

Investment Fund Services

# IFSL CPN OEIC

## Interim Report and Unaudited Financial Statements

for the six month period ended  
30 June 2024



## **IFSL CPN OEIC**

### **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 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.

#### **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

**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.

## IFSL CPN OEIC

### 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.

##### **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>.

##### **Changes in prospectus**

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

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.

## IFSL CPN OEIC

### 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  
27 August 2024

### NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 30 June 2024

#### Basis for preparation

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

#### Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2023 and are described in those annual financial statements.

The investments of the sub-funds have been valued at their fair value at 12 noon on 28 June 2024.

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

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 30 June 2024

**Performance to 30 June 2024**

	<u>Six months</u>	<u>1 year</u>	<u>04.04.2023<sup>A</sup></u>
IFSL CPN Global Opportunities Fund	7.23%	14.22%	15.70%
IA Global	8.68%	14.92%	17.17%

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

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

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

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

**Investment commentary**

The commentary covers the six month period from 1 January 2024 up to 30 June 2024.

Market review

Over the commentary period, inflation and elections have dominated global headlines and been key drivers in global market sentiment. In the United Kingdom (UK), markets have become more optimistic that interest rates have peaked. The Bank of England's rate-setting committee kept interest rates unchanged at 5.25% in March, however what was more significant is that it was the first time since 2021 that no member had voted to increase rates, suggesting that the focus may be turning towards interest rate cuts. UK Growth forecasts also improved based on the idea that with inflation subsiding and consumer purchasing power increasing amid a resilient jobs market it seems that the UK economy may be turning a corner.

The outcome of the UK General Election proved unsurprising as markets were anticipating the Labour victory and as such potential policy changes were already reflected in asset prices. However, markets do prefer certainty, and the prospect of five years of stable government should be beneficial.

In the United States (US), the Federal Reserve is in a similar position to the Bank of England as it kept interest rates on hold but signalled that they expect cuts later this year, this slightly tempered markets as interest rate cuts were expected slightly sooner. Despite this, the US economy continued to outperform the rest of the developed world, with inflation falling towards target and unemployment remaining at 4%. The GDP growth rate has slowed down from its peak in the third quarter of 2023, but it remains good. The S&P 500 reached multiple new record highs across the period, with the gains being concentrated in a handful of the large tech companies that are continuing to capitalise on the Artificial Intelligence (AI) boom delivering stellar earnings reports.

Europe had a turbulent first half of the year. Initially there were signs that pointed to economic improvements, with European stocks producing healthy returns, however the latter part of the period was marred by political uncertainty. The European Union elections saw a substantial shift towards populist parties, raising fears that political dysfunction could lead to negative market outcomes. Snap elections in France added to the uncertainty in the continent as it opened the door for a potential far-right or far-left party wielding control in France's legislative body.

Performance review

Since the start of the period, the sub-fund has delivered a return of 7.23% compared to the Investment Association Global sector, the sub-fund's performance comparator benchmark, which returned 8.68%.

The US continued to dominate equity market returns over the period thanks to the continued outperformance of the 'Magnificent Seven' – a group of large tech and artificial intelligence (AI) stocks. We increased our exposure to the US throughout the commentary period and as such were able to capitalize on the strong performance of these companies.

Emerging market performance has been mixed across the region. India has been the star region with the Franklin FTSE India UCITS ETF gaining over 17% despite a slight wobble due to the unexpected tightness of the Indian elections. In comparison, Latin America has had a negative influence on the portfolio with the region performing poorly, due to a mixture of currency weakness and political uncertainty.

Within the portfolio, we have held a long-term bias towards small companies which have generally underperformed their large counterparts over the last couple of years, and this commentary period did not prove to be an exception. Small companies tend to have an increased sensitivity to heightened interest rates, and economic data, particularly from the US, increased market uncertainty on the size and timing of interest rate cuts which has been detrimental to small company performance. We still retain our bias, due to the cheap valuations of small companies and our belief that interest rate cuts will provide a catalyst for performance growth.



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

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 30 June 2024

**Investment commentary** (continued)

Market outlook

The worldwide inflation surge, which was front and centre in investors' minds for the last three years, seems to be entering the rear-view mirror. The European Central Bank has already cut interest rates once, whilst other central banks have signalled that they expect to follow suit later this year. We expect rate cuts to come, albeit slowly as central banks will be cautious not to cut to dramatically and risk the return of inflation. This has the potential to provide opportunities in equities going forward as a lower interest rate environment could stimulate economies and provide the springboard for growth amongst developed markets.

