

Investment Fund Services

IFSL CPN OEIC

Annual Report and Audited Financial Statements

for the period from 22 March 2023 to 31 December 2023



IFSL CPN OEIC

CONTACT INFORMATION

Registered Office

Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

Authorised Corporate Director (ACD) and Registrar

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

Investor Support: (0808) 178 9321 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

Directors of 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

CPN Investment Management LLP
All Saints Church
West Pallant
Chichester
West Sussex
PO19 1TD

Authorised and regulated by the Financial Conduct Authority.

Depository

NatWest Trustee and Depository Services Limited
250 Bishopgate
London
EC2M 4AA

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

Auditor

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

IFSL CPN OEIC

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IFSL CPN OEIC

AUTHORISED STATUS

IFSL CPN OEIC (the Company) is an open-ended investment company (OEIC) with variable capital incorporated under the Open-Ended Investment Companies Regulations 2001 (OEIC Regulations). The Company is a UCITS Scheme as defined in the Collective Investment Schemes Sourcebook (COLL) and is also an umbrella company for the purposes of the OEIC Regulations. The Company is incorporated in England and Wales with registered number IC142307. The Company was authorised by an order made by the FCA with effect from 27 February 2023. The Company has an unlimited duration.

The Company currently has two sub-funds: IFSL CPN Defensive Strategy Fund and IFSL CPN Global Opportunities 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 CPN Global Opportunities Fund

Investment objective

The investment objective of the sub-fund is to increase the value of an investment over a minimum of 5 years. The sub-fund will do this 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 and interest.

Investment policy

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

The sub-fund will invest at least 80% in 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 Investment Funds held can be active or passive (which means that the decision on which investments to buy or sell is made based on the performance of an underlying index) funds.

Through these Investment Funds, the sub-fund will gain exposure to at least 80% in shares in companies, across both developed and emerging markets, with no minimum or maximum exposure to any geographic region, as the Investment Manager seeks attractive investment opportunities for inclusion in the sub-fund's portfolio.

Up to 20% of the sub-fund may be exposed, through the Investment Funds, to other asset types such as:

- Real assets, for example property and commodities (e.g. gold and oil);
- Absolute return funds, which aim to deliver positive returns in all market conditions;
- 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; and
- Money market funds, which invest in short term loans.

The sub-fund may hold up to 20% in cash (including foreign currency) and cash equivalents to enable the ready settlement of liabilities, for the efficient management of the portfolio and in pursuit of the sub-fund's investment objective.

Whilst the sub-fund itself will not use derivatives, the underlying Investment Funds purchased may have the ability to use derivatives to varying degrees.

Investment strategy

The sub-fund's investment decisions reflect the Investment Manager's view of the global economy and its future prospects. When settling upon its view, the Investment Manager takes into account potential risks to the global economy and the potential outcomes of those risks, and their effects on the portfolio of the sub-fund. The Investment Manager aims to build a diversified portfolio of underlying funds which should benefit from this view. The Investment Manager conducts rigorous analysis of the underlying funds, and continuously monitors their contribution to the portfolio's overall performance. The management of the sub-fund will be appropriate to the sub-fund's risk profile so that any potential returns are balanced with appropriate risk taking.

GENERAL INFORMATION

IFSL CPN Global Opportunities Fund (continued)

Assessing performance

The Investment Association (IA), the trade body for UK investment managers, has created several 'sectors', as a way of dividing funds into broad groups with similar characteristics. The sub-fund's investment policy puts it in the IA Global sector. You may want to assess the sub-fund's performance compared to the performance of this sector, however this benchmark is not a target for the sub-fund, nor is the sub-fund constrained by the benchmark.

The IA Global sector contains a diverse range of funds which have a global diversification in shares in companies. The sector can contain funds which focus on a particular industry or have a substantially different geographical asset allocation, this could result in the sub-fund over or underperforming the sector. The diverse range of funds within the sector should therefore be considered when assessing the sub-fund's performance. This should not prevent the sub-fund from meeting its longer-term objectives.

IFSL CPN Defensive Strategy Fund

Investment objective

The investment objective of the sub-fund is to increase the value of an investment over a minimum of 5 years. The sub-fund will do this 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 interest and dividends.

Investment policy

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

The sub-fund will invest at least 80% in 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 Investment Funds held can be active or passive (which means that the decision on which investments to buy or sell is made based on the performance of an underlying index) funds.

Through these Investment Funds, the sub-fund will employ a low risk and stable defensive strategy, by gaining exposure to at least 70% in bonds, which are loans typically issued by companies, governments and other institutions, and 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; real assets, for example properties and commodities (e.g. gold and oil); and money market funds, which invest in short term loans.

Up to 30% of the sub-fund may be exposed, through the Investment Funds, to other asset types such as:

- Absolute return funds, which aim to deliver positive returns in all market conditions; and
- Shares in companies.

The sub-fund may hold up to 20% in cash (including foreign currency) and cash equivalents to enable the ready settlement of liabilities, for the efficient management of the portfolio and in pursuit of the sub-fund's investment objective.

Whilst the sub-fund itself will not use derivatives, the underlying Investment Funds purchased may have the ability to use derivatives to varying degrees.

Investment strategy

The sub-fund's investment decisions reflect the Investment Manager's view of the global economy and its future prospects. When settling upon its view, the Investment Manager takes into account potential risks to the global economy and the potential outcomes of those risks, and their effects on the portfolio of the sub-fund. The Investment Manager aims to build a diversified portfolio of underlying funds which should benefit from this view. The Investment Manager conducts rigorous analysis of the underlying funds, and continuously monitors their contribution to the portfolio's overall performance. The management of the sub-fund will be appropriate to the sub-fund's risk profile so that any potential returns are balanced with appropriate risk taking.

Assessing performance

The Investment Association (IA), the trade body for UK investment managers, has created several 'sectors', as a way of dividing funds into broad groups with similar characteristics. The sub-fund's investment policy puts it in the IA Mixed Investment 0-35% Shares sector. You may want to assess the sub-fund's performance compared to the performance of this sector, however this benchmark is not a target for the sub-fund, nor is the sub-fund constrained by the benchmark.

GENERAL INFORMATION**IFSL CPN Defensive Strategy Fund** (continued)Assessing performance (continued)

The IA Mixed Investment 0-35% Shares sector contains a diverse range of funds which align to a broad set of parameters. One of these parameters is to ensure no more than 35% of a fund is invested in shares in companies. It is expected the sub-fund, from time to time, may have a lower weighting towards shares in companies than other funds in the sector. This can potentially result in the sub-fund underperforming its peers in periods where shares do well and similarly, this can also result in the sub-fund outperforming its peers in periods where shares do not perform as well. This should not prevent the sub-fund from meeting its longer-term objectives.

