dominant growth driver. At the stock level there was strong positive contribution from companies in the semiconductor industry, including holdings in Taiwan Semiconductor Manufacturing Co and ASML who are involved in the manufacture of leading-edge semiconductor chips. Alphabet was also a notable contributor.

Industrials was another notable positive contributor with building materials giant CRH performing well on the back of strong pricing and buoyant infrastructure spending. AI-driven data centre investment supported the positive contribution from the holding in Schneider Electric. Finally, packaging group DS Smith performed strongly following bid interest from US peer International Paper.

Within health care, the holding in Eli Lilly benefited from significant growth in its incretin franchise (drugs used to treat diabetes and obesity) which led to the sales outlook being upgraded beyond market expectations.

These positive contributors were offset by holdings in alternatives, real estate, and utilities.

Holdings in alternatives struggled due to interest rate sensitivity. Gresham House Energy Storage Fund was a notable detractor as the company experienced a deterioration in revenues due to connection issues with the grid.

The sub-fund's real estate holdings produced negative returns over the period impacted by the higher interest rate environment.

Utilities holding Ørsted had a volatile trading period as it walked away from two US projects at the start of November. This was expected given the company had failed to renegotiate the terms of these wind farms in October, however news of the impairment caused the share price to fall.

Portfolio activity

Within equities, new positions were started in global consumer health care products company Haleon, luxury goods company Hermès, lodgings platform company Airbnb, real estate company Prologis and UK insurance business Phoenix Group. The holding in DS Smith was sold following takeover bid interest. Dechra Pharmaceuticals was also sold earlier in the period following a successful takeover bid. The holding in American Tower was sold due to the lack of growth catalysts and slow progress on debt reduction.

Within fixed income, we bought a holding in UK Treasury 2.75% 07/09/2024 and participated in the Pinewood Finco PLC 6.0% 27/03/2030 issuance.

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG INCOME AND GROWTH FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 30 April 2024

**Investment commentary** (continued)

Investment outlook

It looks possible that inflation in the US can be brought under control without a recession, although we may have to wait longer than the market initially expected before cuts begin. Expectations are still finely balanced. A scenario where inflation falls without causing a slowdown in growth or an increase in unemployment would likely be positive for equities. However, an economic slowdown, followed by a rapid monetary policy response would be an attractive environment for high-quality fixed income. Although resilient economic activity could keep rates from moving meaningfully lower, we believe fixed income holdings should play the traditional role of providing predictable income and diversification from equities.

As inflation pressures recede, markets will turn their focus to economic growth. We expect regional dispersion in economic growth, policy trajectories and sector leadership. Furthermore, elevated geopolitical tensions continue to present a risk. Cash has offered a reasonable home whilst reviewing the available opportunities, however its attraction will decline with interest rate cuts, not to mention the opportunity cost for long-term investors.

abrdn Investment Management Limited

6 June 2024

Explanation of terms\*

Volatility - a tendency to change quickly and unpredictably.

Recession - defined as two consecutive negative quarters of economic growth.

**Distributions**

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>
<u>Income (pence per share)</u>			
Net income paid 15 June	1.3805	1.3297	-
Net income paid 15 December		1.3537	0.7294
<u>Accumulation (pence per share)</u>			
Net accumulation paid 15 June	1.4156	1.3279	-
Net accumulation paid 15 December		1.3702	0.7229

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG INCOME AND GROWTH FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**  
for the year ended 30 April 2024

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
UK Treasury 2.75% 07.09.24	1,848,052
UK Treasury 3.75% 29.01.38	922,590
Phoenix Group Holdings	905,330
Airbnb	903,087
Haleon	733,736
Rio Tinto	699,363
Tetra Tech	679,105
Prologis	619,375
AstraZeneca	562,940
Hermès International	541,802
Other purchases	15,510,544
Total purchases for the year	23,925,924
<u>Largest sales</u>	<u>Proceeds (£)</u>
UK Treasury 0.75% 22.07.23	2,597,400
Smith (DS)	1,227,311
Dechra Pharmaceuticals	919,752
American Tower	743,368
Equinix	609,899
Primary Health Properties	507,343
Trex Co	398,483
Tritax Big Box REIT	388,428
Supermarket Income REIT	333,553
The Estee Lauder Companies 'A'	304,521
Other sales	133,121
Total sales for the year	8,163,179

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG INCOME AND GROWTH FUND**

**COMPARATIVE TABLE**

<b><u>Income shares</u></b>	<b>Year to 30.04.2024</b>	<b>Period to 30.04.2023<sup>A</sup></b>
<b>Change in net assets per share</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	101.20	100.00
Return before operating charges*	7.48	3.80
Operating charges	(0.51)	(0.54)
Return after operating charges*	6.97	3.26
Distributions on income shares	(2.73)	(2.06)
Closing net asset value per share	105.44	101.20
* after direct transaction costs of:	0.07	0.23
<b>Performance</b>		
Return after charges <sup>C</sup>	6.89%	3.26%
<b>Other information</b>		
Closing net asset value (£)	30,201,633	18,654,144
Closing number of shares	28,643,207	18,432,673
Operating charges	0.50% <sup>E</sup>	0.61% <sup>D</sup>
Direct transaction costs	0.07%	0.25% <sup>D</sup>
<b>Prices (pence per share)</b>		
Highest share price	108.39	107.85
Lowest share price	95.61	94.13
<b><u>Accumulation shares</u></b>	<b>Year to</b>	<b>Period to</b>
<b>Change in net assets per share</b>	<b>30.04.2024</b>	<b>30.04.2023<sup>B</sup></b>
	<b>pence</b>	<b>pence</b>
Opening net asset value per share	102.40	100.00
Return before operating charges*	7.73	2.94
Operating charges	(0.52)	(0.54)
Return after operating charges*	7.21	2.40
Distributions on accumulation shares	(2.79)	(2.05)
Retained distributions on accumulation shares	2.79	2.05
Closing net asset value per share	109.61	102.40
* after direct transaction costs of:	0.07	0.22
<b>Performance</b>		
Return after charges <sup>C</sup>	7.04%	2.40%
<b>Other information</b>		
Closing net asset value (£)	38,474,402	30,033,927
Closing number of shares	35,101,494	29,328,981
Operating charges	0.50% <sup>E</sup>	0.61% <sup>D</sup>
Direct transaction costs	0.07%	0.25% <sup>D</sup>
<b>Prices (pence per share)</b>		
Highest share price	111.21	106.91
Lowest share price	97.71	93.30

<sup>A</sup> This share class launched on 16 May 2022 at 100 pence and commenced pricing on 14 June 2022.

<sup>B</sup> This share class launched on 16 May 2022 at 100 pence and commenced pricing on 13 June 2022.

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

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

<sup>E</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.



**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG INCOME AND GROWTH FUND**

**COMPARATIVE TABLE**

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)



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.