In the UK and Europe, the new political regimes will be under examination. Throughout their election campaign, Labour committed to tight spending controls and promised not to make radical changes to fiscal policy, but other policy levers may be pulled which could influence market movements. Across the Atlantic, America is months away from their Presidential elections. Both candidates are unlikely to want to disrupt America's soaring stock market, however the outcome will likely alter the geopolitical landscape for the next four years.

CPN Investment Management LLP  
06 August 2024

**Distributions**

	<u>Year 2024</u>
<u>X Accumulation (pence per share)</u>	
Net accumulation paid on the last day of February	0.9568
Net accumulation paid 31 August	0.0392

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
iShares Edge MSCI Europe Quality Factor UCITS ETF EUR	14,388,161
Invesco Nasdaq-100 Equal Weight UCITS ETF	13,002,493
Xtrackers MSCI World Quality UCITS ETF '1C'	11,888,874
Ishares S&P 500 Equal Weight UCITS ETF GBP	6,516,442
Xtrackers S&P 500 UCITS ETF '2C' GBP Hedged	4,947,625
Vanguard S&P 500 UCITS ETF USD	2,600,266
Franklin FTSE China UCITS ETF	2,511,038
Vanguard FTSE 250 UCITS ETF GBP	2,496,337
Vanguard FTSE Developed Asia Pacific ex. Japan UCITS ETF USD	2,445,777
HSBC MSCI Emerging Markets UCITS ETF USD	2,389,681
Other purchases	7,476,089
Total purchases for the period	70,662,783

<u>Largest sales</u>	<u>Proceeds (£)</u>
L&G Europe ex UK Equity UCITS ETF EUR	13,278,120
Xtrackers NASDAQ 100 UCITS ETF '1C'	13,146,977
Xtrackers MSCI World Value UCITS ETF '1C'	11,611,692
WS Lightman European 'I'	7,708,343
L&G UK Equity UCITS ETF GBP	4,566,096
Vanguard FTSE 250 UCITS ETF GBP	4,385,366
iShares Edge MSCI Europe Quality Factor UCITS ETF EUR	2,281,544
WisdomTree UK Equity Income UCITS ETF	1,881,033
HSBC MSCI Emerging Markets UCITS ETF USD	1,742,068
Franklin FTSE China UCITS ETF	738,971
Other sales	3,659,723
Total sales for the period	64,999,933

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

**COMPARATIVE TABLE**

**X Accumulation shares**

<b>Change in net assets per share</b>	<b>Period to 30.06.2024 pence</b>	<b>Year to 31.12.2023<sup>A</sup> pence</b>
Opening net asset value per share	107.80	100.00
Return before operating charges*	8.37	8.55
Operating charges	(0.54)	(0.75)
Return after operating charges*	7.83	7.80
Distributions on accumulation shares	(0.04)	(0.96)
Retained distributions on accumulation shares	0.04	0.96
Closing net asset value per share	115.63	107.80

\* after direct transaction costs of:

- -

**Performance**

Return after charges<sup>B</sup> 7.26% 7.80%

**Other information**

Closing net asset value (£)	217,915,609	195,666,160
Closing number of shares	188,455,455	181,507,572
Operating charges	0.97% <sup>C,D</sup>	1.00% <sup>C,D</sup>
Direct transaction costs	0.00%	0.00%

**Prices (pence per share)**

Highest share price	116.30	107.90
Lowest share price	104.60	96.43

<sup>A</sup> This share class launched on 22 March 2023 with shares initially issued on 3 April 2023 at 100 pence.

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

<sup>C</sup> This figure has 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 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](http://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**

Lower risk Higher risk

←-----→

Typically lower rewards Typically higher rewards

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

The sub-fund has been measured as 6 because its investments have experienced high volatility in the past. During the period the synthetic risk and reward indicator has remained unchanged.

