

Investment Fund Services

# IFSL atomos OEIC

Interim Report and Unaudited  
Financial Statements

for the six month period ended 31 July 2024

## IFSL ATOMOS 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

Atomos Investments Limited  
2nd Floor  
5 Hatfields (alto)  
London  
SE1 9PG

#### Sub-Investment Manager

Towers Watson Limited  
Watson House  
London Road  
Reigate  
Surrey  
RH2 9PQ

#### Depository

HSBC Bank plc  
8 Canada Square  
London  
E14 5HQ

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

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

SS&C Financial Services International Limited  
New Marlborough House  
55-57 Chorley New Road  
Bolton  
BL1 4QR

#### 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 ATOMOS OEIC**

<b>CONTENTS</b>	<b>PAGE</b>
AUTHORISED STATUS	1
GENERAL INFORMATION	1
AUTHORISED CORPORATE DIRECTOR'S STATEMENT	8
NOTES TO THE INTERIM FINANCIAL STATEMENTS	8
<b>INDIVIDUAL SUB-FUNDS</b>	
IFSL ATOMOS GROWTH FUND	9
IFSL ATOMOS BALANCED FUND	18
IFSL ATOMOS CAUTIOUS FUND	27
IFSL ATOMOS DEFENSIVE FUND	36
IFSL ATOMOS CONSERVATIVE FUND	45

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

AUTHORISED INVESTMENT MANAGER'S REPORT

COMPARATIVE TABLE

SYNTHETIC RISK AND REWARD INDICATOR

PORTFOLIO STATEMENT

PORTFOLIO TRANSACTIONS

### **UNAUDITED INTERIM FINANCIAL STATEMENTS**

STATEMENT OF TOTAL RETURN

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

BALANCE SHEET

## IFSL ATOMOS OEIC

### AUTHORISED STATUS

IFSL atomos OEIC (the Company) is an open-ended investment company (OEIC) with variable capital incorporated under the OEIC Regulations. The Company is a UCITS as defined in 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 IC002569. The Company was authorised by an order made by the Financial Conduct Authority (FCA) with effect from 20 December 2018. The Company has an unlimited duration.

The Company currently has five sub-funds: IFSL atomos Growth Fund; IFSL atomos Balanced Fund; IFSL atomos Cautious Fund; IFSL atomos Defensive Fund; and IFSL atomos Conservative 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 atomos Growth Fund

##### Investment objective

The investment objective of the sub-fund is to grow the value of your investment over a period of at least 5 years. This growth is expected to come from a combination of profit on investments and income 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.

At least 70% of the sub-fund will be invested in other funds, including exchange traded funds and investment trusts. This may include other funds managed by the Authorised Corporate Director or Investment Manager.

The sub-fund will be managed on a higher risk strategy, and through these other funds gain exposure to between 70-100% in the shares of companies.

Up to 30% of the sub-fund will be exposed to bonds, which are loans typically issued by companies and governments. This may include investment grade bonds, where the issuer has a higher capacity to repay the debt, as well as sub-investment grade bonds, which can be more vulnerable to changing market conditions but typically pay a higher rate of interest.

The sub-fund may also have exposure to other assets, such as:

- up to 20% in money market instruments, which are shorter term loans.
- property and commodities, such as gold and oil up to a maximum of 30%. Although the sub-fund will have exposure to no more than 10% in any one commodity type or physical property.

The sub-fund may also gain exposure to the above asset classes through investing directly (other than in respect of property or commodities).

Investments will cover a range of global markets, with no more than 30% of the sub-fund being invested in emerging or frontier markets.

The sub-fund may use derivatives and structured products (instruments whose returns are linked to another asset or other variable factor such as exchange rates or stock markets) for the purposes of efficient portfolio management (including hedging) and for meeting the investment objectives of the sub-fund. The sub-fund will not always hold these instruments however at times they may be held for extended periods. Derivatives may be used to increase or decrease market or currency exposure. It is expected the use of derivatives will not have a significant impact on the risk profile of the sub-fund.

The sub-fund may also invest in other funds which are permitted to use derivatives to varying degrees.

The sub-fund will hold up to 20% in cash to enable the ready settlement of liabilities (including redemptions) and for the efficient management of the sub-fund.

## IFSL ATOMOS OEIC

### GENERAL INFORMATION

#### IFSL atomos Growth Fund (continued)

##### Investment strategy

The investment strategy is primarily a fund of funds approach (which is a fund that invests in other funds), seeking to generate long term investment growth, through a diversified allocation to a range of asset classes, within the scope of the investment policy.

The Investment Manager will assess the appropriate weightings for each asset class and fund based on their:

- view of the risk, return and other characteristics of the asset class;
- assessment of the capabilities of the manager of the fund; and
- view of the market and economic outlook.

Both passive and active funds will be considered for inclusion in the sub-fund.

##### Assessing performance

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

The sub-fund's investment policy puts it in the IA Flexible Investment sector. You may want to assess the sub-fund's performance compared to the performance of this sector.

From time to time, due to the nature of the IA Flexible Investment sector, the sub-fund may have an asset allocation which is different to the average of the sector. This variable nature of the sector should be taken into consideration when comparing the performance of the sub-fund.

#### IFSL atomos Balanced Fund

##### Investment objective

The investment objective of the sub-fund is to grow the value of your investment over a period of at least 5 years. This growth is expected to come from a combination of profit on investments and income 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.

At least 70% of the sub-fund will be invested in other funds, including exchange traded funds and investment trusts. This may include other funds managed by the Authorised Corporate Director or Investment Manager.

The sub-fund will be managed on a medium to high risk strategy, and through these other funds gain exposure to between 50-80% in the shares of companies.

Up to 50% of the sub-fund will be exposed to bonds, which are loans typically issued by companies and governments. This may include investment grade bonds, where the issuer has a higher capacity to repay the debt, as well as sub-investment grade bonds, which can be more vulnerable to changing market conditions but typically pay a higher rate of interest.

The sub-fund may also have exposure to other assets, such as:

- up to 20% in money market instruments, which are shorter term loans.
- property and commodities, such as gold and oil up to a maximum of 30%. Although the sub-fund will have exposure to no more than 10% in any one commodity type or physical property.

The sub-fund may also gain exposure to the above asset classes through investing directly (other than in respect of property or commodities).

Investments will cover a range of global markets, with no more than 30% of the sub-fund being invested in emerging or frontier markets.

The sub-fund may use derivatives and structured products (instruments whose returns are linked to another asset or other variable factor such as exchange rates or stock markets) for the purposes of efficient portfolio management (including hedging) and for meeting the investment objectives of the sub-fund. The sub-fund will not always hold these instruments however at times they may be held for extended periods. Derivatives may be used to increase or decrease market or currency exposure. It is expected the use of derivatives will not have a significant impact on the risk profile of the sub-fund.

## IFSL ATOMOS OEIC

### GENERAL INFORMATION

#### IFSL atomos Balanced Fund (continued)

##### Investment policy (continued)

The sub-fund may also invest in other funds which are permitted to use derivatives to varying degrees.

The sub-fund will hold up to 20% in cash to enable the ready settlement of liabilities (including redemptions) and for the efficient management of the sub-fund.

##### Investment strategy

The investment strategy is primarily a fund of funds approach (which is a fund that invests in other funds), seeking to generate long term investment growth, through a diversified allocation to a range of asset classes, within the scope of the investment policy.

The Investment Manager will assess the appropriate weightings for each asset class and fund based on their:

- view of the risk, return and other characteristics of the asset class;
- assessment of the capabilities of the manager of the fund; and
- view of the market and economic outlook.

Both passive and active funds will be considered for inclusion in the sub-fund.

##### Assessing performance

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

The sub-fund's investment policy puts it in the IA Mixed Investment 40-85% Shares sector. You may want to assess the sub-fund's performance compared to the performance of this sector.

#### IFSL atomos Cautious Fund

##### Investment objective

The investment objective of the sub-fund is to grow the value of your investment over a period of at least 5 years. This growth is expected to come from a combination of profit on investments and income 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.

At least 70% of the sub-fund will be invested in other funds, including exchange traded funds and investment trusts. This may include other funds managed by the Authorised Corporate Director or Investment Manager.

The sub-fund will be managed on a medium risk strategy, and through these other funds gain exposure to between 30-60% in the shares of companies.

Between 30-70% of the sub-fund will be exposed to bonds, which are loans typically issued by companies and governments. This may include investment grade bonds, where the issuer has a higher capacity to repay the debt, as well as sub-investment grade bonds, which can be more vulnerable to changing market conditions but typically pay a higher rate of interest.