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG INCOME AND GROWTH FUND**

**PORTFOLIO STATEMENT**

as at 30 April 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>FIXED INTEREST (30 April 2023 - 24.33%)</b>		
<b>United Kingdom Fixed Interest (30 April 2023 - 15.58%)</b>		
213,000 Anglian Water Services Financing 5.875% 20.06.31	214,342	0.31
325,000 Aviva 5.125% 04.06.50	304,986	0.44
200,000 Barclays 1.7% 03.11.26	187,948	0.27
100,000 Barclays 3.25% 17.01.33	82,606	0.12
100,000 Cadent Finance 5.75% 14.03.34	100,227	0.15
101,000 Close Brothers Group 7.75% 14.06.28	101,722	0.15
134,000 Coventry Building Society 7% 07.11.27	137,117	0.20
100,000 GlaxoSmithKline Capital 5.25% 19.12.33	102,525	0.15
113,000 HSBC Holdings 5.75% 20.12.27	113,208	0.16
200,000 Legal & General Group 5.375% 27.10.45	197,750	0.29
112,000 Lloyds Bank 7.625% 22.04.25	113,803	0.17
100,000 Lloyds Banking Group 6.625% 02.06.33	100,120	0.15
100,000 London & Quadrant Housing Trust 2% 31.03.32	78,114	0.11
200,000 Motability Operations Group 3.625% 10.03.36	171,202	0.25
100,000 National Grid Electricity Distribution (West Midlands) 5.75% 16.04.32	101,052	0.15
250,000 Nationwide Building Society 6.125% 21.08.28	256,790	0.37
190,000 NatWest Group 7.416% 06.06.33	195,641	0.28
300,000 Pension Insurance 8% 13.11.33	318,039	0.46
150,000 Pinewood Finco 6% 27.03.30	145,809	0.21
120,000 RAC Bond Co 8.25% 06.11.28	129,600	0.19
100,000 Segro 2.375% 11.10.29	86,240	0.13
200,000 Severn Trent Utilities Finance 5.25% 04.04.36	192,648	0.28
75,000 Southern Electric Power Distribution 5.5% 07.06.32	76,440	0.11
100,000 Thames Water Utilities Finance 2.625% 24.01.32	75,072	0.11
88,000 Thames Water Utilities Finance 5.125% 28.09.37	72,999	0.11
2,621,500 UK Treasury 0.25% 31.07.31	1,980,845	2.88
2,703,200 UK Treasury 0.625% 31.07.35	1,807,184	2.63
1,897,300 UK Treasury 2.75% 07.09.24	1,883,459	2.74
1,037,500 UK Treasury 3.75% 22.10.53	871,682	1.27
1,009,200 UK Treasury 3.75% 29.01.38	927,480	1.35
300,000 Unilever 1.875% 15.09.29	260,826	0.38
200,000 United Utilities Water Finance 1.75% 10.02.38	126,904	0.18
125,000 Vodafone Group 5.9% 26.11.32	130,996	0.19
200,000 Workspace Group 2.25% 11.03.28	168,844	0.25
188,000 Yorkshire Building Society 6.375% 15.11.28	191,237	0.28
Total United Kingdom Fixed Interest	12,005,457	17.47
<b>International Fixed Interest (30 April 2023 - 8.75%)</b>		
260,000 Amgen 4% 13.09.29	246,181	0.36
250,000 Apple 3.05% 31.07.29	231,915	0.34
100,000 Assura Financing 1.5% 15.09.30	79,250	0.12
250,000 BNG Bank 5.2% 07.12.28	254,700	0.37
100,000 BNP Paribas 1.25% 13.07.31	75,536	0.11
150,000 E.ON International Finance 5.875% 30.10.37	151,644	0.22
100,000 Électricité de France 5.875% 18.07.31	102,054	0.15
100,000 Engie 5.625% 03.04.53	95,837	0.14
100,000 ENW Finance 4.839% 24.11.32	97,759	0.14
236,000 European Investment Bank 4.5% 07.06.29	236,498	0.34
100,000 General Motors Financial Co 2.35% 09.03.25	95,607	0.14
300,000 ING Groep 1.125% 07.12.28	259,125	0.38
326,000 Inter-American Development Bank 4.125% 28.04.28	320,797	0.47
292,000 International Bank for Rec & Dev 1% 21.12.29	242,754	0.35
233,000 Intesa Sanpaolo 6.625% 31.05.33	239,708	0.35
100,000 Mcdonald'S 4.125% 11.06.54	79,790	0.12
130,000 Mizuho Financial Group 5.628% 13.06.28	131,206	0.19
375,000 Moody's 2% 19.08.31	238,051	0.35
100,000 Morgan Stanley 2.625% 09.03.27	92,795	0.13
250,000 Nestlé Holdings 0.625% 18.12.25	232,888	0.34

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG INCOME AND GROWTH FUND**

**PORTFOLIO STATEMENT**

as at 30 April 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>International Fixed Interest</b> (continued)		
200,000 Ørsted 2.5% 18.02.21	143,500	0.21
100,000 Orsted 5.75% 09.04.40	99,549	0.14
300,000 Prologis 2.25% 30.06.29	260,148	0.38
100,000 Sanctuary Capital 5% 26.04.47	92,000	0.13
300,000 UnitedHealth Group 5.25% 15.02.28	240,027	0.35
200,000 Verizon Communications 2.5% 08.04.31	168,468	0.24
120,000 Walmart 5.25% 28.09.35	123,163	0.18
200,000 Walmart 5.75% 19.12.30	212,518	0.31
Total International Fixed Interest	4,843,468	7.05
Total Fixed Interest	16,848,925	24.52
<b>EQUITIES</b> (30 April 2023 - 52.85%)		
<b>European Equities</b> (30 April 2023 - 14.80%)		
485 Adyen	476,170	0.69
2,678 ASML Holding	1,920,048	2.80
26,489 CRH	1,671,986	2.44
205,306 Enel	1,091,256	1.59
284 Hermès International	556,784	0.81
340,489 Koninklijke	994,307	1.45
19,230 Mercedes-Benz Group	1,176,580	1.71
12,228 Ørsted	538,503	0.78
3,303 Roche Holding	635,709	0.93
7,252 Schneider Electric	1,347,322	1.96
2,724 Zurich Insurance Group	1,058,792	1.54
Total European Equities	11,467,457	16.70
<b>Far Eastern Equities</b> (30 April 2023 - 1.11%)		
46,640 DBS Group Holdings	953,691	1.39
Total Far Eastern Equities	953,691	1.39
<b>North American Equities</b> (30 April 2023 - 23.03%)		
4,470 Accenture 'A'	1,079,864	1.57
7,920 Airbnb	1,024,573	1.49
9,874 Alphabet 'A'	1,307,900	1.90
12,200 Amazon.com	1,760,450	2.56
18,070 Ameresco	312,933	0.46
11,351 Apple	1,570,424	2.29
5,157 Autodesk	891,188	1.30
3,350 Eli Lilly and Company	1,967,584	2.86
2,624 Mastercard 'A'	956,310	1.39
7,452 Microsoft	2,389,251	3.48
18,411 NextEra Energy	989,544	1.44
8,831 Procter & Gamble	1,138,482	1.66
17,510 Taiwan Semiconductor Manufacturing Co ADR	1,933,890	2.82
7,285 Tetra Tech	1,122,199	1.63
2,784 West Pharmaceutical Services	787,187	1.15
Total North American Equities	19,231,779	28.00