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

**PORTFOLIO STATEMENT**

as at 30 June 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>ASIA PACIFIC EXCLUDING JAPAN</b> (31 December 2023 - 2.06%)		
262,595 Vanguard FTSE Developed Asia Pacific ex. Japan UCITS ETF USD	6,433,579	2.95
Total Asia Pacific excluding Japan	<u>6,433,579</u>	<u>2.95</u>
<b>CHINA / GREATER CHINA</b> (31 December 2023 - 1.90%)		
353,088 Franklin FTSE China UCITS ETF	6,033,568	2.77
Total China / Greater China	<u>6,033,568</u>	<u>2.77</u>
<b>EUROPE EXCLUDING UK</b> (31 December 2023 - 13.89%)		
59,572 UBS MSCI EMU Small Cap UCITS ETF 'A' EUR	6,128,767	2.81
Total Europe Excluding UK	<u>6,128,767</u>	<u>2.81</u>
<b>EUROPE INCLUDING UK</b> (31 December 2023 - 1.98%)		
1,924,927 iShares Edge MSCI Europe Quality Factor UCITS ETF EUR	17,324,343	7.95
Total Europe Including UK	<u>17,324,343</u>	<u>7.95</u>
<b>GLOBAL</b> (31 December 2023 - 15.22%)		
3,370,554 iShares MSCI World Small Cap UCITS ETF USD	18,918,920	8.68
245,324 Xtrackers MSCI World Quality UCITS ETF '1C'	13,443,755	6.17
Total Global	<u>32,362,675</u>	<u>14.85</u>
<b>GLOBAL EMERGING MARKETS</b> (31 December 2023 - 5.93%)		
1,509,359 HSBC MSCI Emerging Markets UCITS ETF USD	13,044,635	5.99
Total Global Emerging Markets	<u>13,044,635</u>	<u>5.99</u>
<b>INDIA / INDIAN SUBCONTINENT</b> (31 December 2023 - 0.99%)		
64,717 Franklin FTSE India UCITS ETF	2,350,198	1.08
Total India / Indian Subcontinent	<u>2,350,198</u>	<u>1.08</u>
<b>JAPAN</b> (31 December 2023 - 4.87%)		
978,846 L&G Japan Equity UCITS ETF USD	10,765,348	4.94
Total Japan	<u>10,765,348</u>	<u>4.94</u>
<b>LATIN AMERICA</b> (31 December 2023 - 1.01%)		
156,979 iShares MSCI EM Latin America UCITS ETF USD	1,859,416	0.85
Total Latin America	<u>1,859,416</u>	<u>0.85</u>
<b>NORTH AMERICA</b> (31 December 2023 - 23.00%)		
2,815,048 Invesco Nasdaq-100 Equal Weight UCITS ETF	13,244,406	6.08
1,142,386 iShares S&P 500 Equal Weight UCITS ETF GBP	6,454,481	2.96
218,652 Vanguard S&P 500 UCITS ETF USD	18,029,497	8.27
326,724 Xtrackers S&P 500 UCITS ETF '2C' GBP Hedged	29,738,418	13.65
Total North America	<u>67,466,802</u>	<u>30.96</u>
<b>NORTH AMERICAN SMALLER COMPANIES</b> (31 December 2023 - 9.44%)		
91,657 iShares S&P SmallCap 600 UCITS ETF USD	6,243,675	2.87
254,834 SPDR MSCI USA Small Cap Value Weighted UCITS ETF	12,416,487	5.70
Total North American Smaller Companies	<u>18,660,162</u>	<u>8.57</u>
<b>UK ALL COMPANIES</b> (31 December 2023 - 12.91%)		
296,217 Amundi Prime UK Mid and Small Cap UCITS ETF GBP	6,501,963	2.98
449,189 L&G UK Equity UCITS ETF GBP	6,322,784	2.90
270,465 Vanguard FTSE 250 UCITS ETF GBP	8,470,964	3.89
Total UK All Companies	<u>21,295,711</u>	<u>9.77</u>
<b>UK EQUITY INCOME</b> (31 December 2023 - 1.00%)		

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

**PORTFOLIO STATEMENT**

as at 30 June 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>UK SMALLER COMPANIES</b> (31 December 2023 - 4.00%)		
4,264,232 WS Gresham House UK Micro Cap 'C Inst' <sup>A</sup>	8,727,604	4.00
Total UK Smaller Companies	<u>8,727,604</u>	<u>4.00</u>
<b>Portfolio of investments</b>	212,452,808	97.49
<b>Net other assets</b>	<u>5,462,801</u>	<u>2.51</u>
<b>Total net assets</b>	<u><u>217,915,609</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 <sup>A</sup> which are ICVCs / unit trusts.