Rights and terms attached to each share class

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

Assessment of value

The ACD is required to carry out an assessment of value at least annually and publish its findings in a report to investors. The sub-funds of the Company will be assessed and reported on, in a report which the ACD will be publishing by 30 April 2024 on the website www.ifslfunds.com.

Changes in prospectus

No significant changes have been made since the launch of the Company on 22 March 2023.

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

Cross holdings

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

Remuneration policy

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

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

	Number of identified staff	Total remuneration paid	Fixed remuneration paid	Variable remuneration paid
		£	£	£
Remuneration paid to staff of the ACD who have a material impact on the risk profile of the Company				
Senior management	8	908,018	768,628	139,390
Risk takers and other identified staff	4	411,040	375,277	35,763
Allocation of total remuneration of the employees of the ACD to the Company				
Senior management	0.20	22,381	18,945	3,436
Risk takers and other identified staff	0.10	10,131	9,250	881

The total number of staff employed by the ACD'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 ACD.

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

AUTHORISED CORPORATE DIRECTOR'S STATEMENT

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



Allan Hamer
Director



Dom Clarke
Director

Investment Fund Services Limited
2 April 2024

STATEMENT OF AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

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

In preparing those financial statements the ACD is required to:

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

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

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

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

Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of IFSL CPN OEIC ("the Company") for the Period Ended 31 December 2023

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

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the 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, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares in the Company is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Corporate Director ("the ACD") are carried out (unless they conflict with the Regulations).

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

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

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

Natwest Trustee and Depositary Services Limited
250 Bishopsgate
London
EC2M 4AA

2 April 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL CPN OEIC

Opinion

We have audited the financial statements of IFSL CPN OEIC ("the Company") comprising each of its sub-funds for the period ended 31 December 2023, 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 31 December 2023 and of the net revenue and the net capital gains on the scheme property of the Company comprising each of its sub-funds for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Authorised Corporate Director's ("the ACD") use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL CPN OEIC

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

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the FCA and the Instrument of Incorporation;
- 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 period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Responsibilities of the ACD

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities set out on page 4, 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 CPN OEIC

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

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

Our approach was as follows:

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

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

Use of our report

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

Ernst & Young LLP
Statutory Auditor
Edinburgh

2 April 2024

Notes:

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

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

for the period from 22 March 2023 to 31 December 2023

1.1 ACCOUNTING POLICIES

During the period under review IFSL CPN OEIC (the Company) consisted of two sub-funds: IFSL CPN Global Opportunities Fund; and IFSL CPN Defensive Strategy Fund.

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

Basis of accounting

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

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

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

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

Revenue

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

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

Bank interest is accounted for on an accruals basis.

Allocation of revenue

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

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.

Expenses

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

Management fee rebates

Rebates on collective investment schemes' management fees are accounted for on an accruals basis and are subsequently attributed to the revenue or capital of the sub-fund depending on the fee structure of the underlying collective investment scheme.

Valuation

The valuation point was 12:00 noon on 29 December 2023 being the last valuation point of the accounting period.

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.

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 noon on 29 December 2023 being the last valuation point of the accounting period. Revenue and expenditure transactions are translated at the rates of exchange ruling on the dates of the transactions. Exchange differences on such transactions follow the same treatment at the principal amounts.

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

for the period from 22 March 2023 to 31 December 2023

1.2 DISTRIBUTION POLICIES

The distribution policy of the 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 of collective investment schemes is included in the amount available for distribution.

During the year, IFSL CPN Global Opportunities Fund was less than 60% invested in qualifying investments (as defined by SI 2006/964, Reg. 20) and therefore qualified as an equity fund. The sub-fund paid dividend distributions.

During the year, IFSL CPN Defensive Strategy Fund was more than 60% invested in qualifying investments (as defined by SI 2006/964, Reg. 20) and therefore qualified as a bond fund. The sub-fund paid interest distributions.

It should be noted that the 60% test must be passed at all times during a distribution period if a sub-fund is to qualify as a bond fund. Because the 60% test is conducted on a distribution period basis, it is possible for a sub-fund to be a bond fund for part of its accounting period and an equity fund for the remainder. In this case, the interim and final distributions will be taken separately and will receive either dividend or interest treatment as appropriate.

Equalisation

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

1.3 RISK MANAGEMENT POLICIES

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

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

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

Market price risk

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

Foreign currency risk

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

The ACD has identified three areas where foreign currency risk could impact the sub-funds'. These are, movements in exchange rates affecting the value of investments, short term timing differences such as exposure to exchange rate movements in the 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.

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

for the period from 22 March 2023 to 31 December 2023

RISK MANAGEMENT POLICIES (continued)

Interest rate risk

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

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

Liquidity risk

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

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

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 Company is permitted to use derivatives for both efficient portfolio management (including hedging) as well as for investment purposes in order to achieve the investment objective of the relevant sub-fund.

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 CPN OEIC
IFSL CPN GLOBAL OPPORTUNITIES FUND

AUTHORISED INVESTMENT MANAGER'S REPORT
for the period from 22 March 2023 to 31 December 2023

Investment commentary

The launch period of the sub-fund ran from 22 March 2023 to 3 April 2023 where shares were available at 100 pence. The first valuation point was on 4 April 2023. The commentary covers the period from the end of the launch period up to 31 December 2023.

Market review

Over the commentary period, inflation has been the primary focus for central banks and has been a key driver in global market sentiment. At the start of the period, the United Kingdom (UK) had been at the epicentre of interest rate pain; constricted supply chains and weak productivity exacerbated inflation. This led to the Bank of England continuing to hike interest rates until August, where they now sit at 5.25% - a level not reached since 2008. Inflation began to fall more in line with other developed markets over the summer, however, real-time data painted a more worrying picture as retail sales, manufacturing activity, and house prices all dropped with unemployment rising. Despite this, the UK reported sharply lower inflation figures in the last quarter, with the headline rate dropping from 6.7% to 3.9%. The Bank of England kept interest rates unchanged at 5.25%, but markets began pricing in rate cuts for 2024, which boosted valuations.

Across the Atlantic, the United States (US) economy remained surprisingly resilient given the pace of rate hikes at the Federal Reserve, with unemployment remaining considerably low across the commentary period. The Federal Reserve were cautious with their approach to inflation favouring retaining a tighter monetary policy*** until towards the end of the fourth quarter when the higher for longer mantra was seemingly dropped. The US also posted remarkable growth figures, with Gross Domestic Product (GDP) rising 5.2% on an annualised basis further supporting the market's soft-landing narrative – a scenario where a central bank can handle inflation without causing a recession.

Japanese equities** seem to have come back into fashion in 2023, with the cheap valuations of Japanese companies attracting investors. Japan is an outlier compared to other developed markets as the Bank of Japan has been in a multi-decade fight against deflation, so an inflationary environment is somewhat welcomed to help stimulate economic prospects.