The sub-fund may also have exposure to other assets such as:

- up to 20% in money market instruments, which are shorter term loans.
- property and commodities, such as gold and oil up to a maximum of 30%. Although the sub-fund will have exposure to no more than 10% in any one commodity type or physical property.

The sub-fund may also gain exposure to the above asset classes through investing directly (other than in respect of property or commodities).

Investments will cover a range of global markets, with no more than 30% of the sub-fund being invested in emerging or frontier markets.

## IFSL ATOMOS OEIC

### GENERAL INFORMATION

#### IFSL atomos Cautious Fund (continued)

##### Investment policy (continued)

The sub-fund may use derivatives and structured products (instruments whose returns are linked to another asset or other variable factor such as exchange rates or stock markets) for the purposes of efficient portfolio management (including hedging) and for meeting the investment objectives of the sub-fund. The sub-fund will not always hold these instruments however at times they may be held for extended periods. Derivatives may be used to increase or decrease market or currency exposure. It is expected the use of derivatives will not have a significant impact on the risk profile of the sub-fund.

The sub-fund may also invest in other funds which are permitted to use derivatives to varying degrees.

The sub-fund will hold up to 20% in cash to enable the ready settlement of liabilities (including redemptions) and for the efficient management of the sub-fund.

##### Investment strategy

The investment strategy is primarily a fund of funds approach (which is a fund that invests in other funds), seeking to generate long term investment growth, through a diversified allocation to a range of asset classes, within the scope of the investment policy.

The Investment Manager will assess the appropriate weightings for each asset class and fund based on their:

- view of the risk, return and other characteristics of the asset class;
- assessment of the capabilities of the manager of the fund; and
- view of the market and economic outlook.

Both passive and active funds will be considered for inclusion in the sub-fund.

##### Assessing performance

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

The sub-fund's investment policy puts it in the IA Mixed Investment 20-60% Shares sector. You may want to assess the sub-fund's performance compared to the performance of this sector.

Please note, both IFSL atomos Cautious Fund and IFSL atomos Defensive Fund use the IA Mixed Investments 20-60% Shares sector as a comparison benchmark, however, IFSL atomos Cautious Fund is a higher risk fund. Investors should be considerate of the different risk profiles when comparing performance against the benchmark and reaching a conclusion on its return (which is the money made or lost on an investment). Over the longer-term, higher risk profile funds would be expected to be more volatile and as a result potentially deliver a higher return versus a lower risk alternative.

#### IFSL atomos Defensive Fund

##### Investment objective

The investment objective of the sub-fund is to grow the value of your investment over a period of at least 5 years. This growth is expected to come from a combination of profit on investments and income 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.

At least 70% of the sub-fund will be invested in other funds, including exchange traded funds and investment trusts. This may include other funds managed by the Authorised Corporate Director or Investment Manager.

The sub-fund will be managed on a low to medium risk strategy, and through these other funds gain exposure to between 30-80% in bonds, which are loans typically issued by companies and governments.

This may include investment grade bonds, where the issuer has a higher capacity to repay the debt, as well as sub-investment grade bonds, which can be more vulnerable to changing market conditions but typically pay a higher rate of interest.

Between 20-50% of the sub-fund will be exposed to the shares of companies.

## IFSL ATOMOS OEIC

### GENERAL INFORMATION

#### IFSL atomos Defensive Fund (continued)

##### Investment policy (continued)

The sub-fund may also have exposure to other assets such as:

- up to 20% in money market instruments, which are shorter term loans.
- property and commodities, such as gold and oil up to a maximum of 30%. Although the sub-fund will have exposure to no more than 10% in any one commodity type or physical property.

The sub-fund may also gain exposure to the above asset classes through investing directly (other than in respect of property or commodities).

Investments will cover a range of global markets, with no more than 30% of the sub-fund being invested in emerging or frontier markets.

The sub-fund may use derivatives and structured products (instruments whose returns are linked to another asset or other variable factor such as exchange rates or stock markets) for the purposes of efficient portfolio management (including hedging) and for meeting the investment objectives of the sub-fund. The sub-fund will not always hold these instruments however at times they may be held for extended periods. Derivatives may be used to increase or decrease market or currency exposure. It is expected the use of derivatives will not have a significant impact on the risk profile of the sub-fund.

The sub-fund may also invest in other funds which are permitted to use derivatives to varying degrees.

The sub-fund will hold up to 20% in cash to enable the ready settlement of liabilities (including redemptions) and for the efficient management of the sub-fund.

##### Investment strategy

The investment strategy is primarily a fund of funds approach (which is a fund that invests in other funds), seeking to generate long term investment growth, through a diversified allocation to a range of asset classes, within the scope of the investment policy.

The Investment Manager will assess the appropriate weightings for each asset class and fund based on their:

- view of the risk, return and other characteristics of the asset class;
- assessment of the capabilities of the manager of the fund; and
- view of the market and economic outlook.

Both passive and active funds will be considered for inclusion in the sub-fund.

##### Assessing performance

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

The sub-fund's investment policy puts it in the IA Mixed Investment 20-60% Shares sector. You may want to assess the sub-fund's performance compared to the performance of this sector.

Please note, both IFSL atomos Defensive Fund and IFSL atomos Cautious Fund use the IA Mixed Investments 20-60% Shares sector as a comparison benchmark, however, IFSL atomos Defensive Fund is a lower risk fund. Investors should be considerate of the different risk profiles when comparing performance against the benchmark and reaching a conclusion on its return (which is the money made or lost on an investment). Over the longer-term, lower risk profile funds would be expected to be less volatile and as a result potentially deliver a lower return versus a higher risk alternative.

#### IFSL atomos Conservative Fund

##### Investment objective

The investment objective of the sub-fund is to grow the value of your investment over a period of at least 5 years. This growth is expected to come from a combination of profit on investments and income paid out of investments, such as interest and dividends.



## IFSL ATOMOS OEIC

### GENERAL INFORMATION

#### IFSL atomos Conservative Fund (continued)

##### Investment policy

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

At least 70% of the sub-fund will be invested in other funds, including exchange traded funds and investment trusts. This may include other funds managed by the Authorised Corporate Director or Investment Manager.

The sub-fund will be managed on a lower risk strategy, and through these other funds gain exposure to between 45-100% in bonds, which are loans typically issued by companies and governments.

This may include investment grade bonds, where the issuer has a higher capacity to repay the debt, as well as sub-investment grade bonds, which can be more vulnerable to changing market conditions but typically pay a higher rate of interest. In particular, the Investment Manager looks for bonds which pay a good rate of interest given the perceived risk of default.

Up to 35% of the sub-fund will be invested in the shares of companies.

The sub-fund may also have exposure to other assets such as:

- up to 20% in money market instruments, which are shorter term loans.
- property and commodities, such as gold and oil up to a maximum of 30%. Although the sub-fund will have exposure to no more than 10% in any one commodity type or physical property.

The sub-fund may also gain exposure to the above asset classes through investing directly (other than in respect of property or commodities).

Investments will cover a range of global markets, with no more than 30% of the sub-fund being invested in emerging or frontier markets.

The sub-fund may use derivatives and structured products (instruments whose returns are linked to another asset or other variable factor such as exchange rates or stock markets) for the purposes of efficient portfolio management (including hedging) and for meeting the investment objectives of the sub-fund. The sub-fund will not always hold these instruments however at times they may be held for extended periods. Derivatives may be used to increase or decrease market or currency exposure. It is expected the use of derivatives will not have a significant impact on the risk profile of the sub-fund.

The sub-fund may also invest in other funds which are permitted to use derivatives to varying degrees.

The sub-fund will hold up to 20% in cash to enable the ready settlement of liabilities (including redemptions) and for the efficient management of the sub-fund.

##### Investment strategy

The investment strategy is primarily a fund of funds approach (which is a fund that invests in other funds), seeking to generate long term investment growth, through a diversified allocation to a range of asset classes, within the scope of the investment policy.

The Investment Manager will assess the appropriate weightings for each asset class and fund based on their:

- view of the risk, return and other characteristics of the asset class;
- assessment of the capabilities of the manager of the fund; and
- view of the market and economic outlook.

Both passive and active funds will be considered for inclusion in the sub-fund.

##### Assessing performance

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

The sub-fund'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.