**PORTFOLIO TRANSACTIONS**

for the six month period ended 30 June 2024

	£
Total purchases cost, including transaction charges	70,662,783
Total sales proceeds, net of transaction charges	64,999,933

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

**STATEMENT OF TOTAL RETURN**

for the six month period ended 30 June 2024

	<b>30 June 2024</b>	
	£	£
Income:		
Net capital gains		14,439,661
Revenue	817,695	
Expenses	<u>(772,446)</u>	
Net revenue before taxation	45,249	
Taxation	<u>-</u>	
Net revenue after taxation		<u>45,249</u>
Total return before distributions		14,484,910
Distributions		(45,249)
Change in net assets attributable to shareholders from investment activities		<u><u>14,439,661</u></u>

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

for the six month period ended 30 June 2024

	<b>30 June 2024</b>	
	£	£
Opening net assets attributable to shareholders		195,666,160
Amounts receivable on issue of shares	11,996,748	
Amounts payable on cancellation of shares	<u>(4,260,868)</u>	
		7,735,880
Change in net assets attributable to shareholders from investment activities		14,439,661
Retained distribution on accumulation shares		73,908
Closing net assets attributable to shareholders		<u><u>217,915,609</u></u>

Comparative figures have not been included as these are the first interim financial statements since the launch of the sub-fund.

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

**BALANCE SHEET**  
as at 30 June 2024

	<b>30 June 2024</b>	<b>31 December 2023</b>
	£	£
<b>Assets:</b>		
<b>Fixed Assets:</b>		
Investment assets	212,452,808	192,145,487
<b>Current Assets:</b>		
Debtors	98,156	54,101
Cash and bank balances	5,952,914	3,778,375
Total assets	<u>218,503,878</u>	<u>195,977,963</u>
<b>Current Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	588,269	311,803
Total liabilities	<u>588,269</u>	<u>311,803</u>
<b>Net assets attributable to shareholders</b>	<u><u>217,915,609</u></u>	<u><u>195,666,160</u></u>

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

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 30 June 2024

**Performance to 30 June 2024**

	<u>Six months</u>	<u>1 year</u>	<u>04.04.2023<sup>A</sup></u>
IFSL CPN Defensive Strategy Fund	0.30%	4.63%	1.50%
IA Mixed Investment 0-35% Shares	2.12%	7.58%	6.24%

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

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

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

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

**Investment commentary**

The commentary covers the six month period from 1 January 2024 up to 30 June 2024.

Market review

Over the commentary period, inflation and elections have dominated global headlines and been key drivers in global market sentiment. In the United Kingdom (UK), markets have become more optimistic that interest rates have peaked. The Bank of England's rate-setting committee kept interest rates unchanged at 5.25% in March, however what was more significant is that it was the first time since 2021 that no member had voted to increase rates, suggesting that the focus may be turning towards interest rate cuts. UK Growth forecasts also improved based on the idea that with inflation subsiding and consumer purchasing power increasing amid a resilient jobs market it seems that the UK economy may be turning a corner.

The outcome of the UK General Election proved unsurprising as markets were anticipating the Labour victory and as such potential policy changes were already reflected in asset prices. However, markets do prefer certainty, and the prospect of five years of stable government should be beneficial.

In the United States (US), the Federal Reserve is in a similar position to the Bank of England as it kept interest rates on hold but signalled that they expect cuts later this year, this slightly tempered markets as interest rate cuts were expected slightly sooner. Despite this, the US economy continued to outperform the rest of the developed world, with inflation falling towards target and unemployment remaining at 4%. The GDP growth rate has slowed down from its peak in the third quarter of 2023, but it remains good. The S&P 500 reached multiple new record highs across the period, with the gains being concentrated in a handful of the large tech companies that are continuing to capitalise on the Artificial Intelligence (AI) boom delivering stellar earnings reports.

Europe had a turbulent first half of the year. Initially there were signs that pointed to economic improvements, with European stocks producing healthy returns, however the latter part of the period was marred by political uncertainty. The European Union elections saw a substantial shift towards populist parties, raising fears that political dysfunction could lead to negative market outcomes. Snap elections in France added to the uncertainty in the continent as it opened the door for a potential far-right or far-left party wielding control in France's legislative body. Investors were frightened by the instability and the spread of French Government Bonds (OATS) over German Government Bonds (Bunds) widened to its largest in seven years.