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG INCOME AND GROWTH FUND**

**PORTFOLIO STATEMENT**

as at 30 April 2024

Holding or nominal value		Bid value £	Percentage of total net assets %
<b>United Kingdom Equities</b> (30 April 2023 - 13.91%)			
16,000	AstraZeneca	1,941,440	2.83
223,630	Haleon	755,422	1.10
32,016	Keywords Studios	378,749	0.55
107,184	National Grid	1,132,935	1.65
182,500	Phoenix Group Holdings	903,740	1.32
48,798	Prudential	343,928	0.50
28,294	Rio Tinto	1,551,926	2.26
51,583	RELX	1,707,397	2.49
134,061	Watches of Switzerland Group	468,409	0.68
	<b>Total United Kingdom Equities</b>	<b>9,183,946</b>	<b>13.38</b>
	<b>Total Equities</b>	<b>40,836,873</b>	<b>59.47</b>
<b>INVESTMENT TRUSTS</b> (30 April 2023 - 7.19%)			
131,560	3i Infrastructure	434,148	0.63
382,493	BBGI Global Infrastructure	512,541	0.75
360,963	Bluefield Solar Income Fund	383,343	0.56
635,018	Greencoat Renewables	467,131	0.68
402,107	Greencoat UK Wind	569,786	0.83
302,601	Gresham House Energy Storage Fund	168,549	0.25
262,048	HICL Infrastructure	322,319	0.47
389,105	International Public Partnerships	491,051	0.71
345,647	The Renewables Infrastructure Group	349,103	0.51
	<b>Total Investments Trusts</b>	<b>3,697,971</b>	<b>5.39</b>
<b>REAL ESTATE INVESTMENT TRUSTS</b> (30 April 2023 - 3.79%)			
6,150	Prologis	514,821	0.75
	<b>Total Real Estate Investments Trusts</b>	<b>514,821</b>	<b>0.75</b>
<b>Portfolio of non-derivative investments</b>		<b>61,898,590</b>	<b>90.13</b>
<b>Counterparty</b>	<b>FORWARD CURRENCY EXCHANGE CONTRACTS</b> (30 April 2023 - Nil)		
HSBC	Sell GBP 14,774 for USD 18,409 - 02 July 2024	(101)	-
NATW	Sell GBP 15,000 for USD 18,818 - 22 May 2024	2	-
HSBC	Sell GBP 501,167 for USD 624,334 - 22 May 2024	(3,426)	-
BNP	Sell USD 408 for GBP 319 - 22 May 2024	(7)	-
HSBC	Sell USD 624,334 for GBP 501,043 - 02 July 2024	3,411	-
HSBC	Sell USD 642,743 for GBP 501,728 - 22 May 2024	(10,689)	(0.01)
	Net unrealised losses	(10,810)	(0.01)
<b>Net value of all derivative positions</b>		<b>(10,810)</b>	<b>(0.01)</b>
<b>Portfolio of investments (including derivative positions)<sup>A</sup></b>		<b>61,887,780</b>	<b>90.12</b>
<b>Net other assets (excluding derivative positions)</b>		<b>6,788,255</b>	<b>9.88</b>
<b>Total net assets</b>		<b>68,676,035</b>	<b>100.00</b>

<sup>A</sup> Net of investment liabilities.

<b>Fixed interest</b>	16,848,925	24.53
<b>Equities</b>	40,836,873	59.46
<b>Investment trusts</b>	3,697,971	5.39
<b>Real estate investment trusts</b>	514,821	0.75
<b>Portfolio of non-derivative investments</b>	61,898,590	90.13
<b>Net value of all derivative positions</b>	(10,810)	(0.01)
<b>Net other assets (excluding derivative positions)</b>	6,788,255	9.88
<b>Total net assets</b>	<b>68,676,035</b>	<b>100.00</b>

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

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG INCOME AND GROWTH FUND**

**STATEMENT OF TOTAL RETURN**

for the year ended 30 April 2024

	Notes	30 April 2024		30 April 2023	
		£	£	£	£
Income:					
Net capital gains/(losses)	2		2,984,267		(127,510)
Revenue	4	1,905,475		722,866	
Expenses	5	<u>(313,117)</u>		<u>(126,690)</u>	
Net revenue before taxation		1,592,358		596,176	
Taxation	6	<u>(200,710)</u>		<u>(59,266)</u>	
Net revenue after taxation			<u>1,391,648</u>		<u>536,910</u>
Total return before distributions			4,375,915		409,400
Distributions	7		(1,636,392)		(637,800)
Change in net assets attributable to shareholders from investment activities			<u>2,739,523</u>		<u>(228,400)</u>

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

for the year ended 30 April 2024

	30 April 2024		30 April 2023	
	£	£	£	£
Opening net assets attributable to shareholders		48,688,071		-
Amounts receivable on issue of shares	18,206,320		49,299,844	
Amounts payable on cancellation of shares	<u>(1,922,590)</u>		<u>(892,623)</u>	
		16,283,730		48,407,221
Change in net assets attributable to shareholders from investment activities		2,739,523		(228,400)
Retained distribution on accumulation shares		964,711		509,250
Closing net assets attributable to shareholders		<u>68,676,035</u>		<u>48,688,071</u>

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG INCOME AND GROWTH FUND**

**BALANCE SHEET**

as at 30 April 2023

	Notes	30 April 2024 £	30 April 2023 £
<b>Assets:</b>			
<b>Fixed Assets:</b>			
Investments	15	61,902,104	42,923,501
<b>Current Assets:</b>			
Debtors	8	345,233	620,468
Cash and cash equivalents	10	7,001,900	5,750,518
Total assets		<u>69,249,237</u>	<u>49,294,487</u>
<b>Liabilities:</b>			
Investment liabilities		14,324	-
<b>Creditors:</b>			
Distribution payable on income shares		395,420	245,110
Other creditors	9	163,458	361,306
Total liabilities		<u>573,202</u>	<u>606,416</u>
<b>Net assets attributable to shareholders</b>		<u><u>68,676,035</u></u>	<u><u>48,688,071</u></u>

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG INCOME AND GROWTH FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2024

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

Please refer to the notes applicable to the Company on pages 15 to 17.

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

**30 April 2024**                      **30 April 2023**  
**£**    **£**

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

Realised losses on non-derivative securities	(234,579)	(299,691)
Unrealised gains on non-derivative securities	3,229,590	193,526
Losses on forward currency contracts	(4,964)	(12,989)
Other currency losses	(5,228)	(8,356)
Transaction charges	(552)	-
<b>Net capital gains/(losses)</b>	<b>2,984,267</b>	<b>(127,510)</b>

**3 PURCHASES, SALES AND TRANSACTION COSTS**

**30 April 2024**                      **30 April 2023**  
**£**    **£**

Purchases excluding transaction costs:

Equities	16,312,923	32,421,367
Debt securities	7,576,835	13,417,709
	<b>23,889,758</b>	<b>45,839,076</b>

Equities:	Commissions	5,526	6,260
	Taxes and other charges	30,640	56,842
		<b>36,166</b>	<b>63,102</b>

Total purchase transaction costs

<b>Purchases including transaction costs</b>	<b>23,925,924</b>	<b>45,902,178</b>
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Purchase transaction costs expressed as a percentage of the principal amount:

Equities:	Commissions	0.03%	0.02%
	Taxes and other charges	0.19%	0.18%

Sales excluding transaction costs:

Equities	5,569,599	1,869,848
Debt securities	2,597,400	1,079,221
	<b>8,166,999</b>	<b>2,949,069</b>

Equities:	Commissions	(3,778)	(1,125)
	Taxes and other charges	(42)	(18)
		<b>(3,820)</b>	<b>(1,143)</b>

Total sale transaction costs

<b>Sales net of transaction costs</b>	<b>8,163,179</b>	<b>2,947,926</b>
---------------------------------------	------------------	------------------

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

Equities:	Commissions	0.07%	0.06%
	Taxes and other charges	0.00%	0.00%

Total purchases and sales transaction costs expressed as a percentage of the average net asset value over the year:

	Commissions	0.02%	0.03%
	Taxes and other charges	0.05%	0.20%
		<b>0.07%</b>	<b>0.23%</b>

Transaction costs are commissions paid to agents, levies by regulatory agencies and securities exchanges, and transfer taxes and duties associated with investment transactions on the sub-fund. These exclude any differences between quoted bid and offer prices or internal administrative on holding costs.