## **IFSL ATOMOS OEIC**

### **GENERAL INFORMATION**

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

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

#### **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 Long Reports and Financial Statements for any fund within the ACD's range, can be requested by the investor at any time. These are also available on the website [www.ifslfunds.com](http://www.ifslfunds.com).

#### **Cross holdings**

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

**AUTHORISED CORPORATE DIRECTORS' 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  
26 September 2024

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

for the six month period ended 31 July 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 January 2024 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 31 July 2024.

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS GROWTH FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 31 July 2024

**Performance to 31 July 2024**

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL atomos Growth Fund	6.56%	12.99%	9.29%	22.01%
IA Flexible Investment sector	6.51%	9.87%	7.38%	25.55%

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

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

Capital at risk. Past performance is not a reliable indicator of future performance; the value of your investment and any income from it can go down as well as up. Performance returns are based on the net asset value with distributable income reinvested and 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**

Market review

So far in 2024 investors have been carefully watching the decisions made by global central banks on their policy interest rates in response to generally falling inflation. Central banks can flex policy rates up or down to maintain the overall health of the economy – policy rates that are too high can stifle economic activity, but having policy rates too low can fuel higher inflation. It's all about finding the right balance. Both the Bank of England and the Federal Reserve (the US central bank) held rates steady over the first half of the year, although both were expected to cut rates in the second half of 2024 (which has since materialised in the UK).

Political uncertainty across the globe also dominated markets over the 6 months, with variability seen in French markets following the polarising French parliamentary election, whilst in the UK, Labour secured a strong win in the general election on 4th July. Despite investors navigating changing inflation and interest rate trends and a continuing uncertain political environment, it was a positive six months for markets overall. Global equities continued their stellar performance over the six months to 31 July 2024, driven predominantly by rising optimism around Artificial Intelligence (AI), driving strong returns from dominating technology companies such as Microsoft and Nvidia. In contrast, bond markets experienced varied performance as the changing expectations of rate cuts fed into bond prices. Generally, riskier bonds generated a better return than the higher quality (and lower risk) ones.

Sub-fund performance & portfolio activity

The sub-funds delivered positive returns over the six months to 31 July 2024.

Equities were the largest contributor to sub-fund returns over the first half of the year, as global equities continued to perform strongly as a result of optimism around AI. Given the equity market concentration (where a small number of stocks drive the majority of the market returns), some active managers underperformed the market where they didn't own those specific stocks.

Following strong performance in global equity markets over the past year or so, we took some profits in April and marginally increased the UK equity exposure, while retaining strong global diversification across the portfolio.

Bonds had mixed performance over the six months. Government bond prices fluctuated, largely influenced by their regional central bank policy interest rates. Overall, we saw our allocation to corporate bonds outperform government bonds as investors were rewarded for the higher level of risk. Our view coming into the year was that policy interest rates would be cut over the year, so we introduced an allocation to long-term US government bonds that are more sensitive to interest rate changes expecting them to profit as yields\* fall. We also introduced a specific UK government bond allocation in April to capture the expected faster interest rate cut by the Bank of England compared to the US.

The sub-fund has a global approach and held a higher allocation to overseas (mostly US) equities and bonds compared to the Investment Association ("IA") peer group\* (which tend to hold a higher allocation to UK assets), and therefore benefitted from global markets outperforming UK markets. Our higher allocation to real estate and infrastructure sectors detracted from performance as they underperformed the broader global equity market.

The lower risk sub-funds underperformed relative to their respective IA peer group due to having higher allocation to bonds (and therefore missing out on the absolute and relative equity performance) and a higher allocation to real estate and infrastructure which detracted relative to the broader global equity market.

Investment outlook

We think that variability in the price of bonds is likely to continue at least in the short-term, with the expectation that economic growth will be a little more tempered and inflation will continue to fall towards central bank targets. We expect equities to perform in line with normal expectations over the medium-term and so are now maintaining a neutral position.

In our view, we're transitioning from an era of rising interest rates to control inflation, to potential interest rate cuts to stimulate economies, however the impact on different countries remains uncertain. Alongside this, the global economy is currently sensitive to geopolitical risks such as the upcoming US election and global conflicts, which could create disparities across regions and sectors.

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS GROWTH FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 31 July 2024

**Investment commentary** (continued)

Investment outlook (continued)

Given this, we continue to believe diversification – accessing a range of investments across different asset classes, geographies, and sectors – remains key. We maintain some protection assets in the portfolio which are expected to perform well when broad markets are falling. However, this uncertainty can also create opportunities to capture returns through stock selection and market rotations which we think are increasingly prevalent.

The portfolio is well positioned to withstand these risks and to take advantage of opportunities through dynamic positioning and manager selection.

Atomos Investments Limited  
30 August 2024

Explanation of terms\*

Peer Group – comparator for performance purposes.

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

**Distributions**

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>A Income (pence per share)</u>				
Net income paid 31 March	-	0.1472	0.0833	0.0694
Net income paid 30 June <sup>B</sup>	N/A	N/A	0.5166	0.4738
Net income paid 30 September	0.9490	0.4685	0.4949	0.2201
Net income paid 31 December <sup>B</sup>		N/A	0.4574	0.1397
<u>A Accumulation (pence per share)</u>				
Net accumulation paid 31 March	-	0.1529	0.0856	0.0707
Net accumulation paid 30 June <sup>B</sup>	N/A	N/A	0.5328	0.4849
Net accumulation paid 30 September	0.9975	0.4902	0.5121	0.2187
Net accumulation paid 31 December <sup>B</sup>		N/A	0.4765	0.1436
<u>B Accumulation (pence per share)</u>				
Net accumulation paid 31 March	0.2063	0.3031	0.2356	N/A <sup>A</sup>
Net accumulation paid 30 June <sup>B</sup>	N/A	N/A	0.6755	0.2071
Net accumulation paid 30 September	1.0122	0.7773	0.6308	0.3619
Net accumulation paid 31 December <sup>B</sup>		N/A	0.5745	0.2943

<sup>A</sup> Shares were initially issued on 15 April 2021.

<sup>B</sup> On 21 April 2023, the number of distributions made per year was reduced from four to two. From this date, the distribution pay dates are 31 March and 30 September.

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS GROWTH FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 31 July 2024

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
iShares MSCI ACWI UCITS ETF USD	10,823,045
State Street World Screened Index Equity 'B' GBP	8,778,974
iShares UK Equity Index 'D' GBP	6,750,000
State Street Sustainable Climate World Equity 'B' GBP	6,590,000
AMX STOXX Willis Towers Watson World Climate Transition Index 'B' GBP Hedged	5,880,000
State Street Multi-Factor Global ESG Equity 'B' GBP	5,000,000
iShares \$ Treasury Bond 20+yr UCITS ETF GBP Hedged	4,842,585
State Street Global Emerging Markets Screened Index Equity 'B' GBP	3,220,000
State Street US Screened Index Equity 'B' GBP	2,530,000
State Street World Screened Index Equity 'B' GBP Hedged	1,930,000
Other purchases	12,085,803
Total purchases for the period	68,430,407
<u>Sales</u>	<u>Proceeds (£)</u>
iShares MSCI ACWI UCITS ETF USD	10,846,093
State Street World Screened Index Equity 'B' GBP Hedged	7,078,974
State Street US Screened Index Equity 'B' GBP	4,000,000
State Street Global Aggregate Bond Index 'B' GBP Hedged	1,520,000
BNY Mellon Efficient US High Yield Beta 'X' Sterling Hedged	1,350,000
Robeco QI Global Multi-Factor Credits 'ZBH'	1,150,000
iShares \$ TIPS UCITS ETF GBP Hedged	1,149,742
BNY Mellon Efficient US Fallen Angels Beta 'X' Sterling Hedged	730,000
State Street Emerging Markets Local Currency Government Bond Index 'B' GBP	514,855
State Street Emerging Markets Hard Currency Government Bond Index 'B' GBP	260,000
Total sales for the period	28,599,664

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS GROWTH FUND**

**COMPARATIVE TABLE**

<b><u>A Income shares</u></b>	<b>Period to</b>	<b>Year to</b>	<b>Year to</b>	<b>Year to</b>
<b>Change in net assets per share</b>	<b>31.07.2024</b>	<b>31.01.2024</b>	<b>31.01.2023</b>	<b>31.01.2022</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	118.94	107.72	113.79	112.02
Return before operating charges*	8.37	12.74	(3.55)	3.74
Operating charges	(0.62)	(1.05)	(0.90)	(1.05)
Return after operating charges*	7.75	11.69	(4.45)	2.69
Distributions on income shares	(0.95)	(0.47)	(1.62)	(0.92)
Closing net asset value per share	125.74	118.94	107.72	113.79