Performance review

Since the start of the period, the sub-fund has delivered a return of 0.30% compared to the Investment Association Mixed Investment 0-35% Shares sector, the sub-fund's performance comparator benchmark, which returned 2.12%.

Gold was the standout performer over the commentary period, with the precious metal reaching record highs. Multiple factors have driven the price of gold upwards, such as increased global political risk, inflation hedging\* and central bank purchasing to diversify their reserves. Uncertainty both economically and geopolitically has typically been a boon for gold, due to its safe-haven status and its low correlation with other traditional asset classes allowing it to potentially perform when other markets are falling.

European Bonds proved to be a detractor to performance. Optimism that the European Central Bank was going to be the first central bank to cut interest rates was outweighed by the political uncertainty in the bloc and led to yields\* increasing.

Our position in the Japanese Yen was also a detriment. The currency hit a 34-year low against the dollar during the commentary period, the Federal Reserve's decision to push back interest rate cuts to later in the year meant that the interest rate differential, that played a part in the Yen's weakening, would be sustained for longer. Despite the weakening of the currency, we have retained our position in the Yen with the view that the currency will appreciate when the interest rate differentials are narrowed. 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.

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

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 30 June 2024

**Investment commentary** (continued)

Market outlook

The worldwide inflation surge, which was front and centre in investors' minds for the last three years, seems to be entering the rear-view mirror. The European Central Bank has already cut interest rates once, whilst other central banks have signalled that they expect to follow suit later this year. We expect rate cuts to come, albeit slowly as central banks will be cautious not to cut to dramatically and risk the return of inflation. This has the potential to provide opportunities across the fixed-income universe with yields likely to fall on the back of interest rate cuts.

In the UK and Europe, the new political regimes will be under examination. Throughout their election campaign, Labour committed to tight spending controls and promised not to make radical changes to fiscal policy, but other policy levers may be pulled which could influence market movements. Across the Atlantic, America is months away from their Presidential elections. Both candidates are unlikely to want to disrupt America's soaring stock market, however the outcome will likely alter the geopolitical landscape for the next four years.

CPN Investment Management LLP  
06 August 2024

Description of terms\*

Hedging - Used to mitigate or manage risk by making investments that offset potential losses in other investments.

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
Net accumulation paid 31 August	1.007494

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
Xtrackers II Eurozone Government Bond UCITS ETF 2D GBP	8,835,404
Invesco US Treasury Bond UCITS ETF GBP Hedged	6,908,487
AXA Global Strategic Bond 'S' GBP	6,711,468
HSBC Global Funds ICAV - China Government Local Bond ETF SH GBP	4,830,783
Amundi US Corporate Bond ETF GBP	4,022,544
JPM USD Emerging Markets Sovereign Bond UCITS ETF GBP	4,020,858
L&G ESG Corporate Bond UCITS ETF GBP	3,224,436
iShares Core € Corp Bond UCITS ETF GBP	3,214,994
Amundi UK Government Inflation-Linked Bond UCITS ETF	1,697,327
iShares € Govt Bond 15-30yr UCITS ETF EUR	1,606,200
Other purchases	7,227,467
Total purchases for the period	52,299,968
<u>Largest sales</u>	<u>Proceeds (£)</u>
Vanguard USD Treasury Bond UCITS ETF USD	5,528,435
iShares Core Global Aggregate Bond UCITS ETF GBP Hedged	4,817,874
iShares Global Corp Bond UCITS ETF GBP Hedged	4,742,131
Lyxor Smart Overnight Return UCITS ETF 'C' GBP	4,012,669
Vanguard USD Emerging Markets Government Bond UCITS ETF	3,917,219
Fidelity Index Sterling Corporate Bond 'S'	3,202,176
Amundi UK Government Inflation-Linked Bond UCITS ETF	3,165,485
Invesco US Treasury Bond 0-1 Year UCITS ETF GBP Hedged	2,405,593
JPM Global Macro Opportunities 'C' Net	2,368,126
iShares UK Property UCITS ETF GBP	1,683,189
Other sales	10,712,355
Total sales for the period	46,555,252



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

**COMPARATIVE TABLE**

**X Accumulation shares**

<b>Change in net assets per share</b>	<b>Period to 30.06.2024 pence</b>	<b>Year to 31.12.2023<sup>A</sup> pence</b>
Opening net asset value per share	101.13	100.00
Return before operating charges*	0.77	1.84
Operating charges	(0.47)	(0.71)
Return after operating charges*	0.30	1.13
Distributions on accumulation shares	(1.01)	(1.63)
Retained distributions on accumulation shares	1.01	1.63
Closing net asset value per share	101.43	101.13