Performance review

Since its inception, the sub-fund's X Accumulation shares have delivered a return of 7.90% compared to the Investment Association Global sector, the sub-fund's performance benchmark*, which returned 7.81%.

The US led the way in equity market returns over the calendar year and this contributed to a positive impact on the performance of the sub-fund. In early Summer, we increased our exposure to the 'Magnificent Seven' – large tech and artificial intelligence (AI) stocks that dominated US stock market returns over the year - which enabled us to capitalize on the unusually narrow market.

Our exposure to China has impacted performance negatively, the bright start to the year brought about by the relaxation of the zero-COVID policy faded quickly. Concerns around China's property sector and downgraded growth forecasts due to uncertainty around its private sector have made the region one of the worst-performing across the commentary period which has led us to reduce our exposure across the last six months.

Within the portfolio, we have held a long-term bias towards small companies which have generally underperformed large companies due to their heightened sensitivity to interest rate hikes and recessionary fears. We still retain this bias, due to cheap valuations of small companies, however, we have altered the style bias in favour of more quality over growth – this means we have favoured companies that have stronger balance sheets and cash flows which we believe will be more resilient to the heightened inflationary environment whilst still retaining the upside potential which has started to be realised over the last couple of months.

Market outlook

Inflation is increasingly looking like it has peaked across developed economies and markets are starting to price in multiple interest rate cuts across 2024. Markets have generally performed well over the last quarter as these expectations are becoming consensus. This has led to potential opportunities emerging in equities in 2024 – a looser monetary policy*** could stimulate economies and provide the springboard for growth amongst developed market equities.

Market sentiment, however, remains fairly reactionary and data-driven which will potentially increase market volatility, especially over the first half of the year. Central banks will be cautious not to cut interest rates too early in fear that they could incur a second wave of inflation, which could lead to a return to the higher for longer narrative which would damage the outlook for equities.

CPN Investment Management LLP
29 January 2024

IFSL CPN OEIC
IFSL CPN GLOBAL OPPORTUNITIES FUND

AUTHORISED INVESTMENT MANAGER'S REPORT
for the period from 22 March 2023 to 31 December 2023

Investment commentary (continued)

* Benchmark – comparator for performance purposes.

** Equities - alternatively known as company shares.

*** Monetary policy - action that a country's central bank or government can take to influence how much money is in the economy and how much it costs to borrow. Tight monetary policy aims to slow down an economy by increasing interest rates, whereas loose monetary policy aims to stimulate an economy by lowering interest rates.

Distributions

	<u>Year 2024</u>
<u>X Accumulation (pence per share)</u>	
Net accumulation paid on the last day of February	0.9568

Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
Xtrackers S&P 500 UCITS ETF '2C' GBP Hedged	30,099,749
Vanguard S&P 500 UCITS ETF USD	27,924,758
L&G Europe ex UK Equity UCITS ETF EUR	20,278,532
L&G UK Equity UCITS ETF GBP	18,694,590
iShares MSCI World Small Cap UCITS ETF USD	18,369,055
HSBC MSCI Emerging Markets UCITS ETF USD	13,048,278
SPDR Russell 2000 US Small Cap UCITS ETF	12,417,864
SPDR MSCI USA Small Cap Value Weighted UCITS ETF	11,382,298
Xtrackers MSCI World Value UCITS ETF '1C'	10,905,169
Vanguard FTSE 250 UCITS ETF GBP	9,972,145
Other purchases	76,319,754
Total purchases for the period	249,412,192
<u>Largest sales</u>	<u>Proceeds (£)</u>
Vanguard S&P 500 UCITS ETF USD	15,663,149
SPDR Russell 2000 US Small Cap UCITS ETF	12,912,513
Xtrackers S&P 500 UCITS ETF '2C' GBP Hedged	12,029,163
L&G UK Equity UCITS ETF GBP	9,061,841
L&G Europe ex UK Equity UCITS ETF EUR	7,404,375
WS Montanaro European Income 'A' GBP	3,348,639
UBS MSCI EMU Small Cap UCITS ETF 'A' EUR	2,045,599
iShares MSCI World Small Cap UCITS ETF USD	1,857,489
HSBC MSCI Emerging Markets UCITS ETF USD	1,542,802
Franklin FTSE China UCITS ETF	1,383,627
Other sales	3,975,245
Total sales for the period	71,224,442

**IFSL CPN OEIC
IFSL CPN GLOBAL OPPORTUNITIES FUND**

COMPARATIVE TABLE

The launch period of the sub-fund ran from 22 March 2023 to 3 April 2023 where shares were available at 100 pence. The first valuation point was on 4 April 2023.

X Accumulation shares

Change in net assets per share	Period to 31.12.2023^A pence
Opening net asset value per share	100.00
Return before operating charges*	8.55
Operating charges	(0.75)
Return after operating charges*	7.80
Distributions on accumulation shares	(0.96)
Retained distributions on accumulation shares	0.96
Closing net asset value per share	107.80

* after direct transaction costs of: -

Performance

Return after charges^B 7.80%

Other information

Closing net asset value (£)	195,666,160
Closing number of shares	181,507,572
Operating charges	1.00% ^C
Direct transaction costs	0.00%

Prices (pence per share)

Highest share price	107.90
Lowest share price	96.43

^A This share class launched on 22 March 2023 with shares initially issued on 3 April 2023 at 100 pence.

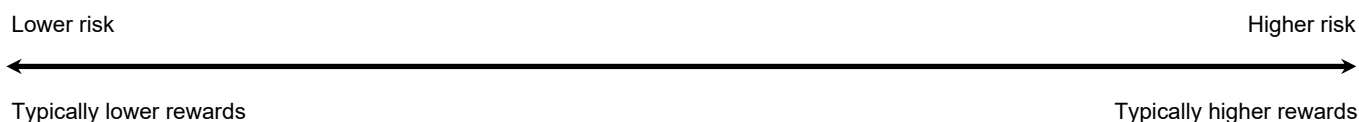
^B The return after charges is calculated using the underlying investments bid prices.

^C This figure has been annualised.

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each share class in the period. Where it is considered unsuitable to use the total expenses paid by each share class in the period 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) give an estimate of future costs.

Direct transaction costs are the total charges for the period, 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 period and the average shares in issue for the pence per share figures.

SYNTHETIC RISK AND REWARD INDICATOR



1	2	3	4	5	6	7
---	---	---	---	---	---	---

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 are used.

The sub-fund has been measured as 6 because its investments have experienced high volatility in the past.