\* after direct transaction costs of: 0.01 0.04 0.11 0.16

**Performance**

Return after charges<sup>A</sup> 6.52% 10.85% (3.91)% 2.40%

**Other information**

Closing net asset value (£)	39,025,092	20,959,281	11,596,158	14,837,406
Closing number of shares	31,036,624	17,621,267	10,765,350	13,038,879
Operating charges	1.00% <sup>B,C,D</sup>	0.95% <sup>B,C</sup>	0.83%	0.89%
Direct transaction costs	0.02% <sup>D</sup>	0.03%	0.10%	0.14%

**Prices** (pence per share)

Highest share price	129.10	118.90	117.00	120.70
Lowest share price	118.30	103.90	100.20	109.90

**A Accumulation shares**

<b>Change in net assets per share</b>	<b>Period to</b>	<b>Year to</b>	<b>Year to</b>	<b>Year to</b>
	<b>31.07.2024</b>	<b>31.01.2024</b>	<b>31.01.2023</b>	<b>31.01.2022</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	125.04	112.75	117.36	114.67
Return before operating charges*	8.78	13.39	(3.68)	3.77
Operating charges	(0.65)	(1.10)	(0.93)	(1.08)
Return after operating charges*	8.13	12.29	(4.61)	2.69
Distributions on accumulation shares	(1.00)	(0.49)	(1.67)	(0.93)
Retained distributions on accumulation shares	1.00	0.49	1.67	0.93
Closing net asset value per share	133.17	125.04	112.75	117.36

\* after direct transaction costs of: 0.01 0.04 0.11 0.16

**Performance**

Return after charges<sup>A</sup> 6.50% 10.90% (3.93)% 2.35%

**Other information**

Closing net asset value (£)	83,084,761	55,456,447	22,146,536	30,687,486
Closing number of shares	62,390,117	44,350,406	19,641,498	26,147,745
Operating charges	1.00% <sup>B,C,D</sup>	0.95% <sup>B,C</sup>	0.83%	0.89%
Direct transaction costs	0.02% <sup>D</sup>	0.03%	0.10%	0.14%

**Prices** (pence per share)

Highest share price	135.70	125.00	120.60	124.30
Lowest share price	124.30	108.80	104.30	112.50

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

<sup>B</sup> On 21 April 2023, the annual management charge (AMC) for A shares, was increased from 0.75% to 0.80%.

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

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

**IFSL ATOMOS OEIC  
IFSL ATOMOS GROWTH FUND**

**COMPARATIVE TABLE**

<b>B Accumulation shares</b>	<b>Period to 31.07.2024</b>	<b>Year to 31.01.2024</b>	<b>Year to 31.01.2023</b>	<b>Period to 31.01.2022<sup>A</sup></b>
<b>Change in net assets per share</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	126.64	113.66	117.78	120.90
Return before operating charges*	8.80	13.47	(3.76)	(2.73)
Operating charges	(0.31)	(0.49)	(0.36)	(0.39)
Return after operating charges*	8.49	12.98	(4.12)	(3.12)
Distributions on accumulation shares	(1.01)	(0.98)	(2.18)	(1.10)
Retained distributions on accumulation shares	1.01	0.98	2.18	1.10
Closing net asset value per share	135.13	126.64	113.66	117.78
* after direct transaction costs of:	0.01	0.04	0.11	0.17
<b>Performance</b>				
Return after charges <sup>B</sup>	6.70%	11.42%	(3.50)%	(2.58)%
<b>Other information</b>				
Closing net asset value (£)	1,164,537	876,698	661,096	720,295
Closing number of shares	861,766	692,261	581,620	611,542
Operating charges	0.47% <sup>D,E,F</sup>	0.42% <sup>D,E</sup>	0.32% <sup>C</sup>	0.40% <sup>F</sup>
Direct transaction costs	0.02% <sup>F</sup>	0.03%	0.10%	0.14%
<b>Prices (pence per share)</b>				
Highest share price	137.70	126.60	121.20	124.60
Lowest share price	125.90	109.70	105.00	114.40

<sup>A</sup> Opening net asset value per share on 15 April 2021.

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

<sup>C</sup> On 7 October 2022, the annual management charge (AMC) for B shares, was reduced from 0.26% to 0.22%.

<sup>D</sup> On 21 April 2023, the annual management charge (AMC) for B shares, was increased from 0.22% to 0.27%.

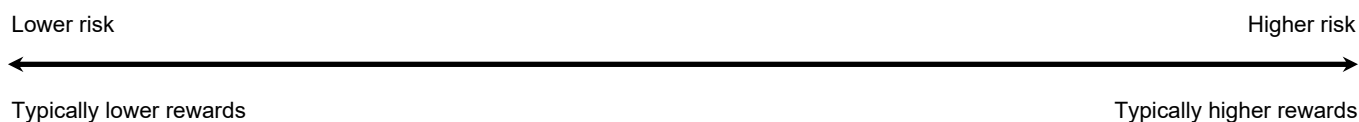
<sup>E</sup> On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

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

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each share class in the 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 (all share classes)**



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 is used.

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



**IFSL ATOMOS OEIC**  
**IFSL ATOMOS GROWTH FUND**

**PORTFOLIO STATEMENT**

as at 31 July 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>FIXED INTEREST</b> (31 January 2024 - 16.28%)		
<b>Emerging Markets Fixed Interest</b> (31 January 2024 - 2.39%)		
171,175 State Street Emerging Markets Hard Currency Government Bond Index 'B' GBP	1,814,836	1.47
Total Emerging Markets Fixed Interest	1,814,836	1.47
<b>European Fixed Interest</b> (31 January 2024 - 0.35%)		
4,203 M&G European Credit Investment 'A' GBP Hedged	449,397	0.37
Total European Fixed Interest	449,397	0.37
<b>Global Fixed Interest</b> (31 January 2024 - 3.69%)		
2,102 Robeco QI Global Multi-Factor Credits 'ZBH'	222,168	0.18
53,259 State Street Global Aggregate Bond Index 'B' GBP Hedged	557,267	0.45
44,846 State Street Global Treasury Bond Index 'B' GBP Hedged	468,224	0.38
Total Global Fixed Interest	1,247,659	1.01
<b>United Kingdom Fixed Interest</b> (31 January 2024 - 0.38%)		
488,824 AXA ACT Carbon Transition Sterling Buy and Maintain Credit 'T' GBP	501,044	0.41
118,075 iShares Core UK Gilts UCITS ETF GBP <sup>A</sup>	1,217,648	0.99
Total United Kingdom Fixed Interest	1,718,692	1.40
<b>United States Fixed Interest</b> (31 January 2024 - 9.47%)		
1,510,472 BNY Mellon Efficient US Fallen Angels Beta 'X' Sterling Hedged	1,251,426	1.02
458,680 BNY Mellon Efficient US High Yield Beta 'X' Sterling Hedged	393,548	0.32
369,559 iShares \$ TIPS UCITS ETF GBP Hedged <sup>A</sup>	1,804,557	1.46
2,412,452 iShares \$ Treasury Bond 20+yr UCITS ETF GBP Hedged <sup>A</sup>	7,702,959	6.25
Total United States Fixed Interest	11,152,490	9.05
Total Fixed Interest	16,383,074	13.30
<b>EQUITIES</b> (31 January 2024 - 77.71%)		
<b>Emerging Markets Equities</b> (31 January 2024 - 4.87%)		
668,042 State Street Global Emerging Markets Screened Index Equity 'B' GBP	7,280,650	5.91
Total Emerging Markets Equities	7,280,650	5.91
<b>European Equities</b> (31 January 2024 - 1.98%)		
158,558 State Street Europe Screened Index Equity 'B' GBP	1,850,691	1.50
Total European Equities	1,850,691	1.50
<b>Global Equities</b> (31 January 2024 - 56.43%)		
57,307 AMX Robeco Global Sustainable Multi-Factor Equity Index 'B' GBP Hedged	6,866,529	5.57
164,931 AMX STOXX Willis Towers Watson World Climate Transition Index 'B' GBP Hedged	19,395,711	15.73
61,389 Brown Advisory Global Leaders 'SI' Sterling	982,223	0.80
815,127 Jupiter Global Value Equity 'I'	522,252	0.42
282,050 MI Metropolis Valuefund 'S'	975,281	0.79
1,175,640 State Street Multi-Factor Global ESG Equity 'B' GBP	14,320,003	11.62
1,208,180 State Street Sustainable Climate World Equity 'B' GBP	16,579,848	13.45
737,291 State Street World Screened Index Equity 'B' GBP	9,078,259	7.36
13,529 Veritas Global Focus 'D' GBP	980,967	0.80
Total Global Equities	69,701,073	56.54
<b>Japanese Equities</b> (31 January 2024 - 2.20%)		
212,759 State Street Japan Screened Index Equity 'B' GBP	2,490,789	2.02
Total Japanese Equities	2,490,789	2.02