\* after direct transaction costs of:

- -

**Performance**

Return after charges<sup>B</sup> 0.30% 1.13%

**Other information**

Closing net asset value (£)	81,005,270	76,538,720
Closing number of shares	79,865,522	75,684,887
Operating charges	0.94% <sup>C,D</sup>	0.98% <sup>C,D</sup>
Direct transaction costs	0.00%	0.00%

**Prices (pence per share)**

Highest share price	102.00	101.30
Lowest share price	99.43	95.86

<sup>A</sup> This share class launched on 22 March 2023 at 100 pence with shares initially issued on 3 April 2023 at 100 pence.

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

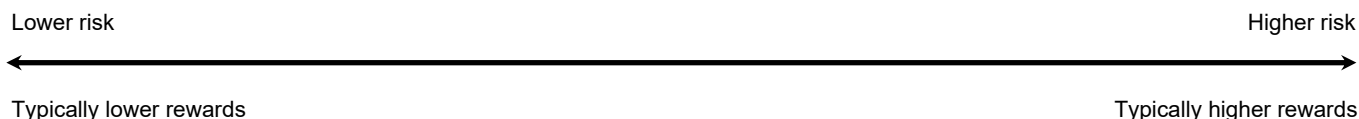
<sup>C</sup> This figure has been annualised.

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

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

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

**PORTFOLIO STATEMENT**

as at 30 June 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>GLOBAL CORPORATE BOND (31 December 2023 - 7.05%)</b>		
181,203 iShares Global Corp Bond UCITS ETF GBP Hedged	813,511	1.00
Total Global Corporate Bond	<u>813,511</u>	<u>1.00</u>
<b>GLOBAL EMERGING MARKETS BOND (31 December 2023 - 6.90%)</b>		
172,234 iShares JP Morgan \$ EM Corp Bond UCITS ETF USD	812,787	1.00
66,791 JPM USD Emerging Markets Sovereign Bond UCITS ETF GBP	4,047,120	5.00
Total Global Emerging Markets Bond	<u>4,859,907</u>	<u>6.00</u>
<b>GLOBAL MIXED BOND (31 December 2023 - 6.07%)</b>		
<b>GLOBAL GOVERNMENT BOND (31 December 2023 - Nil)</b>		
458,681 HSBC Global Funds ICAV - China Government Local Bond ETF SH Gf	4,872,110	6.02
Total Global Government Bond	<u>4,872,110</u>	<u>6.02</u>
<b>GLOBAL HIGH YIELD BOND (31 December 2023 - Nil)</b>		
162,686 iShares Fallen Angels High Yield Corporate Bond UCITS ETF GBP	784,391	0.97
Total Global High Yield Bond	<u>784,391</u>	<u>0.97</u>
<b>EUR CORPORATE BOND (31 December 2023 - Nil)</b>		
660,991 iShares Core € Corp Bond UCITS ETF GBP	3,241,830	4.00
Total EUR Corporate Bond	<u>3,241,830</u>	<u>4.00</u>
<b>EUR GOVERNMENT BOND (31 December 2023 - Nil)</b>		
10,865 iShares € Govt Bond 15-30yr UCITS ETF EUR	1,595,851	1.97
1,414,434 Xtrackers II Eurozone Government Bond UCITS ETF 2D GBP	8,864,258	10.94
Total EUR Government Bond	<u>10,460,109</u>	<u>12.91</u>
<b>STERLING CORPORATE BOND (31 December 2023 - 4.11%)</b>		
400,795 L&G ESG Corporate Bond UCITS ETF GBP	3,243,634	4.00
Total Sterling Corporate Bond	<u>3,243,634</u>	<u>4.00</u>
<b>STERLING STRATEGIC BOND (31 December 2023 - 12.12%)</b>		
13,852,775 AXA Global Strategic Bond 'S' GBP <sup>A</sup>	14,531,561	17.94
Total Sterling Strategic Bond	<u>14,531,561</u>	<u>17.94</u>
<b>UK GILTS (31 December 2023 - 8.18%)</b>		
21,138 SPDR Bloomberg Barclays 15+ Year Gilt UCITS ETF	832,626	1.03
369,178 Vanguard UK Gilt UCITS ETF GBP	7,394,635	9.13
Total UK Gilts	<u>8,227,261</u>	<u>10.16</u>
<b>UK INDEX-LINKED GILTS (31 December 2023 - 2.09%)</b>		
<b>USD GOVERNMENT BOND (31 December 2023 - 20.71%)</b>		
364,694 Invesco US Treasury Bond UCITS ETF GBP Hedged	12,157,074	15.01
Total USD Government Bond	<u>12,157,074</u>	<u>15.01</u>
<b>USD CORPORATE BOND (31 December 2023 - Nil)</b>		
388,224 Amundi US Corporate Bond ETF GBP	4,084,116	5.04
Total USD Corporate Bond	<u>4,084,116</u>	<u>5.04</u>
<b>COMMODITIES AND NATURAL RESOURCES (31 December 2023 - 7.90%)</b>		
67,340 iShares Physical Gold ETC	2,416,159	2.98
287,336 LGIM ETF Managers Ltd All Commodities UCITS ETF	3,185,120	3.93
Total Commodities and Natural Resources	<u>5,601,279</u>	<u>6.91</u>
<b>GLOBAL (31 December 2023 - 4.06%)</b>		
63,143 SPDR Morningstar Multi-Asset Global Infrastructure UCITS ETF	1,641,087	2.03
Total Global	<u>1,641,087</u>	<u>2.03</u>