IFSL CPN OEIC
IFSL CPN GLOBAL OPPORTUNITIES FUND

PORTFOLIO STATEMENT

as at 31 December 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
ASIA PACIFIC EXCLUDING JAPAN		
167,048 Vanguard FTSE Developed Asia Pacific ex. Japan UCITS ETF USD	4,034,209	2.06
Total Asia Pacific excluding Japan	<u>4,034,209</u>	<u>2.06</u>
CHINA / GREATER CHINA		
230,592 Franklin FTSE China UCITS ETF	3,722,677	1.90
Total China / Greater China	<u>3,722,677</u>	<u>1.90</u>
EUROPE EXCLUDING UK		
1,001,510 L&G Europe ex UK Equity UCITS ETF EUR	13,528,397	6.92
57,199 UBS MSCI EMU Small Cap UCITS ETF 'A' EUR	5,905,225	3.02
5,073,281 WS Lightman European 'I' ^A	7,733,202	3.95
Total Europe Excluding UK	<u>27,166,824</u>	<u>13.89</u>
EUROPE INCLUDING UK		
456,974 iShares Edge MSCI Europe Quality Factor UCITS ETF EUR	3,867,371	1.98
Total Europe Including UK	<u>3,867,371</u>	<u>1.98</u>
GLOBAL		
3,275,778 iShares MSCI World Small Cap UCITS ETF USD	18,105,225	9.25
354,298 Xtrackers MSCI World Value UCITS ETF '1C'	11,681,205	5.97
Total Global	<u>29,786,430</u>	<u>15.22</u>
GLOBAL EMERGING MARKETS		
1,448,524 HSBC MSCI Emerging Markets UCITS ETF USD	11,609,920	5.93
Total Global Emerging Markets	<u>11,609,920</u>	<u>5.93</u>
INDIA / INDIAN SUBCONTINENT		
62,350 Franklin FTSE India UCITS ETF	1,931,291	0.99
Total India / Indian Subcontinent	<u>1,931,291</u>	<u>0.99</u>
JAPAN		
933,093 L&G Japan Equity UCITS ETF USD	9,534,344	4.87
Total Japan	<u>9,534,344</u>	<u>4.87</u>
LATIN AMERICA		
139,377 iShares MSCI EM Latin America UCITS ETF USD	1,975,669	1.01
Total Latin America	<u>1,975,669</u>	<u>1.01</u>
NORTH AMERICA		
190,397 Vanguard S&P 500 UCITS ETF USD	13,558,646	6.93
324,385 Xtrackers NASDAQ 100 UCITS ETF '1C'	9,882,389	5.05
273,335 Xtrackers S&P 500 UCITS ETF '2C' GBP Hedged	21,563,398	11.02
Total North America	<u>45,004,433</u>	<u>23.00</u>
NORTH AMERICAN SMALLER COMPANIES		
88,116 iShares S&P SmallCap 600 UCITS ETF USD	6,169,001	3.15
248,042 SPDR MSCI USA Small Cap Value Weighted UCITS ETF	12,303,335	6.29
Total North American Smaller Companies	<u>18,472,336</u>	<u>9.44</u>
UK ALL COMPANIES		
273,630 Amundi Prime UK Mid and Small Cap UCITS ETF GBP	5,747,598	2.94
740,870 L&G UK Equity UCITS ETF GBP	9,592,785	4.90
326,812 Vanguard FTSE 250 UCITS ETF GBP	9,923,647	5.07
Total UK All Companies	<u>25,264,030</u>	<u>12.91</u>
UK EQUITY INCOME		
451,607 WisdomTree UK Equity Income UCITS ETF	1,952,975	1.00
Total UK Equity Income	<u>1,952,975</u>	<u>1.00</u>

IFSL CPN OEIC
IFSL CPN GLOBAL OPPORTUNITIES FUND

PORTFOLIO STATEMENT

as at 31 December 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
UK SMALLER COMPANIES		
4,167,365 WS Gresham House UK Micro Cap 'C Inst' ^A	7,822,978	4.00
Total UK Smaller Companies	<u>7,822,978</u>	<u>4.00</u>
Portfolio of investments	192,145,487	98.20
Net other assets	<u>3,520,673</u>	<u>1.80</u>
Total net assets	<u><u>195,666,160</u></u>	<u><u>100.00</u></u>

All investments are shares in open-ended exchange traded funds which are authorised or 'recognised' by the FCA with the exception of ^A which are ICVCs / unit trusts.

IFSL CPN OEIC
IFSL CPN GLOBAL OPPORTUNITIES FUND

STATEMENT OF TOTAL RETURN

for the period from 22 March 2023 to 31 December 2023

	Notes	31 December 2023	
		£	£
Income:			
Net capital gains	2		12,465,057
Revenue	4	2,653,653	
Expenses	5	<u>(916,332)</u>	
Net revenue before taxation		1,737,321	
Taxation	6	<u>-</u>	
Net revenue after taxation			<u>1,737,321</u>
Total return before distributions			14,202,378
Distributions	7		(1,737,321)
Change in net assets attributable to shareholders from investment activities			<u><u>12,465,057</u></u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the period from 22 March 2023 to 31 December 2023

	31 December 2023	
	£	£
Opening net assets attributable to shareholders		-
Amounts receivable on issue of shares	188,094,136	
Amounts payable on cancellation of shares	<u>(6,629,725)</u>	
		181,464,411
Change in net assets attributable to shareholders from investment activities		12,465,057
Retained distribution on accumulation shares		1,736,692
Closing net assets attributable to shareholders		<u><u>195,666,160</u></u>

These are the first annual financial statements since the launch of the sub-fund, therefore there are no comparative figures to disclose.

IFSL CPN OEIC
IFSL CPN GLOBAL OPPORTUNITIES FUND

BALANCE SHEET
as at 31 December 2023

	Notes	31 December 2023 £
Assets:		
Fixed Assets:		
Investment assets	15	192,145,487
Current Assets:		
Debtors	8	54,101
Cash and bank balances		<u>3,778,375</u>
Total assets		<u>195,977,963</u>
Current Liabilities:		
Creditors:		
Other creditors	9	<u>311,803</u>
Total liabilities		<u>311,803</u>
Net assets attributable to shareholders		<u><u>195,666,160</u></u>

These are the first annual financial statements since the launch of the sub-fund, therefore there are no comparative figures to disclose.

IFSL CPN OEIC
IFSL CPN GLOBAL OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS

for the period from 22 March 2023 to 31 December 2023

1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES

Please refer to the notes applicable to the Company on pages 9 to 11.