**Transaction handling charges**

These are charges payable to the depositary in respect of each transaction:	552	-
---	-----	---

**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	0.14%	0.18%
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**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG INCOME AND GROWTH FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2024

<b>4 REVENUE</b>	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
Non-taxable UK dividends	287,010	151,258
Taxable UK dividends	48,301	32,461
Non-taxable overseas dividends	611,510	282,887
Taxable overseas dividends	49,203	16,400
Interest distributions	714,814	186,943
Bank interest	194,637	52,917
<b>Total revenue</b>	<u>1,905,475</u>	<u>722,866</u>
<b>5 EXPENSES</b>	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
Payable to the ACD or associate:		
ACD's periodic charge	305,929	126,112
Bank interest	7,188	578
<b>Total expenses</b>	<u>313,117</u>	<u>126,690</u>
<b>6 TAXATION</b>	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	133,628	27,706
Corporation tax prior year adjustment	877	-
Overseas withholding tax	68,445	29,320
Deferred tax	(2,240)	2,240
<b>Total tax charge for the year</b> (see note 6(b))	<u>200,710</u>	<u>59,266</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	1,592,358	596,176
Corporation tax at 20% (2023: 20%)	<u>318,472</u>	<u>119,235</u>
Effects of:		
Revenue not subject to taxation	(179,704)	(86,829)
Corporation tax prior year adjustment	877	-
Double tax relief	(7,380)	(2,460)
Overseas withholding tax	68,445	29,320
<b>Total tax charge for the year</b> (see note 6(a))	<u>200,710</u>	<u>59,266</u>
<b>7 DISTRIBUTIONS</b>	<b>30 April 2024</b>	<b>30 April 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	813,788	201,193
Final	892,342	634,578
Amounts deducted on cancellation of shares	10,056	5,151
Amounts added on issue of shares	(79,774)	(203,122)
Revenue brought forward	(20)	-
<b>Distributions</b>	<u>1,636,392</u>	<u>637,800</u>
Net revenue after taxation	1,391,648	536,910
ACD fee borne by capital	305,929	126,112
Tax effect of management fee rebate borne by capital	(61,185)	(25,222)
<b>Distributions</b>	<u>1,636,392</u>	<u>637,800</u>



**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG INCOME AND GROWTH FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2024

**8 DEBTORS**

	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
Amounts receivable for issue of shares	40,000	419,600
Accrued revenue	262,952	187,474
Currency receivables	-	55
Taxation recoverable	42,281	13,339
<b>Total debtors</b>	<b>345,233</b>	<b>620,468</b>

**9 OTHER CREDITORS**

	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
Amounts payable for cancellation of shares	950	134,752
Purchases awaiting settlement	-	176,944
ACD's periodic charge	28,330	19,663
Accrued expenses	550	-
Corporation tax payable	133,628	29,947
<b>Total other creditors</b>	<b>163,458</b>	<b>361,306</b>

**10 CASH AND CASH EQUIVALENTS**

	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
Cash and bank balances	7,001,900	5,750,518
	<b>7,001,900</b>	<b>5,750,518</b>

**11 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, 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 £10,720 (2023: £265,185).

**12 SHARE CLASSES**

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

Income / Accumulation	0.50%
-----------------------	-------

**13 SHAREHOLDERS' FUND RECONCILIATION**

	Income	Accumulation
Opening shares in issue at 1 May 2023	18,432,673	29,328,981
Share issues	10,704,637	7,166,682
Share cancellations	(771,168)	(1,120,956)
Share conversions	277,065	(273,213)
Closing shares in issue at 30 April 2024	<b>28,643,207</b>	<b>35,101,494</b>

**14 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 £3,094,930 (2023: £2,146,175). A five per cent decrease would have an equal and opposite effect.

**Foreign currency risk**

At the year end date a portion of the net assets of the sub-fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements.

<u>Foreign currency exposure at 30 April 2024</u>	Investments	Net other assets	Total
	£	£	£
Swiss franc	1,694,501	27,706	1,722,207
Danish krone	538,503	1,066	539,569
Euro	8,029,599	15,549	8,045,148
Singapore dollar	953,691	-	953,691
US dollar	19,741,718	17,773	19,759,491
	<b>30,958,012</b>	<b>62,094</b>	<b>31,020,106</b>

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG INCOME AND GROWTH FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2024

**RISK DISCLOSURES** (continued)

**Foreign currency risk** (continued)

<u>Foreign currency exposure at 30 April 2023</u>	Investments	Net other assets	Total
	£	£	£
Swiss franc	1,122,263	10,000	1,132,263
Danish krone	594,746	1,099	595,845
Euro	5,107,553	17,158	5,124,711
Singapore dollar	539,433	-	539,433
US dollar	11,882,710	18,010	11,900,720
	<u>19,246,705</u>	<u>46,267</u>	<u>19,292,972</u>

**Foreign currency risk sensitivity**

A five per cent decrease in the value of sterling relative to the foreign currencies above would have the effect of increasing the return and net assets by £1,551,005 (2023: £964,649). A five per cent increase would have an equal and opposite effect.

**Debt security credit analysis**

	<b>30 April 2024</b>	<b>30 April 2023</b>
	<b>Bid value (£)</b>	<b>Bid value (£)</b>
Investments of investment grade	16,705,425	11,169,625
Investments below investment grade	143,500	137,500
Unrated	-	529,617
<b>Total of debt securities</b>	<u>16,848,925</u>	<u>11,836,742</u>

**Interest rate risk**

	<b>30 April 2024</b>	<b>30 April 2023</b>
	<b>£</b>	<b>£</b>

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

Financial assets floating rate <sup>A</sup>	7,001,900	5,750,518
Financial assets interest bearing instruments	16,848,925	11,836,740
Financial assets non-interest bearing instruments	45,398,412	31,707,229
Financial liabilities non-interest bearing instruments	(573,202)	(606,416)
	<u>68,676,035</u>	<u>48,688,071</u>

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

**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**

	<b>30 April 2024</b>	<b>30 April 2023</b>
	<b>£</b>	<b>£</b>

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

Within one year:		
Distribution payable on income shares	395,420	245,110
Other creditors	163,458	361,306
	<u>558,878</u>	<u>606,416</u>

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG INCOME AND GROWTH FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2024

**15 FAIR VALUE HIERARCHY FOR INVESTMENTS**

Basis of valuation	30 April 2024		30 April 2023	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	52,520,314	-	36,685,515	-
Level 2 - Observable market data	9,381,790	14,324	6,237,986	-
Level 3 - Unobservable data	-	-	-	-
	<u>61,902,104</u>	<u>14,324</u>	<u>42,923,501</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.

**16 POST BALANCE SHEET EVENTS**

Since 30 April 2024, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)			Movement (%)
	30 April 2024 <sup>A</sup>	27 August 2024		
Income	106.89	110.30		3.19%
Accumulation	109.68	114.66		4.54%

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

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG INCOME AND GROWTH FUND**

**DISTRIBUTION TABLE**

**Interim distribution for the period from 1 May 2023 to 31 October 2023**

Group 1: shares purchased prior to 1 May 2023

Group 2: shares purchased on or after 1 May 2023

		Net revenue 31 October 2023 pence per share	Equalisation 31 October 2023 pence per share	Distribution paid 15 December 2023 pence per share	Distribution paid 15 December 2022 pence per share
Income	Group 1	1.3537	-	1.3537	0.7294
	Group 2	0.9484	0.4053	1.3537	0.7294
Accumulation	Group 1	1.3702	-	1.3702	0.7229
	Group 2	1.0253	0.3449	1.3702	0.7229

**Final distribution for the period from 1 November 2023 to 30 April 2024**

Group 1: Shares purchased prior to 1 November 2023

Group 2: Shares purchased on or after 1 November 2023

		Net revenue 30 April 2024 pence per share	Equalisation 30 April 2024 pence per share	Distribution paid 15 June 2024 pence per share	Distribution paid 15 June 2023 pence per share
Income	Group 1	1.3805	-	1.3805	1.3297
	Group 2	0.8619	0.5186	1.3805	1.3297
Accumulation	Group 1	1.4156	-	1.4156	1.3279
	Group 2	0.5214	0.8942	1.4156	1.3279

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG GROWTH FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 30 April 2024

**Performance to 30 April 2024**

	<u>Six months</u>	<u>1 year</u>	<u>15.06.2022<sup>A</sup></u>
IFSL CAF ESG Growth Fund	12.66%	7.54%	11.94%
UK Consumer Prices Index +4%	3.11%	6.43%	18.94%
ARC Steady Growth Charity Index TR GBP	10.95%	7.27%	6.76%

<sup>A</sup> Since launch period ended.

External Source of Economic Data: Morningstar (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 takes account of all ongoing charges, but not entry charges. The past performance of this share class is calculated in sterling.

**Investment commentary**

Performance statement

IFSL CAF ESG Growth Fund (the sub-fund) Accumulation shares returned +7.54% over the 12-month period to 30 April 2024. This was ahead of the +6.43% returned by the CPI +4% performance target.