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

**PORTFOLIO STATEMENT**

as at 30 June 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>PROPERTY OTHER</b> (31 December 2023 - 1.05%)		
<b>SHORT TERM MONEY MARKET</b> (31 December 2023 - 4.93%)		
<b>SPECIALIST</b> (31 December 2023 - 1.92%)		
<b>TARGETED ABSOLUTE RETURN</b> (31 December 2023 - 5.79%)		
1,475,536 JPM Global Macro Opportunities 'C' Net <sup>A</sup>	2,422,830	2.99
Total Targeted Absolute Return	<u>2,422,830</u>	<u>2.99</u>
<b>Portfolio of investments</b>	76,940,700	94.98
<b>Net other assets</b>	<u>4,064,570</u>	<u>5.02</u>
<b>Total net assets</b>	<u><u>81,005,270</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 <sup>A</sup> which are ICVCs / unit trusts.

**PORTFOLIO TRANSACTIONS**

for the six month period ended 30 June 2024

	£
Total purchases cost, including transaction charges	52,299,968
Total sales proceeds, net of transaction charges	46,555,252

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

**STATEMENT OF TOTAL RETURN**

for the six month period ended 30 June 2024

	<b>30 June 2024</b>	
	£	£
Income:		
Net capital losses		(511,937)
Revenue	1,081,391	
Expenses	<u>(301,348)</u>	
Net revenue before taxation	780,043	
Taxation	<u>-</u>	
Net revenue after taxation		<u>780,043</u>
Total return before distributions		268,106
Distributions		(780,043)
Change in net assets attributable to shareholders from investment activities		<u><u>(511,937)</u></u>

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

for the six month period ended 30 June 2024

	<b>30 June 2024</b>	
	£	£
Opening net assets attributable to shareholders		76,538,720
Amounts receivable on issue of shares	5,756,346	
Amounts payable on cancellation of shares	<u>(1,582,499)</u>	
		4,173,847
Change in net assets attributable to shareholders from investment activities		(511,937)
Retained distribution on accumulation shares		804,640
Closing net assets attributable to shareholders		<u><u>81,005,270</u></u>

Comparative figures have not been included as these are the first interim financial statements since the launch of the sub-fund.

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

**BALANCE SHEET**  
as at 30 June 2024

	<b>30 June 2024</b>	<b>31 December 2023</b>
	£	£
<b>Assets:</b>		
<b>Fixed Assets:</b>		
Investment assets	76,940,700	71,086,006
<b>Current Assets:</b>		
Debtors	36,835	27,794
Cash and bank balances	4,271,158	5,527,490
Total assets	<u>81,248,693</u>	<u>76,641,290</u>
<b>Current Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	243,423	102,570
Total liabilities	<u>243,423</u>	<u>102,570</u>
<b>Net assets attributable to shareholders</b>	<u><u>81,005,270</u></u>	<u><u>76,538,720</u></u>

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