2 NET CAPITAL GAINS

31 December 2023

£

The net gains on investments during the period comprise:

Non-derivative securities gains	12,439,135
Other currency gains	27,258
Transaction charges	(1,336)
Net capital gains	<u><u>12,465,057</u></u>

3 PURCHASES, SALES AND TRANSACTION COSTS

31 December 2023

£

Purchases excluding transaction costs:

Collective Investment Schemes	19,544,105
Exchange Traded Funds	229,868,087
	<u>249,412,192</u>

Total purchases transaction costs

Total purchases after transaction costs	<u><u>249,412,192</u></u>
--	---------------------------

Sales excluding transaction costs:

Collective Investment Schemes	4,157,376
Exchange Traded Funds	67,067,066
	<u>71,224,442</u>

Total sales transaction costs

Total sales after transaction costs	<u><u>71,224,442</u></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 each transaction. 1,336

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 0.21%

4 REVENUE

31 December 2023

£

UK dividends	53,824
Overseas dividends	2,454,359
Bank interest	145,470
Total revenue	<u><u>2,653,653</u></u>

IFSL CPN OEIC
IFSL CPN GLOBAL OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS

for the period from 22 March 2023 to 31 December 2023

5 EXPENSES	31 December 2023
	£
Payable to the ACD or associate:	
ACD's periodic charge	853,076
Registration fees	149
KIID production costs	600
	<u>853,825</u>
Other expenses:	
Depository's fees	31,054
Safe Custody fees	6,530
Financial Conduct Authority fee	2,523
Audit fee	8,712
Third party system providers fees	2,230
Legal and professional fees	11,400
Bank interest	58
	<u>62,507</u>
Total expenses	<u><u>916,332</u></u>
6 TAXATION	31 December 2023
	£
a Analysis of the tax charge for the period	
Total tax charge (see note 6(b))	<u><u>-</u></u>
b Factors affecting the tax charge for the period	
The taxation assessed for the period 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>1,737,321</u>
Corporation tax at 20%	347,464
Effects of:	
Revenue not subject to taxation	(501,637)
Unrelieved excess management expenses	154,173
Total tax charge (see note 6(a))	<u><u>-</u></u>
At 31 December 2023 the sub-fund has deferred tax assets of £154,173 arising from surplus management expenses, which have not been recognised due to uncertainty over the availability of future taxable profits.	
7 DISTRIBUTIONS	31 December 2023
	£
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:	
Final	1,736,692
Amounts deducted on cancellation of shares	2,895
Amounts added on issue of shares	(2,266)
Distributions	<u><u>1,737,321</u></u>
Movement between net revenue and distributions:	
Net revenue after taxation	<u>1,737,321</u>
	<u><u>1,737,321</u></u>
8 DEBTORS	31 December 2023
	£
Amounts receivable for issue of shares	54,072
Accrued income	29
Total debtors	<u><u>54,101</u></u>

IFSL CPN OEIC
IFSL CPN GLOBAL OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS

for the period from 22 March 2023 to 31 December 2023

9 OTHER CREDITORS

31 December 2023
£

Amounts payable for cancellation of shares	168,229
ACD's periodic charge	115,735
Accrued expenses	27,839
Total other creditors	311,803

10 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities as at 31 December 2023.

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 to/from the ACD in respect of share transactions at the period end are disclosed in notes 8 and 9. Amounts paid to the ACD or associates in respect of the ACD's periodic charge and other fees are disclosed in note 5. Amounts due to the ACD at the period end are £230,514.

12 SHARE CLASSES

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

X Accumulation	0.72% ^A
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^A A tiered rate will be applied to the AMC. For the first £150m in value the AMC will be 0.72%, for the next £150m in value the AMC will be 0.70%, and for everything over £300m in value the AMC will be 0.68%.

13 SHAREHOLDERS' FUNDS RECONCILIATION

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

	<u>X Accumulation</u>
Opening shares in issue at 22 March 2023	-
Share issues	188,075,417
Share cancellations	(6,567,845)
Closing shares in issue at 31 December 2023	<u>181,507,572</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 £9,607,274. A five per cent decrease would have an equal and opposite effect.

Foreign currency risk

At the period 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 31 December 2023</u>	Investments	Net other assets	Total
	£	£	£
Euro	-	4,945	4,945
US dollar	12,303,335	46	12,303,381
	<u>12,303,335</u>	<u>4,991</u>	<u>12,308,326</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 £615,416. A five per cent increase would have an equal and opposite effect.

IFSL CPN OEIC
IFSL CPN GLOBAL OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS

for the period from 22 March 2023 to 31 December 2023

RISK DISCLOSURES (continued)

Interest rate risk

31 December 2023
£

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

Financial assets floating rate ^A	3,778,375
Financial assets non-interest bearing instruments	192,199,588
Financial liabilities non-interest bearing instruments	<u>(311,803)</u>
	<u><u>195,666,160</u></u>

^A 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

31 December 2023
£

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

Within one year:	Other creditors	<u>311,803</u>
		<u><u>311,803</u></u>

15 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	31 December 2023	
	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	176,589,307	-
Level 2 - Observable market data	15,556,180	-
Level 3 - Unobservable data	<u>-</u>	<u>-</u>
	<u><u>192,145,487</u></u>	<u><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 29 December 2023, the Net Asset Value per share has changed as follows:

	Net Asset Value (Pence per Share)		
	29 December 2023 ^A	27 March 2024	Movement (%)
X Accumulation	107.90	113.30	5.00%

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

**IFSL CPN OEIC
IFSL CPN GLOBAL OPPORTUNITIES FUND**

DISTRIBUTION TABLE

Final distribution for the period from 4 April 2023 to 31 December 2023

Group 1: shares purchased prior to 4 April 2023

Group 2: shares purchased on or after 4 April 2023

	Net revenue 31 December 2023 pence per share	Equalisation 31 December 2023 pence per share	Distribution paid 29 February 2024 pence per share
X Accumulation			
Group 1	0.9568	-	0.9568
Group 2	0.9527	0.0041	0.9568

IFSL CPN OEIC
IFSL CPN DEFENSIVE STRATEGY FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the period from 22 March 2023 to 31 December 2023

Investment commentary

The launch period of the sub-fund ran from 22 March 2023 to 3 April 2023 where shares were available at 100 pence. The first valuation point was on 4 April 2023. The commentary covers the period from the end of the launch period up to 31 December 2023.

Market review

Over the commentary period, inflation has been the primary focus for central banks and has been a key driver in global market sentiment. At the start of the period, the United Kingdom (UK) had been at the epicentre of interest rate pain; constricted supply chains and weak productivity exacerbated inflation. This led to the Bank of England continuing to hike interest rates until August, where they now sit at 5.25% - a level not reached since 2008. Inflation began to fall more in line with other developed markets over the summer, however, real-time data painted a more worrying picture as retail sales, manufacturing activity, and house prices all dropped with unemployment rising. Despite this, the UK reported sharply lower inflation figures in the last quarter, with the headline rate dropping from 6.7% to 3.9%. The Bank of England kept interest rates unchanged at 5.25%, but markets began pricing in rate cuts for 2024, which boosted valuations.