Market review

With inflation falling it was anticipated that weaker economic data would lead central banks to begin cutting interest rates in 2024. Interest rate cut expectations are now materially lower than they were at the turn of the year, which has caused market volatility\*. Over the period we saw weakness in government bonds (FTSE Actuaries UK Conventional Gilts All Stocks Total Return Index -1.3%), whilst corporate bonds were stronger (ICE BofA Sterling Non-Gilt Index +4.2%).

Equity markets were strong (FTSE World GBP +19.1%) with central banks seemingly achieving their goal of bringing down inflation without causing a deep recession\*. This led US equities to hit an all-time high at the start of April (S&P 500 +23.3% in GBP), supported by strong results from technology companies poised to benefit from AI (Artificial Intelligence) led growth.

Sub-fund performance review

The technology sector performed strongly for much of the period, with AI continuing to be the dominant growth driver. Associated companies in the semiconductor industry, including holdings in Taiwan Semiconductor Manufacturing Co and ASML Holding, fared well as these new technologies require leading-edge chips. Alphabet was also a notable contributor.

Within industrials, building materials giant CRH was a notable positive contributor as strong pricing supported growth. AI-driven data centre investment supported the positive contribution from the holding in Schneider Electric. Finally, packaging group DS Smith performed strongly following bid interest from US peer International Paper.

Within health care, the holding in Eli Lilly benefited from significant growth in the incretin franchise (drugs used to treat diabetes and obesity) which led to the sales outlook being upgraded beyond market expectations.

These positive contributors were offset by holdings in alternatives, consumer discretionary, and utilities.

Holdings in alternatives struggled due to interest rate sensitivity. Gresham House Energy Storage Fund was a notable detractor as the company experienced a deterioration in revenues due to connection issues with the grid.

Personal goods holding Estee Lauder shares were weak due to a slow economic rebound in China and easing demand in the US which led to earnings downgrades. Watches of Switzerland was weak following a trading statement which outlined disappointing performance in the run-up to and beyond Christmas as consumer spending deteriorated. Leisure goods holding Keywords Studios was also weak as the company was impacted by sentiment around the threat of AI to the business model.

Utilities holding Ørsted had a volatile trading period as it walked away from two US projects at the start of November. This was expected given the company had failed to renegotiate the terms of these wind farms in October, however news of the impairment caused the shares the fall.

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG GROWTH FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 30 April 2024

**Investment commentary** (continued)

Portfolio activity

Within equities, new positions were started in global consumer health care products company Haleon, luxury goods company Hermès, and lodgings platform company Airbnb. The holding in DS Smith was sold following takeover bid interest. The holding in American Tower was sold due to the lack of growth catalysts and slow progress on debt reduction. The holding in Hannon Armstrong Sustainable Infrastructure was sold to reduce the sub-fund's sensitivity to interest rates. Finally, the holding in Equinix was sold following a short attack. We already had some concerns about the valuation, so given the limited share price action and alternative exposure to the sector within the sub-fund, we chose to sell the position.

Within fixed income, we bought a holding in UK Treasury 2.75% 07/09/2024 and participated in the Pinewood Finco PLC 6.0% 27/03/2030 issuance. Earlier in the period, we sold holdings in Walmart Inc 5.75% 19/12/2030 and Verizon Communications 2.5% 04/08/2031 to manage overall fixed income exposure.

Investment outlook

It looks possible that inflation in the US can be brought under control without a recession, although we may have to wait longer than the market initially expected before cuts begin. Expectations are still finely balanced. A scenario where inflation falls without causing a slowdown in growth or an increase in unemployment would likely be positive for equities. However, an economic slowdown, followed by a rapid monetary policy response would be an attractive environment for high-quality fixed income. Although resilient economic activity could keep rates from moving meaningfully lower, we believe fixed income holdings should play the traditional role of providing predictable income and diversification from equities.

As inflation pressures recede, markets will turn their focus to economic growth. We expect regional dispersion in economic growth, policy trajectories and sector leadership. Furthermore, elevated geopolitical tensions continue to present a risk. Cash has offered a reasonable home whilst reviewing the available opportunities, however its attraction will decline with interest rate cuts, not to mention the opportunity cost for long-term investors.

abrdn Investment Management Limited  
6 June 2024

Explanation of terms\*

Volatility - a tendency to change quickly and unpredictably.

Recession - defined as two consecutive negative quarters of economic growth.

**Distributions**

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>
<u>Income (pence per share)</u>			
Net income paid 15 June	1.1981	1.1165	-
Net income paid 15 December		1.1314	0.6774
<u>Accumulation (pence per share)</u>			
Net accumulation paid 15 June	1.2357	1.1289	-
Net accumulation paid 15 December		1.1537	0.6766

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG GROWTH FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 30 April 2024

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
UK Treasury 2.75% 07.09.24	1,426,024
Airbnb	1,072,026
UK Treasury 0.25% 31.01.25	1,049,108
Prologis	910,267
Haleon	873,493
Hermès International	823,884
Tetra Tech	761,252
Apple	737,688
UK Treasury 3.75% 29.01.38	704,407
Ameresco	513,647
Other purchases	4,494,267
Total purchases for the year	13,366,063

<u>Largest sales</u>	<u>Proceeds (£)</u>
UK Treasury 0.75% 22.07.23	1,720,000
Smith (DS)	1,365,789
Eli Lilly and Company	1,310,505
Dechra Pharmaceuticals	1,041,175
Equinix	994,411
American Tower	951,380
Shimano	743,312
Trex Co	723,795
The Estee Lauder Companies 'A'	466,769
Persimmon	397,396
Other sales	2,101,648
Total sales for the year	11,816,180

**IFSL CAF INVESTMENT FUND  
IFSL CAF ESG GROWTH FUND**

**COMPARATIVE TABLE**

<b><u>Income shares</u></b>	<b>Year to 30.04.2024</b>	<b>Period to 30.04.2023<sup>A</sup></b>
<b>Change in net assets per share</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	102.03	100.00
Return before operating charges*	8.08	4.35
Operating charges	(0.52)	(0.53)
Return after operating charges*	7.56	3.82
Distributions on income shares	(2.33)	(1.79)
Closing net asset value per share	107.26	102.03
* after direct transaction costs of:	0.04	0.14
<b>Performance</b>		
Return after charges <sup>B</sup>	7.41%	3.82%
<b>Other information</b>		
Closing net asset value (£)	58,019,279	57,216,159
Closing number of shares	54,090,086	56,075,777
Operating charges	0.50% <sup>D</sup>	0.60% <sup>C</sup>
Direct transaction costs	0.04%	0.15% <sup>C</sup>
<b>Prices (pence per share)</b>		
Highest share price	110.20	108.89
Lowest share price	96.12	93.45
<b><u>Accumulation shares</u></b>	<b>Year to 30.04.2024</b>	<b>Period to 30.04.2023<sup>A</sup></b>
<b>Change in net assets per share</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	103.99	100.00
Return before operating charges*	8.39	4.52
Operating charges	(0.53)	(0.53)
Return after operating charges*	7.86	3.99
Distributions on accumulation shares	(2.39)	(1.81)
Retained distributions on accumulation shares	2.39	1.81
Closing net asset value per share	111.85	103.99
* after direct transaction costs of:	0.04	0.14
<b>Performance</b>		
Return after charges <sup>B</sup>	7.56%	3.99%
<b>Other information</b>		
Closing net asset value (£)	15,282,036	11,018,275
Closing number of shares	13,662,817	10,595,851
Operating charges	0.50% <sup>D</sup>	0.60% <sup>C</sup>
Direct transaction costs	0.04%	0.15% <sup>C</sup>
<b>Prices (pence per share)</b>		
Highest share price	113.65	108.90
Lowest share price	98.71	93.45

<sup>A</sup> This share class launched on 16 May 2022 at 100 pence and commenced pricing on 14 June 2022.