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS GROWTH FUND**

**PORTFOLIO STATEMENT**

as at 31 July 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>EQUITIES</b> (continued)		
<b>Pacific ex. Japan Equities</b> (31 January 2024 - 0.48%)		
58,214 State Street Pacific Ex-Japan Screened Index Equity 'B' GBP	581,080	0.47
Total Pacific ex. Japan Equities	<u>581,080</u>	<u>0.47</u>
<b>United Kingdom Equities</b> (31 January 2024 - Nil)		
6,340,491 iShares UK Equity Index 'D' GBP	7,079,615	5.74
Total United Kingdom Equities	<u>7,079,615</u>	<u>5.74</u>
<b>United States Equities</b> (31 January 2024 - 11.75%)		
580,280 State Street US Screened Index Equity 'B' GBP	7,807,664	6.33
5,051 Vulcan Value Equity 'III' GBP	686,015	0.56
Total United States Equities	<u>8,493,679</u>	<u>6.89</u>
Total Equities	<u><u>97,477,577</u></u>	<u><u>79.07</u></u>
<b>OTHER</b> (31 January 2024 - 3.00%)		
<b>Infrastructure</b> (31 January 2024 - 1.40%)		
14,202 ATLAS Global Infrastructure 'B' GBP Unhedged	1,957,386	1.59
Total Infrastructure	<u>1,957,386</u>	<u>1.59</u>
<b>Money Markets</b> (31 January 2024 - 0.11%)		
153,947 ILF GBP Liquidity Plus '2'	239,268	0.19
Total Money Markets	<u>239,268</u>	<u>0.19</u>
<b>Real Estate</b> (31 January 2024 - 1.49%)		
3,247,039 Legal & General Global Real Estate Dividend Index 'C' GBP	1,924,520	1.56
Total Real Estate	<u>1,924,520</u>	<u>1.56</u>
<b>Specialist</b> (31 January 2024 - Nil)		
13,424 Leadenhall UCITS ILS 'B' GBP	1,888,127	1.53
Total Real Estate	<u>1,888,127</u>	<u>1.53</u>
Total Other	<u><u>6,009,301</u></u>	<u><u>4.87</u></u>
<b>Portfolio of investments</b>	119,869,952	97.24
<b>Net other assets</b>	<u>3,404,438</u>	<u>2.76</u>
<b>Total net assets</b>	<u><u>123,274,390</u></u>	<u><u>100.00</u></u>

All investments are units/shares in unit trusts and ICVCs which are authorised or 'recognised' by the FCA with the exception of <sup>A</sup> which are open ended exchange traded funds.

**PORTFOLIO TRANSACTIONS**

for the six month period ended 31 July 2024

	£
Total purchases costs, including transaction charges	68,430,407
Total sales proceeds, net of transaction charges	28,599,664

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS GROWTH FUND**

**STATEMENT OF TOTAL RETURN**

for the six month period ended 31 July 2024

	31 July 2024		31 July 2023	
	£	£	£	£
Income:				
Net capital gains		5,069,250		1,372,386
Revenue	1,247,795		295,188	
Expenses	<u>(441,581)</u>		<u>(139,239)</u>	
Net revenue before taxation	806,214		155,949	
Taxation	<u>-</u>		<u>(11,331)</u>	
Net revenue after taxation		<u>806,214</u>		<u>144,618</u>
Total return before distributions		5,875,464		1,517,004
Distributions		(675,799)		(146,779)
Change in net assets attributable to shareholders from investment activities		<u>5,199,665</u>		<u>1,370,225</u>

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

for the six month period ended 31 July 2024

	31 July 2024		31 July 2023	
	£	£	£	£
Opening net assets attributable to shareholders		<sup>A</sup> 77,292,426		34,403,790
Amounts receivable on issue of shares	47,996,644		5,156,741	
Amounts payable on cancellation of shares	<u>(7,845,409)</u>		<u>(5,571,380)</u>	
		40,151,235		(414,639)
Change in net assets attributable to shareholders from investment activities		5,199,665		1,370,225
Retained distribution on accumulation shares		631,064		94,491
Closing net assets attributable to shareholders		<u>123,274,390</u>	<sup>A</sup>	<u>35,453,867</u>

<sup>A</sup> These figures are not the same as the comparatives are taken from the preceding interim period and not the last annual accounts.

**IFSL ATOMOS OEIC  
IFSL ATOMOS GROWTH FUND**

**BALANCE SHEET**  
as at 31 July 2024

	<b>31 July 2024</b>	<b>31 January 2024</b>
	£	£
<b>Assets:</b>		
<b>Fixed Assets:</b>		
Investments	119,869,952	74,966,278
<b>Current Assets:</b>		
Debtors	1,514,381	832,841
Cash and bank balances	2,294,616	2,087,403
<b>Total assets</b>	<u>123,678,949</u>	<u>77,886,522</u>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Bank overdrafts	773	134,537
Distribution payable on income shares	294,538	-
Other creditors	109,248	459,559
<b>Total liabilities</b>	<u>404,559</u>	<u>594,096</u>
<b>Net assets attributable to shareholders</b>	<u>123,274,390</u>	<u>77,292,426</u>

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS BALANCED FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 31 July 2024

**Performance to 31 July 2024**

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL atomos Balanced Fund	5.23%	10.69%	5.68%	17.22%
IA Mixed Investment 40-85% Shares sector	6.59%	10.50%	7.28%	22.97%

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

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

Capital at risk. Past performance is not a reliable indicator of future performance; the value of your investment and any income from it can go down as well as up. Performance returns are based on the net asset value with distributable income reinvested and 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**

Market review

So far in 2024 investors have been carefully watching the decisions made by global central banks on their policy interest rates in response to generally falling inflation. Central banks can flex policy rates up or down to maintain the overall health of the economy – policy rates that are too high can stifle economic activity, but having policy rates too low can fuel higher inflation. It's all about finding the right balance. Both the Bank of England and the Federal Reserve (the US central bank) held rates steady over the first half of the year, although both were expected to cut rates in the second half of 2024 (which has since materialised in the UK).

Political uncertainty across the globe also dominated markets over the 6 months, with variability seen in French markets following the polarising French parliamentary election, whilst in the UK, Labour secured a strong win in the general election on 4th July. Despite investors navigating changing inflation and interest rate trends and a continuing uncertain political environment, it was a positive six months for markets overall. Global equities continued their stellar performance over the six months to 31 July 2024, driven predominantly by rising optimism around Artificial Intelligence (AI), driving strong returns from dominating technology companies such as Microsoft and Nvidia. In contrast, bond markets experienced varied performance as the changing expectations of rate cuts fed into bond prices. Generally, riskier bonds generated a better return than the higher quality (and lower risk) ones.

Sub-fund performance & portfolio activity

The sub-funds delivered positive returns over the six months to 31 July 2024.

Equities were the largest contributor to sub-fund returns over the first half of the year, as global equities continued to perform strongly as a result of optimism around AI. Given the equity market concentration (where a small number of stocks drive the majority of the market returns), some active managers underperformed the market where they didn't own those specific stocks.

Following strong performance in global equity markets over the past year or so, we took some profits in April and marginally increased the UK equity exposure, while retaining strong global diversification across the portfolio.

Bonds had mixed performance over the six months. Government bond prices fluctuated, largely influenced by their regional central bank policy interest rates. Overall, we saw our allocation to corporate bonds outperform government bonds as investors were rewarded for the higher level of risk. Our view coming into the year was that policy interest rates would be cut over the year, so we introduced an allocation to long-term US government bonds that are more sensitive to interest rate changes expecting them to profit as yields\* fall. We also introduced a specific UK government bond allocation in April to capture the expected faster interest rate cut by the Bank of England compared to the US.