Across the Atlantic, the United States (US) economy remained surprisingly resilient given the pace of rate hikes at the Federal Reserve, with unemployment remaining considerably low across the commentary period. The Federal Reserve were cautious with their approach to inflation favouring retaining a tighter monetary policy*** until towards the end of the fourth quarter when the higher for longer mantra was seemingly dropped. The US also posted remarkable growth figures, with Gross Domestic Product (GDP) rising 5.2% on an annualised basis further supporting the market's soft-landing narrative – a scenario where a central bank can handle inflation without causing a recession.

Japan is an outlier compared to other developed markets as the Bank of Japan has been in a multi-decade fight against deflation, so an inflationary environment is somewhat welcomed to help stimulate economic prospects. The Japanese Yen has drastically fallen against other major currencies, with interest rate differentials being a key factor. However, with inflation falling in developed economies this trend may not continue into 2024.

Performance review

Since its inception, the sub-fund's X Accumulation shares have delivered a return of 1.20% compared to the Investment Association Mixed Investment 0-35% Shares sector, the sub-fund's performance benchmark*, which returned 4.03%.

Shorter duration bonds have been beneficial to the portfolio's performance over the commentary period benefitting from uncertainty in an inflationary environment. We did, however, begin to add duration to the portfolio at the start of the last quarter which has also provided positive returns due to the increased optimism in markets for interest rate cuts in 2024.

We introduced a Japanese Yen holding to the portfolio in the summer, as we felt the currency was undervalued compared to other major currencies. Although, to date, the position has had a negative impact on portfolio performance, we still retain the view that the Yen has the potential to increase in value against other major currencies. In July, the Bank of Japan adjusted their Yield Curve Control** policy which was seen by markets to potentially signal the start of a move away from the loose monetary policy*** that the Bank of Japan utilise and fall more in line with other central banks – which would be seen to be positive news for the valuation of the Yen. The currency has also historically been seen as a safe haven currency, providing protection in times of economic uncertainty, so is multifunctional within the portfolio.

Market outlook

Inflation is increasingly looking like it has peaked across developed economies and markets are starting to price in multiple interest rate cuts across 2024. Markets have generally performed well over the last quarter as these expectations are becoming consensus. This has led to potential opportunities emerging in the fixed-income universe; for example, yields**** on government bonds are looking attractive and would look to provide good gains if central banks cut interest rates.

Market sentiment, however, remains fairly reactionary and data-driven which will potentially increase market volatility especially over the first half of the year. Central banks will be cautious not to cut interest rates too early in fear that they could incur a second wave of inflation, which could lead to a return to the higher for longer narrative which would damage the outlook for duration.

CPN Investment Management LLP
29 January 2024

IFSL CPN OEIC
IFSL CPN DEFENSIVE STRATEGY FUND

AUTHORISED INVESTMENT MANAGER'S REPORT
for the period from 22 March 2023 to 31 December 2023

Investment commentary (continued)

* Benchmark – comparator for performance purposes

** Yield Curve Control – used by central banks to manage interest rates with an aim to keep long-term interest rates at a desired level.

*** Monetary policy - action that a country's central bank or government can take to influence how much money is in the economy and how much it costs to borrow. Tight monetary policy aims to slow down an economy by increasing interest rates, whereas loose monetary policy aims to stimulate an economy by lowering interest rates.

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

Distributions

	<u>Year 2024</u>
<u>X Accumulation (pence per share)</u>	
Net accumulation paid on the last day of February	1.634794

Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
Vanguard USD Treasury Bond UCITS ETF USD	10,715,887
AXA Global Strategic Bond 'S' GBP	9,233,949
Vanguard UK Gilt UCITS ETF GBP	7,021,122
iShares Global Corp Bond UCITS ETF GBP Hedged	6,023,632
Fidelity Index Sterling Corporate Bond 'S'	5,227,464
Invesco US Treasury Bond UCITS ETF GBP Hedged	5,085,656
JPM Global Macro Opportunities 'C' Net	4,995,517
iShares Core Global Aggregate Bond UCITS ETF GBP Hedged	4,570,823
Vanguard USD Emerging Markets Government Bond UCITS ETF	4,568,588
iShares Physical Gold ETC	4,503,154
Other purchases	35,692,646
Total purchases for the period	97,638,438
<u>Largest sales</u>	<u>Proceeds (£)</u>
Vanguard USD Treasury Bond UCITS ETF USD	5,289,915
iShares UK Property UCITS ETF GBP	3,622,949
iShares £ Corp Bond 0-5yr UCITS ETF GBP	2,605,444
Fidelity Index Sterling Corporate Bond 'S'	2,264,780
Invesco US Treasury Bond 0-1 Year UCITS ETF GBP Hedged	1,799,131
Legal & General Emerging Markets Government Bond (Local Currency) Index 'I' GBP	1,501,515
iShares Physical Gold ETC	1,497,593
UBS Global Strategic Bond 'R' GBP	1,405,513
M&G Strategic Corporate Bond 'I' Sterling	1,400,423
SPDR Morningstar Multi-Asset Global Infrastructure UCITS ETF	1,196,020
Other sales	4,767,121
Total sales for the period	27,350,404

**IFSL CPN OEIC
IFSL CPN DEFENSIVE STRATEGY FUND**

COMPARATIVE TABLE

The launch period of the sub-fund ran from 22 March 2023 to 3 April 2023 where shares were available at 100 pence. The first valuation point was on 4 April 2023.

X Accumulation shares

Change in net assets per share	Period to 31.12.2023^A pence
Opening net asset value per share	100.00
Return before operating charges*	1.84
Operating charges	(0.71)
Return after operating charges*	1.13
Distributions on accumulation shares	(1.63)
Retained distributions on accumulation shares	1.63
Closing net asset value per share	101.13

* after direct transaction costs of: -

Performance

Return after charges^B 1.13%

Other information

Closing net asset value (£)	76,538,720
Closing number of shares	75,684,887
Operating charges	0.98% ^C
Direct transaction costs	0.00%

Prices (pence per share)

Highest share price	101.30
Lowest share price	95.86

^A This share class launched on 22 March 2023 at 100 pence with shares initially issued on 3 April 2023 at 100 pence.

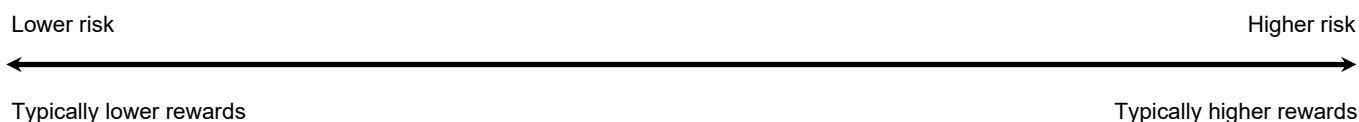
^B The return after charges is calculated using the underlying investments bid prices.