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

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

<sup>D</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.

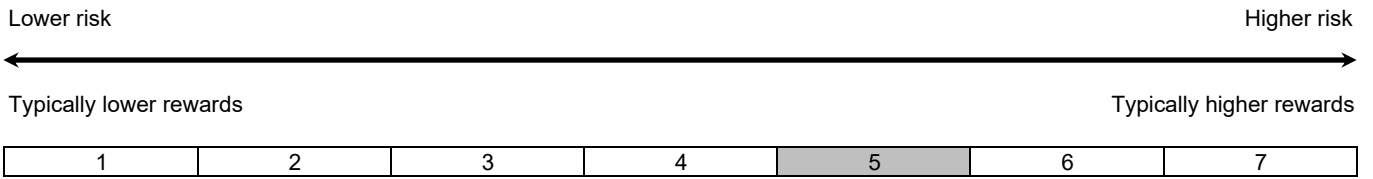
Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each share class in the year. Where it is considered unsuitable to use the total expenses paid by each share class in the year to calculate the OCF because of material changes to the sub-fund's 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 CAF INVESTMENT FUND**  
**IFSL CAF ESG GROWTH FUND**

**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.

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG GROWTH FUND**

**PORTFOLIO STATEMENT**

as at 30 April 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>FIXED INTEREST (30 April 2023 - 23.04%)</b>		
<b>United Kingdom Fixed Interest (30 April 2023 - 13.07%)</b>		
300,000 Barclays 1.7% 03.11.26	281,922	0.38
200,000 Barclays 3.25% 17.01.33	165,212	0.22
129,000 Cadent Finance 5.75% 14.03.34	129,293	0.18
150,000 GlaxoSmithKline Capital 5.25% 19.12.33	153,788	0.21
301,000 HSBC Holdings 5.75% 20.12.27	301,554	0.41
302,000 Legal & General Group 5.375% 27.10.45	298,603	0.41
297,000 Lloyds Banking Group 2.25% 16.10.24	292,711	0.40
176,000 Lloyds Banking Group 6.625% 02.06.33	176,211	0.24
193,000 London & Quadrant Housing Trust 2% 31.03.32	150,760	0.20
300,000 Motability Operations Group 3.625% 10.03.36	256,803	0.35
158,000 National Grid Electricity Distribution (West Midlands) 5.75% 16.04.32	159,662	0.22
43,000 NatWest Markets 5.625% Perp	41,279	0.06
192,000 NGG Finance 5.625% 18.06.73	189,360	0.26
149,000 Pinewood Finco 6% 27.03.30	144,837	0.20
200,000 Segro 2.375% 11.10.29	172,480	0.24
330,000 Severn Trent Utilities Finance 5.25% 04.04.36	317,869	0.43
150,000 Southern Electric Power Distribution 5.5% 07.06.32	152,880	0.21
172,000 Thames Water Utilities Finance 5.125% 28.09.37	142,679	0.19
1,134,600 UK Treasury 0.25% 31.01.25	1,096,948	1.50
2,386,800 UK Treasury 0.25% 31.07.31	1,803,502	2.46
1,539,500 UK Treasury 0.625% 31.07.35	1,029,210	1.40
1,464,000 UK Treasury 2.75% 07.09.24	1,453,320	1.98
663,300 UK Treasury 3.75% 22.10.53	557,288	0.76
772,800 UK Treasury 3.75% 29.01.38	710,223	0.97
302,000 Unilever 1.875% 15.09.29	262,565	0.36
200,000 United Utilities Water Finance 1.75% 10.02.38	126,904	0.17
299,000 Virgin Money UK 3.125% 22.06.25	297,825	0.41
296,000 Vodafone Group 5.9% 26.11.32	310,199	0.42
301,000 Workspace Group 2.25% 11.03.28	254,110	0.35
264,000 Yorkshire Building Society 6.375% 15.11.28	268,546	0.37
Total United Kingdom Fixed Interest	11,698,543	15.96
<b>International Fixed Interest (30 April 2023 - 9.97%)</b>		
295,000 Amgen 4% 13.09.29	279,320	0.38
350,000 Apple 3.05% 31.07.29	324,680	0.44
195,000 Assura Financing 1.5% 15.09.30	154,538	0.21
350,000 BNG Bank 5.2% 07.12.28	356,580	0.49
200,000 BNP Paribas 1.25% 13.07.31	151,072	0.21
301,000 Credit Agricole 7.5% Perp	297,990	0.41
298,000 Digital Stout Holding 3.3% 19.07.29	266,421	0.36
150,000 E.ON International Finance 5.875% 30.10.37	151,644	0.21
150,000 Électricité de France 5.875% 18.07.31	153,081	0.21
200,000 Engie 5.625% 03.04.53	191,674	0.26
166,000 ENW Finance 4.839% 24.11.32	162,280	0.22
325,000 European Investment Bank 4.5% 07.06.29	325,686	0.44
300,000 ING Groep 1.125% 07.12.28	259,125	0.35
350,000 Inter-American Development Bank 4.125% 28.04.28	344,414	0.47
400,000 International Bank for Rec & Dev 1% 21.12.29	332,540	0.45
200,000 Mcdonald'S 4.125% 11.06.54	159,580	0.22
243,000 Mizuho Financial Group 5.628% 13.06.28	245,255	0.34
252,000 Ørsted 2.5% 18.02.21	180,810	0.25
150,000 Orsted 5.75% 09.04.40	149,324	0.20
295,000 Prologis 2.25% 30.06.29	255,812	0.35
200,000 Sanctuary Capital 5% 26.04.47	184,000	0.25
292,000 Verizon Communications 4.073% 18.06.24	291,398	0.40
144,000 Walmart 5.25% 28.09.35	147,796	0.20
Total International Fixed Interest	5,365,020	7.32

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG GROWTH FUND**

**PORTFOLIO STATEMENT**

as at 30 April 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
Total Fixed Interest	17,063,563	23.28
<b>EQUITIES (30 April 2023 - 62.35%)</b>		
<b>European Equities (30 April 2023 - 17.37%)</b>		
699 Adyen	686,274	0.94
3,000 ASML Holding	2,150,913	2.93
30,000 CRH	1,893,600	2.58
156,823 Enel	833,556	1.14
420 Hermès International	823,413	1.12
399,687 Koninklijke	1,167,179	1.59
21,577 Mercedes-Benz Group	1,320,180	1.80
10,815 Nestlé	877,825	1.20
14,481 Ørsted	637,722	0.87
4,132 Roche Holding	795,262	1.09
10,339 Schneider Electric	1,920,845	2.62
3,539 Zurich Insurance Group	1,375,574	1.88
Total European Equities	14,482,343	19.76
<b>Far Eastern Equities (30 April 2023 - 2.16%)</b>		
53,460 DBS Group Holdings	1,093,146	1.49
Total Far Eastern Equities	1,093,146	1.49
<b>North American Equities (30 April 2023 - 26.54%)</b>		
5,454 Accenture 'A'	1,317,579	1.80
9,433 Airbnb	1,220,303	1.67
17,319 Alphabet 'A'	2,294,056	3.13
14,141 Amazon.com	2,040,535	2.78
16,977 Ameresco	294,004	0.40
11,577 Apple	1,601,691	2.19
4,628 Autodesk	799,771	1.09
3,663 Eli Lilly and Company	2,151,421	2.94
4,250 Mastercard 'A'	1,548,902	2.11
8,445 Microsoft	2,707,625	3.69
21,593 NextEra Energy	1,160,568	1.58
8,598 Procter & Gamble	1,108,444	1.51
20,000 Taiwan Semiconductor Manufacturing Co ADR	2,208,898	3.01
8,899 Tetra Tech	1,370,823	1.87
3,385 West Pharmaceutical Services	957,122	1.31
Total North American Equities	22,781,742	31.08
<b>United Kingdom Equities (30 April 2023 - 16.28%)</b>		
18,175 AstraZeneca	2,205,355	3.01
267,300 Haleon	902,939	1.23
47,616 Keywords Studios	563,297	0.77
105,935 National Grid	1,119,733	1.53
130,396 Prudential	919,032	1.25
61,560 RELX	2,037,636	2.78
28,856 Rio Tinto	1,582,752	2.16
183,187 Watches of Switzerland Group	640,055	0.87
Total United Kingdom Equities	9,970,799	13.60
Total Equities	48,328,030	65.93