The sub-fund has a global approach and held a higher allocation to overseas (mostly US) equities and bonds compared to the Investment Association ("IA") peer group\* (which tend to hold a higher allocation to UK assets), and therefore benefitted from global markets outperforming UK markets. Our higher allocation to real estate and infrastructure sectors detracted from performance as they underperformed the broader global equity market.

The lower risk sub-funds underperformed relative to their respective IA peer group due to having higher allocation to bonds (and therefore missing out on the absolute and relative equity performance) and a higher allocation to real estate and infrastructure which detracted relative to the broader global equity market.

Investment outlook

We think that variability in the price of bonds is likely to continue at least in the short-term, with the expectation that economic growth will be a little more tempered and inflation will continue to fall towards central bank targets. We expect equities to perform in line with normal expectations over the medium-term and so are now maintaining a neutral position.

In our view, we're transitioning from an era of rising interest rates to control inflation, to potential interest rate cuts to stimulate economies, however the impact on different countries remains uncertain. Alongside this, the global economy is currently sensitive to geopolitical risks such as the upcoming US election and global conflicts, which could create disparities across regions and sectors.

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS BALANCED FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 31 July 2024

**Investment commentary** (continued)

Investment outlook (continued)

Given this, we continue to believe diversification – accessing a range of investments across different asset classes, geographies, and sectors – remains key. We maintain some protection assets in the portfolio which are expected to perform well when broad markets are falling. However, this uncertainty can also create opportunities to capture returns through stock selection and market rotations which we think are increasingly prevalent.

The portfolio is well positioned to withstand these risks and to take advantage of opportunities through dynamic positioning and manager selection.

Atomos Investments Limited  
30 August 2024

Explanation of terms\*

Peer Group – comparator for performance purposes.

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

**Distributions**

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>A Income (pence per share)</u>				
Net income paid 31 March	0.2736	0.2641	0.2222	0.1793
Net income paid 30 June <sup>B</sup>	N/A	N/A	0.5426	0.4937
Net income paid 30 September	1.2594	0.6444	0.5500	0.3198
Net income paid 31 December <sup>B</sup>		N/A	0.5212	0.2435
<u>A Accumulation (pence per share)</u>				
Net accumulation paid 31 March	0.2912	0.2784	0.2299	0.1844
Net accumulation paid 30 June <sup>B</sup>	N/A	N/A	0.5631	0.5064
Net accumulation paid 30 September	1.3413	0.6804	0.5732	0.3221
Net accumulation paid 31 December <sup>B</sup>		N/A	0.5463	0.2516
<u>B Accumulation (pence per share)</u>				
Net accumulation paid 31 March	0.5427	0.3982	0.3509	N/A <sup>A</sup>
Net accumulation paid 30 June <sup>B</sup>	N/A	N/A	0.6767	0.1754
Net accumulation paid 30 September	1.3593	0.9251	0.6879	0.4387
Net accumulation paid 31 December <sup>B</sup>		N/A	0.6617	0.3712

<sup>A</sup> Shares were initially issued on 23 April 2021.

<sup>B</sup> On 21 April 2023, the number of distributions made per year was reduced from four to two. From this date, the distribution pay dates are 31 March and 30 September.

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS BALANCED FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 31 July 2024

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
iShares UK Equity Index 'D' GBP	8,000,000
State Street World Screened Index Equity 'B' GBP Hedged	6,950,000
Leadenhall UCITS ILS 'B' GBP	6,810,000
iShares \$ Treasury Bond 20+yr UCITS ETF GBP Hedged	6,549,289
AMX STOXX Willis Towers Watson World Climate Transition Index 'B' GBP Hedged	6,150,000
State Street Sustainable Climate World Equity 'B' GBP	5,600,000
BNY Mellon Efficient US High Yield Beta 'X' Sterling Hedged	4,600,000
iShares Core UK Gilts UCITS ETF GBP	4,115,172
State Street Multi-Factor Global ESG Equity 'B' GBP	3,550,000
State Street Global Emerging Markets Screened Index Equity 'B' GBP	3,450,000
Other purchases	20,409,624
Total purchases for the period	76,184,085
<u>Sales</u>	<u>Proceeds (£)</u>
State Street Global Treasury Bond Index 'B' GBP Hedged	5,350,000
State Street US Screened Index Equity 'B' GBP	3,900,000
State Street Emerging Markets Local Currency Government Bond Index 'B' GBP	3,563,371
Robeco QI Global Multi-Factor Credits 'ZBH'	3,500,000
AMX Robeco Global Sustainable Multi-Factor Equity Index 'B' GBP Hedged	2,060,000
BNY Mellon Efficient US Fallen Angels Beta 'X' Sterling Hedged	1,480,000
State Street World Screened Index Equity 'B' GBP Hedged	1,300,000
Total sales for the period	21,153,371

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS BALANCED FUND**

**COMPARATIVE TABLE**

<b><u>A Income shares</u></b>	<b>Period to</b>	<b>Year to</b>	<b>Year to</b>	<b>Year to</b>
<b>Change in net assets per share</b>	<b>31.07.2024</b>	<b>31.01.2024</b>	<b>31.01.2023</b>	<b>31.01.2022</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	114.16	106.20	112.78	111.59
Return before operating charges*	6.56	9.91	(3.81)	3.49
Operating charges	(0.59)	(1.03)	(0.89)	(1.02)
Return after operating charges*	5.97	8.88	(4.70)	2.47
Distributions on income shares	(1.26)	(0.92)	(1.88)	(1.28)
Closing net asset value per share	118.87	114.16	106.20	112.78

\* after direct transaction costs of: - 0.04 0.09 0.12

**Performance**

Return after charges<sup>A</sup> 5.23% 8.36% (4.17)% 2.21%

**Other information**

Closing net asset value (£)	52,832,702	46,535,202	40,050,778	43,251,206
Closing number of shares	44,447,504	40,764,487	37,713,077	38,349,107
Operating charges	1.01% <sup>B,C,D</sup>	0.96% <sup>B,C</sup>	0.83%	0.88%
Direct transaction costs	0.00% <sup>D</sup>	0.03%	0.08%	0.10%

**Prices** (pence per share)

Highest share price	121.60	114.40	115.20	119.10
Lowest share price	113.90	103.40	99.21	109.80

**A Accumulation shares**

<b>Change in net assets per share</b>	<b>Period to</b>	<b>Year to</b>	<b>Year to</b>	<b>Year to</b>
	<b>31.07.2024</b>	<b>31.01.2024</b>	<b>31.01.2023</b>	<b>31.01.2022</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	121.58	112.17	117.05	114.56
Return before operating charges*	6.99	10.51	(3.95)	3.54
Operating charges	(0.63)	(1.10)	(0.93)	(1.05)
Return after operating charges*	6.36	9.41	(4.88)	2.49
Distributions on accumulation shares	(1.34)	(0.97)	(1.96)	(1.31)
Retained distributions on accumulation shares	1.34	0.97	1.96	1.31
Closing net asset value per share	127.94	121.58	112.17	117.05

\* after direct transaction costs of: - 0.04 0.09 0.12

**Performance**

Return after charges<sup>A</sup> 5.23% 8.39% (4.17)% 2.17%

**Other information**

Closing net asset value (£)	156,483,264	99,970,684	45,502,893	46,712,591
Closing number of shares	122,312,759	82,229,206	40,567,647	39,906,909
Operating charges	1.01% <sup>B,C,D</sup>	0.96% <sup>B,C</sup>	0.83%	0.88%
Direct transaction costs	0.00% <sup>D</sup>	0.03%	0.08%	0.10%

**Prices** (pence per share)

Highest share price	129.50	121.60	119.60	123.10
Lowest share price	121.30	109.50	104.00	112.80

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

<sup>B</sup> On 21 April 2023, the annual management charge (AMC) for A shares, was increased from 0.75% to 0.80%.