^C This figure has been annualised.

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each share class in the period. Where it is considered unsuitable to use the total expenses paid by each share class in the period 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) give an estimate of future costs.

Direct transaction costs are the total charges for the period, 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 period and the average shares in issue for the pence per share figures.

SYNTHETIC RISK AND REWARD INDICATOR



1	2	3	4	5	6	7
---	---	---	---	---	---	---

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 are used.

The sub-fund has been measured as 4 because its investments have experienced moderate volatility in the past.

IFSL CPN OEIC
IFSL CPN DEFENSIVE STRATEGY FUND

PORTFOLIO STATEMENT

as at 31 December 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
GLOBAL CORPORATE BOND		
1,183,383 iShares Global Corp Bond UCITS ETF GBP Hedged	5,395,043	7.05
Total Global Corporate Bond	<u>5,395,043</u>	<u>7.05</u>
GLOBAL EMERGING MARKETS BOND		
17,254 PIMCO Emerging Markets Advantage Local Bond Index UCITS ETF USD	1,504,549	1.97
114,251 Vanguard USD Emerging Markets Government Bond UCITS ETF	3,772,568	4.93
Total Global Emerging Markets Bond	<u>5,277,117</u>	<u>6.90</u>
GLOBAL MIXED BOND		
1,009,434 iShares Core Global Aggregate Bond UCITS ETF GBP Hedged	4,644,406	6.07
Total Global Mixed Bond	<u>4,644,406</u>	<u>6.07</u>
STERLING CORPORATE BOND		
3,458,535 Fidelity Index Sterling Corporate Bond 'S' ^A	3,142,667	4.11
Total Sterling Corporate Bond	<u>3,142,667</u>	<u>4.11</u>
STERLING STRATEGIC BOND		
8,956,884 AXA Global Strategic Bond 'S' GBP ^A	9,279,332	12.12
Total Sterling Strategic Bond	<u>9,279,332</u>	<u>12.12</u>
UK GILTS		
303,593 Vanguard UK Gilt UCITS ETF GBP	6,264,641	8.18
Total UK Gilts	<u>6,264,641</u>	<u>8.18</u>
UK INDEX-LINKED GILTS		
10,887 Amundi UK Government Inflation-Linked Bond UCITS ETF	1,598,865	2.09
Total UK Index-Linked Gilts	<u>1,598,865</u>	<u>2.09</u>
USD GOVERNMENT BOND		
56,214 Invesco US Treasury Bond 0-1 Year UCITS ETF GBP Hedged	2,238,441	2.92
156,018 Invesco US Treasury Bond UCITS ETF GBP Hedged	5,338,936	6.98
150,533 iShares \$ TIPS UCITS ETF GBP Hedged	736,784	0.96
315,035 iShares \$ Treasury Bond 1-3yr UCITS ETF GBP Hedged	1,478,617	1.93
227,317 iShares \$ Treasury Bond 20+yr UCITS ETF GBP Hedged	768,445	1.00
265,591 Vanguard USD Treasury Bond UCITS ETF USD	5,296,416	6.92
Total USD Government Bond	<u>15,857,639</u>	<u>20.71</u>
COMMODITIES AND NATURAL RESOURCES		
95,844 iShares Physical Gold ETC	3,023,878	3.95
289,321 L&G All Commodities UCITS ETF USD	3,020,511	3.95
Total Commodities and Natural Resources	<u>6,044,389</u>	<u>7.90</u>
GLOBAL		
119,458 SPDR Morningstar Multi-Asset Global Infrastructure UCITS ETF	3,109,492	4.06
Total Global	<u>3,109,492</u>	<u>4.06</u>
PROPERTY OTHER		
168,148 iShares UK Property UCITS ETF GBP	804,336	1.05
Total Property Other	<u>804,336</u>	<u>1.05</u>
SHORT TERM MONEY MARKET		
3,429 Lyxor Smart Overnight Return UCITS ETF 'C' GBP	3,773,443	4.93
Total Short Term Money Market	<u>3,773,443</u>	<u>4.93</u>
SPECIALIST		
53,397 Cohen & Steers Diversified Real Assets 'FX' GBP ^A	770,716	1.01
6,905 iShares £ Ultrashort Bond UCITS ETF GBP	695,610	0.91
Total Specialist	<u>1,466,326</u>	<u>1.92</u>

IFSL CPN OEIC
IFSL CPN DEFENSIVE STRATEGY FUND

PORTFOLIO STATEMENT

as at 31 December 2023

Holding or nominal value		Bid value £	Percentage of total net assets %
	TARGETED ABSOLUTE RETURN		
2,772,893	JPM Global Macro Opportunities 'C' Net ^A	4,428,310	5.79
	Total Targeted Absolute Return	<u>4,428,310</u>	<u>5.79</u>
	Portfolio of investments	71,086,006	92.88
	Net other assets	<u>5,452,714</u>	<u>7.12</u>
	Total net assets	<u><u>76,538,720</u></u>	<u><u>100.00</u></u>

All investments are shares in open-ended exchange traded funds which are authorised or 'recognised' by the FCA with the exception of ^A which are ICVCs / unit trusts.

IFSL CPN OEIC
IFSL CPN DEFENSIVE STRATEGY FUND

STATEMENT OF TOTAL RETURN

for the period from 22 March 2023 to 31 December 2023

	Notes	31 December 2023	
		£	£
Income:			
Net capital gains	2		15,454
Revenue	4	1,505,923	
Expenses	5	<u>(386,624)</u>	
Net revenue before taxation		1,119,299	
Taxation	6	<u>-</u>	
Net revenue after taxation			<u>1,119,299</u>
Total return before distributions			1,134,753
Distributions	7		(1,119,299)
Change in net assets attributable to shareholders from investment activities			<u><u>15,454</u></u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the period from 22 March 2023 to 31 December 2023

	31 December 2023	
	£	£
Opening net assets attributable to shareholders		-
Amounts receivable on issue of shares	78,485,603	
Amounts payable on cancellation of shares	<u>(3,199,630)</u>	
		75,285,973
Change in net assets attributable to shareholders from investment activities		15,454
Retained distribution on accumulation shares		1,237,293
Closing net assets attributable to shareholders		<u><u>76,538,720</u></u>

These are the first annual financial statements since the launch of the sub-fund, therefore there are no comparative figures to disclose.

IFSL CPN OEIC
IFSL CPN DEFENSIVE STRATEGY FUND

BALANCE SHEET
as at 31 December 2023

	Notes	31 December 2023 £
Assets:		
Fixed Assets:		
Investment assets	15	71,086,006
Current Assets:		
Debtors	8	27,794
Cash and bank balances		<u>5,527,490</u>
Total assets		<u>76,641,290</u>
Current Liabilities:		
Creditors:		
Other creditors	9	<u>102,570</u>
Total liabilities		<u>102,570</u>
Net assets attributable to shareholders		<u><u>76,538,720</u></u>

These are the first annual financial statements since the launch of the sub-fund, therefore there are no comparative figures to disclose.