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG GROWTH FUND**

**PORTFOLIO STATEMENT**

as at 30 April 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>INVESTMENT TRUSTS (30 April 2023 - 8.11%)</b>		
220,945 3i Infrastructure	729,119	1.00
332,598 Apax Global Alpha	472,289	0.64
584,161 Bluefield Solar Income Fund	620,379	0.85
653,279 Greencoat Renewables	480,564	0.66
456,907 Greencoat UK Wind	647,437	0.88
409,286 Gresham House Energy Storage Fund	227,972	0.31
383,858 International Public Partnerships	484,429	0.66
709,425 Schiehallion Fund	514,732	0.70
469,035 The Renewables Infrastructure Group	473,725	0.65
Total Investments Trusts	4,650,646	6.35
<b>REAL ESTATE INVESTMENT TRUSTS (30 April 2023 - 2.45%)</b>		
9,138 Prologis	764,949	1.04
Total Real Estate Investments Trusts	764,949	1.04
<b>Portfolio of investments</b>	70,807,188	96.60
<b>Net other assets</b>	2,494,127	3.40
<b>Total net assets</b>	73,301,315	100.00
<b>Fixed interest</b>	17,063,563	23.28
<b>Equities</b>	48,328,030	65.93
<b>Investment trusts</b>	4,650,646	6.35
<b>Real estate investment trusts</b>	764,949	1.04
<b>Portfolio of investments</b>	70,807,188	96.60
<b>Net other assets</b>	2,494,127	3.40
<b>Total net assets</b>	73,301,315	100.00

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

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG GROWTH FUND**

**STATEMENT OF TOTAL RETURN**  
for the year ended 30 April 2024

	Notes	30 April 2024		30 April 2023	
		£	£	£	£
Income:					
Net capital gains	2		3,556,627		783,386
Revenue	4	2,179,542		1,464,098	
Expenses	5	(370,111)		(268,418)	
Net revenue before taxation		<u>1,809,431</u>		<u>1,195,680</u>	
Taxation	6	(206,597)		(96,888)	
Net revenue after taxation			<u>1,602,834</u>		<u>1,098,792</u>
Total return before distributions			5,159,461		1,882,178
Distributions	7		(1,602,834)		(1,098,792)
Change in net assets attributable to shareholders from investment activities			<u><u>3,556,627</u></u>		<u><u>783,386</u></u>

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
for the year ended 30 April 2024

	30 April 2024		30 April 2023	
	£	£	£	£
Opening net assets attributable to shareholders		68,234,434		-
Amounts receivable on issue of shares	5,650,439		69,439,800	
Amounts payable on cancellation of shares	(4,465,119)		(2,448,755)	
Compensation to fund	-		<u>324,183</u>	
		1,185,320		67,315,228
Change in net assets attributable to shareholders from investment activities		3,556,627		783,386
Retained distribution on accumulation shares		324,934		135,820
Closing net assets attributable to shareholders		<u><u>73,301,315</u></u>		<u><u>68,234,434</u></u>

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG GROWTH FUND**

**BALANCE SHEET**  
as at 30 April 2024

	Notes	30 April 2024 £	30 April 2023 £
<b>Assets:</b>			
<b>Fixed Assets:</b>			
Investments	15	70,807,188	65,473,777
<b>Current Assets:</b>			
Debtors	8	338,099	452,920
Cash and cash equivalents	10	2,962,904	3,256,658
<b>Total assets</b>		<u>74,108,191</u>	<u>69,183,355</u>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Bank overdrafts		7,180	-
Distribution payable on income shares		648,106	626,094
Other creditors	9	151,590	322,827
<b>Total liabilities</b>		<u>806,876</u>	<u>948,921</u>
<b>Net assets attributable to shareholders</b>		<u>73,301,315</u>	<u>68,234,434</u>

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG GROWTH FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2024

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

Please refer to the notes applicable to the Company on pages 15 to 17.

**2 NET CAPITAL GAINS**

The net gains on investments during the year comprise:

	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
Realised losses on non-derivative securities	(46,187)	(701,700)
Unrealised gains on non-derivative securities	3,600,359	1,922,529
Gains on forward currency contracts	-	6,595
Other currency gains/(losses)	2,623	(444,038)
Transaction charges	(168)	-
<b>Net capital gains</b>	<u>3,556,627</u>	<u>783,386</u>

**3 PURCHASES, SALES AND TRANSACTION COSTS**

Purchases excluding transaction costs:

	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
Equities	9,752,759	52,236,051
Debt securities	3,591,959	17,682,879
	<u>13,344,718</u>	<u>69,918,930</u>
Equities: Commissions	4,150	7,287
Taxes and other charges	17,195	71,538
Total purchase transaction costs	<u>21,345</u>	<u>78,825</u>
<b>Purchases including transaction costs</b>	<u>13,366,063</u>	<u>69,997,755</u>

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

Equities: Commissions	0.04%	0.01%
Taxes and other charges	0.18%	0.14%

Sales excluding transaction costs:

Equities	9,548,189	4,511,200
Debt securities	2,271,952	1,347,007
	<u>11,820,141</u>	<u>5,858,207</u>
Equities: Commissions	(3,910)	(2,581)
Taxes and other charges	(51)	(51)
Total sale transaction costs	<u>(3,961)</u>	<u>(2,632)</u>
<b>Sales net of transaction costs</b>	<u>11,816,180</u>	<u>5,855,575</u>

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

Equities: Commissions	0.04%	0.06%
Taxes and other charges	0.00%	0.00%

Total purchases and sales transaction costs expressed as a percentage of the average net asset value over the year:

Commissions	0.01%	0.02%
Taxes and other charges	0.03%	0.12%
	<u>0.04%</u>	<u>0.14%</u>

Transaction costs are commissions paid to agents, levies by regulatory agencies and securities exchanges, and transfer taxes and duties associated with investment transactions on the sub-fund. These exclude any differences between quoted bid and offer prices or internal administrative on holding costs.

**Transaction handling charges**

These are charges payable to the depositary in respect of each transaction: 168 -

**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 0.17% 0.21%

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG GROWTH FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2024

<b>4 REVENUE</b>	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
Non-taxable UK dividends	366,147	383,373
Taxable UK dividends	30,901	-
Non-taxable overseas dividends	821,379	631,312
Taxable overseas dividends	84,910	73,980
Interest distributions	786,575	329,429
Bank interest	89,630	46,004
<b>Total revenue</b>	<u>2,179,542</u>	<u>1,464,098</u>
<b>5 EXPENSES</b>	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
Payable to the ACD or associate:		
ACD's periodic charge	355,541	264,159
Bank interest	14,570	4,259
<b>Total expenses</b>	<u>370,111</u>	<u>268,418</u>
<b>6 TAXATION</b>	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	124,381	36,199
Corporation tax prior year adjustment	2,177	-
Overseas withholding tax	92,487	70,243
Double tax relief	(12,448)	(9,554)
<b>Total tax charge for the year</b> (see note 6(b))	<u>206,597</u>	<u>96,888</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	1,809,431	1,195,680
Corporation tax at 20% (2023: 20%)	361,886	239,136
Effects of:		
Revenue not subject to taxation	(237,505)	(202,937)
Corporation tax prior year adjustment	2,177	-
Double tax relief	(12,448)	(9,554)
Overseas withholding tax	92,487	70,243
<b>Total tax charge for the year</b> (see note 6(a))	<u>206,597</u>	<u>96,888</u>
<b>7 DISTRIBUTIONS</b>	<b>30 April 2024</b>	<b>30 April 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	784,300	396,395
Final	816,939	745,721
Amounts deducted on cancellation of shares	22,509	11,975
Amounts added on issue of shares	(20,895)	(55,299)
Revenue brought forward	(19)	-
<b>Distributions</b>	<u>1,602,834</u>	<u>1,098,792</u>
Net revenue after taxation	1,602,834	1,098,792
<b>Distributions</b>	<u>1,602,834</u>	<u>1,098,792</u>
<b>8 DEBTORS</b>	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
Amounts receivable for issue of shares	-	83,696
Accrued revenue	261,408	336,482
Taxation recoverable	76,691	32,742
<b>Total debtors</b>	<u>338,099</u>	<u>452,920</u>