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

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



**IFSL ATOMOS OEIC**  
**IFSL ATOMOS BALANCED FUND**

**COMPARATIVE TABLE**

<b>B Accumulation shares</b>	<b>Period to 31.07.2024</b>	<b>Year to 31.01.2024</b>	<b>Year to 31.01.2023</b>	<b>Period to 31.01.2022<sup>A</sup></b>
<b>Change in net assets per share</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	122.95	112.95	117.41	119.80
Return before operating charges*	7.01	10.49	(4.10)	(2.03)
Operating charges	(0.30)	(0.49)	(0.36)	(0.36)
Return after operating charges*	6.71	10.00	(4.46)	(2.39)
Distributions on accumulation shares	(1.36)	(1.47)	(2.42)	(1.34)
Retained distributions on accumulation shares	1.36	1.47	2.42	1.34
Closing net asset value per share	129.66	122.95	112.95	117.41

\* after direct transaction costs of: - 0.04 0.09 0.12

**Performance**

Return after charges<sup>B</sup> 5.46% 8.85% (3.80)% (1.99)%

**Other information**

Closing net asset value (£)	281,213	304,559	223,154	108,521
Closing number of shares	216,889	247,708	197,568	92,427
Operating charges	0.48% <sup>D,E,F</sup>	0.43% <sup>D,E</sup>	0.32% <sup>C</sup>	0.39% <sup>F</sup>
Direct transaction costs	0.00% <sup>F</sup>	0.03%	0.08%	0.10%

**Prices (pence per share)**

Highest share price	131.20	123.00	120.10	123.40
Lowest share price	122.70	110.40	104.60	114.30

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

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

<sup>C</sup> On 7 October 2022, the annual management charge (AMC) for B shares, was reduced from 0.26% to 0.22%.

<sup>D</sup> On 21 April 2023, the annual management charge (AMC) for B shares, was increased from 0.22% to 0.27%.

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

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

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each share class in the 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 (all share classes)**

Lower risk Higher risk

←-----→

Typically lower rewards Typically higher rewards

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 is used.

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

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS BALANCED FUND**

**PORTFOLIO STATEMENT**

as at 31 July 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>FIXED INTEREST</b> (31 January 2024 - 38.51%)		
<b>Emerging Markets Fixed Interest</b> (31 January 2024 - 6.22%)		
774,530 State Street Emerging Markets Hard Currency Government Bond Index 'B' GBP	8,211,721	3.92
Total Emerging Markets Fixed Interest	8,211,721	3.92
<b>European Fixed Interest</b> (31 January 2024 - 1.83%)		
38,003 M&G European Credit Investment 'A' GBP Hedged	4,063,124	1.94
Total European Fixed Interest	4,063,124	1.94
<b>Global Fixed Interest</b> (31 January 2024 - 12.98%)		
40,730 Robeco QI Global Multi-Factor Credits 'ZBH'	4,305,189	2.05
905,194 State Street Global Aggregate Bond Index 'B' GBP Hedged	9,471,321	4.52
113,118 State Street Global Treasury Bond Index 'B' GBP Hedged	1,181,026	0.56
Total Global Fixed Interest	14,957,536	7.13
<b>United Kingdom Fixed Interest</b> (31 January 2024 - 1.81%)		
4,038,962 AXA ACT Carbon Transition Sterling Buy and Maintain Credit 'T' GBP	4,139,936	1.98
403,396 iShares Core UK Gilts UCITS ETF GBP <sup>A</sup>	4,160,021	1.98
Total United Kingdom Fixed Interest	8,299,957	3.96
<b>United States Fixed Interest</b> (31 January 2024 - 15.67%)		
7,160,726 BNY Mellon Efficient US Fallen Angels Beta 'X' Sterling Hedged	5,932,662	2.83
15,166,077 BNY Mellon Efficient US High Yield Beta 'X' Sterling Hedged	13,012,494	6.21
1,069,348 iShares \$ TIPS UCITS ETF GBP Hedged <sup>A</sup>	5,221,626	2.49
3,597,246 iShares \$ Treasury Bond 20+yr UCITS ETF GBP Hedged <sup>A</sup>	11,486,006	5.48
Total United States Fixed Interest	35,652,788	17.01
Total Fixed Interest	71,185,126	33.96
<b>EQUITIES</b> (31 January 2024 - 55.45%)		
<b>Emerging Markets Equities</b> (31 January 2024 - 3.40%)		
813,547 State Street Global Emerging Markets Screened Index Equity 'B' GBP	8,866,445	4.23
Total Emerging Markets Equities	8,866,445	4.23
<b>European Equities</b> (31 January 2024 - 1.24%)		
174,539 State Street Europe Screened Index Equity 'B' GBP	2,037,214	0.97
Total European Equities	2,037,214	0.97
<b>Global Equities</b> (31 January 2024 - 40.60%)		
86,013 AMX Robeco Global Sustainable Multi-Factor Equity Index 'B' GBP Hedged	10,306,142	4.92
229,564 AMX STOXX Willis Towers Watson World Climate Transition Index 'B' GBP Hedged	26,996,370	12.88
93,438 Brown Advisory Global Leaders 'SI' Sterling	1,495,010	0.71
1,322,105 Jupiter Global Value Equity 'I'	847,073	0.40
447,104 MI Metropolis Valuefund 'S'	1,546,005	0.74
1,051,852 State Street Multi-Factor Global ESG Equity 'B' GBP	12,812,189	6.11
1,130,418 State Street Sustainable Climate World Equity 'B' GBP	15,512,724	7.40
972,686 State Street World Screened Index Equity 'B' GBP Hedged	13,389,989	6.39
21,256 Veritas Global Focus 'D' GBP	1,541,275	0.74
Total Global Equities	84,446,777	40.29
<b>Japanese Equities</b> (31 January 2024 - 1.79%)		
269,345 State Street Japan Screened Index Equity 'B' GBP	3,153,246	1.51
Total Japanese Equities	3,153,246	1.51

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS BALANCED FUND**

**PORTFOLIO STATEMENT**

as at 31 July 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>EQUITIES</b> (continued)		
<b>Pacific ex. Japan Equities</b> (31 January 2024 - 0.46%)		
104,726 State Street Pacific Ex-Japan Screened Index Equity 'B' GBP	1,045,349	0.50
Total Pacific ex. Japan Equities	<u>1,045,349</u>	<u>0.50</u>
<b>United Kingdom Equities</b> (31 January 2024 - Nil)		
7,560,143 iShares UK Equity Index 'D' GBP	8,441,444	4.03
Total United Kingdom Equities	<u>8,441,444</u>	<u>4.03</u>
<b>United States Equities</b> (31 January 2024 - 7.96%)		
703,717 State Street US Screened Index Equity 'B' GBP	9,468,511	4.52
8,239 Vulcan Value Equity 'III' GBP	1,119,081	0.53
Total United States Equities	<u>10,587,592</u>	<u>5.05</u>
Total Equities	<u>118,578,067</u>	<u>56.58</u>
<b>OTHER</b> (31 January 2024 - 3.98%)		
<b>Infrastructure</b> (31 January 2024 - 1.94%)		
30,673 ATLAS Global Infrastructure 'B' GBP Unhedged	4,227,438	2.02
Total Infrastructure	<u>4,227,438</u>	<u>2.02</u>
<b>Money Markets</b> (31 January 2024 - 0.15%)		
273,579 ILF GBP Liquidity Plus '2'	425,202	0.20
Total Money Markets	<u>425,202</u>	<u>0.20</u>
<b>Real Estate</b> (31 January 2024 - 1.89%)		
7,249,607 Legal & General Global Real Estate Dividend Index 'C' GBP	4,296,842	2.05
Total Real Estate	<u>4,296,842</u>	<u>2.05</u>
<b>Specialist</b> (31 January 2024 - Nil)		
49,150 Leadenhall UCITS ILS 'B' GBP	6,912,980	3.30
Total Specialist	<u>6,912,980</u>	<u>3.30</u>
Total Other	<u>15,862,462</u>	<u>7.57</u>
<b>Portfolio of investments</b>	205,625,655	98.11
<b>Net other assets</b>	<u>3,971,524</u>	<u>1.89</u>
<b>Total net assets</b>	<u><u>209,597,179</u></u>	<u><u>100.00</u></u>

All investments are units/shares in unit trusts and ICVCs which are authorised or 'recognised' by the FCA with the exception of <sup>A</sup> which are open ended exchange traded funds.