IFSL CPN OEIC
IFSL CPN DEFENSIVE STRATEGY FUND

NOTES TO THE FINANCIAL STATEMENTS

for the period from 22 March 2023 to 31 December 2023

1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES

Please refer to the notes applicable to the Company on pages 9 to 11.

2 NET CAPITAL GAINS

31 December 2023

£

The net gains on investments during the period comprise:

Non-derivative securities losses	(13,433)
Other currency gains	29,854
Transaction charges	(967)
Net capital gains	15,454

3 PURCHASES, SALES AND TRANSACTION COSTS

31 December 2023

£

Purchases excluding transaction costs:

Collective Investment Schemes	25,113,223
Exchange Traded Funds	72,525,215
	<u>97,638,438</u>

Total purchases transaction costs

	-
Total purchases after transaction costs	97,638,438

Sales excluding transaction costs:

Collective Investment Schemes	7,545,366
Exchange Traded Funds	19,805,038
	<u>27,350,404</u>

Total sales transaction costs

	-
Total sales after transaction costs	27,350,404

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 each transaction.

967

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

0.10%

4 REVENUE

31 December 2023

£

Overseas dividends	101,782
Overseas dividends (unfranked)	1,090,352
Interest distributions	197,826
Bank interest	115,963
Total revenue	1,505,923

IFSL CPN OEIC
IFSL CPN DEFENSIVE STRATEGY FUND

NOTES TO THE FINANCIAL STATEMENTS

for the period from 22 March 2023 to 31 December 2023

5 EXPENSES	31 December 2023
	£
Payable to the ACD or associate:	
ACD's periodic charge	344,185
Registration fees	149
KIID production costs	600
	<u>344,934</u>
Other expenses:	
Depository's fees	13,204
Safe Custody fees	2,162
Financial Conduct Authority fee	2,523
Audit fee	8,712
Third party system providers fees	2,169
Legal and professional fees	11,400
Bank interest	1,520
	<u>41,690</u>
Total expenses	<u><u>386,624</u></u>
6 TAXATION	31 December 2023
	£
a Analysis of the tax charge for the period	
Overseas Tax	-
Total tax charge (see note 6(b))	<u><u>-</u></u>
b Factors affecting the tax charge for the period	
The taxation assessed for the period 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	1,119,299
Corporation tax at 20%	<u>223,860</u>
Effects of:	
Revenue not subject to taxation	(20,356)
Deductible interest distributions	(203,504)
Total tax charge (see note 6(a))	<u><u>-</u></u>
7 DISTRIBUTIONS	31 December 2023
	£
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:	
Final	1,237,293
Amounts deducted on cancellation of shares	16,341
Amounts added on issue of shares	(134,335)
Distributions	<u><u>1,119,299</u></u>
Movement between net revenue and distributions:	
Net revenue after taxation	<u>1,119,299</u>
	<u><u>1,119,299</u></u>
8 DEBTORS	31 December 2023
	£
Amounts receivable for issue of shares	27,662
Accrued income	16
Currency receivables	116
Total debtors	<u><u>27,794</u></u>

IFSL CPN OEIC
IFSL CPN DEFENSIVE STRATEGY FUND

NOTES TO THE FINANCIAL STATEMENTS

for the period from 22 March 2023 to 31 December 2023

9 OTHER CREDITORS

31 December 2023
£

Amounts payable for cancellation of shares	33,029
ACD's periodic charge	46,226
Accrued expenses	23,315
Total other creditors	102,570

10 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities as at 31 December 2023.

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 to/from the ACD in respect of share transactions at the period end are disclosed in notes 8 and 9. Amounts paid to the ACD or associates in respect of the ACD's periodic charge and other fees are disclosed in note 5. Amounts due to the ACD at the period end are £52,215.

12 SHARE CLASSES

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

X Accumulation	0.72% ^A
----------------	--------------------

^A A tiered rate will be applied to the AMC. For the first £150m in value the AMC will be 0.72%, for the next £150m in value the AMC will be 0.70%, and for everything over £300m in value the AMC will be 0.68%.

13 SHAREHOLDERS' FUNDS RECONCILIATION

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

	<u>X Accumulation</u>
Opening shares in issue at 22 March 2023	-
Share issues	78,978,798
Share cancellations	(3,293,911)
Closing shares in issue at 31 December 2023	<u>75,684,887</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 £3,554,300. A five per cent decrease would have an equal and opposite effect.

Foreign currency risk

At the period 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 31 December 2023</u>	Investments	Net other assets	Total
	£	£	£
Euro	-	1,217	1,217
Japanese yen	-	2,274,849	2,274,849
US dollar	6,882,060	5	6,882,065
	<u>6,882,060</u>	<u>2,276,071</u>	<u>9,158,131</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 £457,907. A five per cent increase would have an equal and opposite effect.

IFSL CPN OEIC
IFSL CPN DEFENSIVE STRATEGY FUND

NOTES TO THE FINANCIAL STATEMENTS

for the period from 22 March 2023 to 31 December 2023

RISK DISCLOSURES (continued)

Interest rate risk

31 December 2023
£

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

Financial assets floating rate ^A	5,527,490
Financial assets interest bearing instruments	55,928,763
Financial assets non-interest bearing instruments	15,185,037
Financial liabilities non-interest bearing instruments	(102,570)
	<u>76,538,720</u>

^A 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

31 December 2023
£

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

Within one year:	Other creditors	102,570
		<u>102,570</u>

15 FAIR VALUE HIERARCHY FOR INVESTMENTS

	31 December 2023	
	Assets (£)	Liabilities (£)
Basis of valuation		
Level 1 - Quoted prices	53,464,981	-
Level 2 - Observable market data	17,621,025	-
Level 3 - Unobservable data	-	-
	<u>71,086,006</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 29 December 2023, the Net Asset Value per share has changed as follows:

	Net Asset Value (Pence per Share)		
	29 December 2023 ^A	27 March 2024	Movement (%)
X Accumulation	101.20	101.20	0.00%

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

**IFSL CPN OEIC
IFSL CPN DEFENSIVE STRATEGY FUND**

DISTRIBUTION TABLE

Final distribution for the period from 4 April 2023 to 31 December 2023

Group 1: shares purchased prior to 4 April 2023

Group 2: shares purchased on or after 4 April 2023

	Net revenue 31 December 2023 pence per share	Equalisation 31 December 2023 pence per share	Distribution paid 29 February 2024 pence per share
X Accumulation			
Group 1	1.634794	-	1.634794
Group 2	1.363861	0.270933	1.634794

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