**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG GROWTH FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2024

**9 OTHER CREDITORS**

	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
Amounts payable for cancellation of shares	9,075	2,700
Purchases awaiting settlement	-	265,416
ACD's periodic charge	30,414	28,066
Accrued expenses	168	-
Corporation tax payable	111,933	26,645
<b>Total other creditors</b>	<u>151,590</u>	<u>322,827</u>

**10 CASH AND CASH EQUIVALENTS**

	<b>30 April 2024</b>	<b>30 April 2023</b>
	£	£
Cash and bank balances	2,962,904	3,256,658
	<u>2,962,904</u>	<u>3,256,658</u>

**11 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, 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)/from the ACD at the year end are £(39,489) (2023: £52,930).

As at 30 April 2024, 93.52% (2023: 96.22%) of the sub-fund's shares were held by Winterflood Client Nominees Ltd which is a separate nominee company but deemed as a related party due to being a material shareholder.

**12 SHARE CLASSES**

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

Income / Accumulation 0.50%

**13 SHAREHOLDERS FUND RECONCILIATION**

	Income	Accumulation
Opening shares in issue at 1 May 2023	56,075,777	10,595,851
Share issues	1,238,992	4,184,431
Share cancellations	(3,224,683)	(1,117,465)
Closing shares in issue at 30 April 2024	<u>54,090,086</u>	<u>13,662,817</u>

**14 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 £3,540,359 (2023: £3,273,689). A five per cent decrease would have an equal and opposite effect.

**Foreign currency risk**

At the year end date a portion of the net assets of the sub-fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements.

<u>Foreign currency exposure at 30 April 2024</u>	Investments	Net other assets	Total
	£	£	£
Swiss franc	3,048,661	53,355	3,102,016
Danish krone	637,722	1,999	639,721
Euro	9,382,924	21,845	9,404,769
Singapore dollar	1,093,146	-	1,093,146
US dollar	24,061,423	9,978	24,071,401
	<u>38,223,876</u>	<u>87,177</u>	<u>38,311,053</u>

<u>Foreign currency exposure at 30 April 2023</u>	Investments	Net other assets	Total
	£	£	£
Swiss franc	3,227,426	25,228	3,252,654
Danish krone	768,612	2,061	770,673
Euro	7,382,749	31,982	7,414,731
Japanese yen	792,278	-	792,278
Singapore dollar	685,119	-	685,119
US dollar	20,111,370	27,869	20,139,239
	<u>32,967,554</u>	<u>87,140</u>	<u>33,054,694</u>

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG GROWTH FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2024

**RISK DISCLOSURES** (continued)

**Foreign currency risk sensitivity**

A five per cent decrease in the value of sterling relative to the foreign currencies above would have the effect of increasing the return and net assets by £1,915,553 (2023: £1,652,735). A five per cent increase would have an equal and opposite effect.

**Debt security credit analysis**

	<b>30 April 2024</b>	<b>30 April 2023</b>
	<b>Bid value (£)</b>	<b>Bid value (£)</b>
Investments of investment grade	16,693,393	14,480,810
Investments below investment grade	370,170	359,010
Unrated	-	866,983
<b>Total of debt securities</b>	<b><u>17,063,563</u></b>	<b><u>15,706,803</u></b>

**Interest rate risk**

	<b>30 April 2024</b>	<b>30 April 2023</b>
	<b>£</b>	<b>£</b>
The interest rate risk profile of financial assets and liabilities consists of the following:		
Financial assets floating rate <sup>A</sup>	2,962,904	3,256,658
Financial assets interest bearing instruments	17,063,563	15,706,803
Financial assets non-interest bearing instruments	54,081,724	50,219,894
Financial liabilities floating rate <sup>A</sup>	(7,180)	-
Financial liabilities non-interest bearing instruments	(799,696)	(948,921)
	<b><u>73,301,315</u></b>	<b><u>68,234,434</u></b>

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

**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**

	<b>30 April 2024</b>	<b>30 April 2023</b>
	<b>£</b>	<b>£</b>
The following table provides a maturity analysis of the sub-fund's financial liabilities:		
Within one year:		
Bank overdrafts	7,180	-
Distribution payable on income shares	648,106	626,094
Other creditors	151,590	322,827
	<b><u>806,876</u></b>	<b><u>948,921</u></b>

**15 FAIR VALUE HIERARCHY FOR INVESTMENTS**

Basis of valuation	<b>30 April 2024</b>		<b>30 April 2023</b>	
	<b>Assets (£)</b>	<b>Liabilities (£)</b>	<b>Assets (£)</b>	<b>Liabilities (£)</b>
Level 1 - Quoted prices	60,394,115	-	49,766,974	-
Level 2 - Observable market data	10,413,073	-	15,706,803	-
Level 3 - Unobservable data	-	-	-	-
	<b><u>70,807,188</u></b>	<b><u>-</u></b>	<b><u>65,473,777</u></b>	<b><u>-</u></b>

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.

**IFSL CAF INVESTMENT FUND**  
**IFSL CAF ESG GROWTH FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2024

**16 POST BALANCE SHEET EVENTS**

Since 30 April 2024, the Net Asset Value per share has changed as follows:

	<b>Net Asset Value per share (pence)</b>		
	<b>30 April 2024<sup>A</sup></b>	<b>27 August 2024</b>	<b>Movement (%)</b>
Income	108.54	112.19	3.36%
Accumulation	111.94	116.99	4.51%

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

**IFSL CAF INVESTMENT FUND  
IFSL CAF ESG GROWTH FUND**

**DISTRIBUTION TABLE**

**Interim distribution for the period from 1 May 2023 to 31 October 2023**

Group 1: shares purchased prior to 1 May 2023

Group 2: shares purchased on or after 1 May 2023

		Net revenue 31 October 2023 pence per share	Equalisation 31 October 2023 pence per share	Distribution paid 15 December 2023 pence per share	Distribution paid 15 December 2022 pence per share
Income	Group 1	1.1314	-	1.1314	0.6774
	Group 2	0.7009	0.4305	1.1314	0.6774
Accumulation	Group 1	1.1537	-	1.1537	0.6766
	Group 2	0.8331	0.3206	1.1537	0.6766

**Final distribution for the period from 1 November 2023 to 30 April 2024**

Group 1: Shares purchased prior to 1 November 2023

Group 2: Shares purchased on or after 1 November 2023

		Net revenue 30 April 2024 pence per share	Equalisation 30 April 2024 pence per share	Distribution paid 15 June 2024 pence per share	Distribution paid 15 June 2023 pence per share
Income	Group 1	1.1981	-	1.1981	1.1165
	Group 2	0.5151	0.6830	1.1981	1.1165
Accumulation	Group 1	1.2357	-	1.2357	1.1289
	Group 2	0.7375	0.4982	1.2357	1.1289

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**Investment Fund Services Limited**  
Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP

**Investor Support:** (0808) 178 9321 (FREEPHONE)  
**Email.** [ifslclientsupport@ifslfunds.com](mailto:ifslclientsupport@ifslfunds.com)  
**Website.** [www.ifslfunds.com](http://www.ifslfunds.com)  
**Fax.** (01204) 533 045

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