**PORTFOLIO TRANSACTIONS**

for the six month period ended 31 July 2024

	£
Total purchases costs, including transaction charges	76,184,085
Total sales proceeds, net of transaction charges	21,153,371

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS BALANCED FUND**

**STATEMENT OF TOTAL RETURN**

for the six month period ended 31 July 2024

	31 July 2024		31 July 2023	
	£	£	£	£
Income:				
Net capital gains		6,823,531		2,062,908
Revenue	3,078,526		931,335	
Expenses	<u>(772,547)</u>		<u>(353,814)</u>	
Net revenue before taxation	2,305,979		577,521	
Taxation	<u>(292,132)</u>		<u>(72,120)</u>	
Net revenue after taxation		<u>2,013,847</u>		<u>505,401</u>
Total return before distributions		8,837,378		2,568,309
Distributions		(1,793,901)		(511,071)
Change in net assets attributable to shareholders from investment activities		<u>7,043,477</u>		<u>2,057,238</u>

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

for the six month period ended 31 July 2024

	31 July 2024		31 July 2023	
	£	£	£	£
Opening net assets attributable to shareholders		<sup>A</sup> 146,810,445		85,776,825
Amounts receivable on issue of shares	65,268,985		14,735,528	
Amounts payable on cancellation of shares	<u>(11,169,244)</u>		<u>(11,988,172)</u>	
		54,099,741		2,747,356
Change in net assets attributable to shareholders from investment activities		7,043,477		2,057,238
Retained distribution on accumulation shares		1,643,516		284,126
Closing net assets attributable to shareholders		<u>209,597,179</u>	<sup>A</sup>	<u>90,865,545</u>

<sup>A</sup> These figures are not the same as the comparatives are taken from the preceding interim period and not the last annual accounts.

**IFSL ATOMOS OEIC  
IFSL ATOMOS BALANCED FUND**

**BALANCE SHEET**  
as at 31 July 2024

	<b>31 July 2024</b>	<b>31 January 2024</b>
	£	£
<b>Assets:</b>		
<b>Fixed Assets:</b>		
Investments	205,625,655	143,782,479
<b>Current Assets:</b>		
Debtors	2,005,974	1,286,169
Cash and bank balances	6,993,301	3,184,868
Total assets	<u>214,624,930</u>	<u>148,253,516</u>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Bank overdrafts	-	155,499
Distribution payable on income shares	559,772	111,540
Other creditors	4,467,979	1,176,032
Total liabilities	<u>5,027,751</u>	<u>1,443,071</u>
<b>Net assets attributable to shareholders</b>	<u><u>209,597,179</u></u>	<u><u>146,810,445</u></u>

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS CAUTIOUS FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 31 July 2024

**Performance to 31 July 2024**

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL atomos Cautious Fund	3.85%	8.26%	1.64%	14.22%
IA Mixed Investment 20-60% Shares sector	5.15%	9.02%	3.23%	12.94%

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

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

Capital at risk. Past performance is not a reliable indicator of future performance; the value of your investment and any income from it can go down as well as up. Performance returns are based on the net asset value with distributable income reinvested and 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**

Market review

So far in 2024 investors have been carefully watching the decisions made by global central banks on their policy interest rates in response to generally falling inflation. Central banks can flex policy rates up or down to maintain the overall health of the economy – policy rates that are too high can stifle economic activity, but having policy rates too low can fuel higher inflation. It's all about finding the right balance. Both the Bank of England and the Federal Reserve (the US central bank) held rates steady over the first half of the year, although both were expected to cut rates in the second half of 2024 (which has since materialised in the UK).

Political uncertainty across the globe also dominated markets over the 6 months, with variability seen in French markets following the polarising French parliamentary election, whilst in the UK, Labour secured a strong win in the general election on 4th July. Despite investors navigating changing inflation and interest rate trends and a continuing uncertain political environment, it was a positive six months for markets overall. Global equities continued their stellar performance over the six months to 31 July 2024, driven predominantly by rising optimism around Artificial Intelligence (AI), driving strong returns from dominating technology companies such as Microsoft and Nvidia. In contrast, bond markets experienced varied performance as the changing expectations of rate cuts fed into bond prices. Generally, riskier bonds generated a better return than the higher quality (and lower risk) ones.

Sub-fund performance & portfolio activity

The sub-funds delivered positive returns over the six months to 31 July 2024.

Equities were the largest contributor to sub-fund returns over the first half of the year, as global equities continued to perform strongly as a result of optimism around AI. Given the equity market concentration (where a small number of stocks drive the majority of the market returns), some active managers underperformed the market where they didn't own those specific stocks.

Following strong performance in global equity markets over the past year or so, we took some profits in April and marginally increased the UK equity exposure, while retaining strong global diversification across the portfolio.

Bonds had mixed performance over the six months. Government bond prices fluctuated, largely influenced by their regional central bank policy interest rates. Overall, we saw our allocation to corporate bonds outperform government bonds as investors were rewarded for the higher level of risk. Our view coming into the year was that policy interest rates would be cut over the year, so we introduced an allocation to long-term US government bonds that are more sensitive to interest rate changes expecting them to profit as yields\* fall. We also introduced a specific UK government bond allocation in April to capture the expected faster interest rate cut by the Bank of England compared to the US.

The sub-fund has a global approach and held a higher allocation to overseas (mostly US) equities and bonds compared to the Investment Association ("IA") peer group\* (which tend to hold a higher allocation to UK assets), and therefore benefitted from global markets outperforming UK markets. Our higher allocation to real estate and infrastructure sectors detracted from performance as they underperformed the broader global equity market.

The lower risk sub-funds underperformed relative to their respective IA peer group due to having higher allocation to bonds (and therefore missing out on the absolute and relative equity performance) and a higher allocation to real estate and infrastructure which detracted relative to the broader global equity market.

Investment outlook

We think that variability in the price of bonds is likely to continue at least in the short-term, with the expectation that economic growth will be a little more tempered and inflation will continue to fall towards central bank targets. We expect equities to perform in line with normal expectations over the medium-term and so are now maintaining a neutral position.

In our view, we're transitioning from an era of rising interest rates to control inflation, to potential interest rate cuts to stimulate economies, however the impact on different countries remains uncertain. Alongside this, the global economy is currently sensitive to geopolitical risks such as the upcoming US election and global conflicts, which could create disparities across regions and sectors.

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS CAUTIOUS FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 31 July 2024

**Investment commentary** (continued)

Investment outlook (continued)

Given this, we continue to believe diversification – accessing a range of investments across different asset classes, geographies, and sectors – remains key. We maintain some protection assets in the portfolio which are expected to perform well when broad markets are falling. However, this uncertainty can also create opportunities to capture returns through stock selection and market rotations which we think are increasingly prevalent.

The portfolio is well positioned to withstand these risks and to take advantage of opportunities through dynamic positioning and manager selection.

Atomos Investments Limited  
30 August 2024

Explanation of terms\*

Peer Group – comparator for performance purposes.

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

**Distributions**

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>A Income (pence per share)</u>				
Net income paid 31 March	0.8226	0.4946	0.4680	0.4468
Net income paid 30 June <sup>B</sup>	N/A	N/A	0.6971	0.6741
Net income paid 30 September	1.5525	1.0902	0.7470	0.5448
Net income paid 31 December <sup>B</sup>		N/A	0.7318	0.4866
<u>A Accumulation (pence per share)</u>				
Net accumulation paid 31 March	0.9008	0.5337	0.4926	0.4616
Net accumulation paid 30 June <sup>B</sup>	N/A	N/A	0.7370	0.6992
Net accumulation paid 30 September	1.7144	1.1823	0.7942	0.5673
Net accumulation paid 31 December <sup>B</sup>		N/A	0.7841	0.5101
<u>B Accumulation (pence per share)</u>				
Net accumulation paid 31 March	0.9101	0.5371	0.4936	N/A <sup>A</sup>
Net accumulation paid 30 June <sup>B</sup>	N/A	N/A	0.7395	0.1433
Net accumulation paid 30 September	1.7372	1.1918	0.7976	0.5663
Net accumulation paid 31 December <sup>B</sup>		N/A	0.7870	0.5110

<sup>A</sup> Shares were initially issued on 23 April 2021.

<sup>B</sup> On 21 April 2023, the number of distributions made per year was reduced from four to two. From this date, the distribution pay dates are 31 March and 30 September.

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS CAUTIOUS FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 31 July 2024

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
Leadenhall UCITS ILS 'B' GBP	7,510,000
iShares Core UK Gilts UCITS ETF GBP	5,821,757
iShares UK Equity Index 'D' GBP	4,750,000
iShares \$ Treasury Bond 20+yr UCITS ETF GBP Hedged	3,779,089
State Street Emerging Markets Hard Currency Government Bond Index 'B' GBP	1,750,000
BNY Mellon Efficient US High Yield Beta 'X' Sterling Hedged	1,450,000
State Street World Screened Index Equity 'B' GBP Hedged	1,300,000
State Street Global Aggregate Bond Index 'B' GBP Hedged	550,000
State Street Global Treasury Bond Index 'B' GBP Hedged	500,000
Legal & General Global Real Estate Dividend Index 'C' GBP	450,000
Other purchases	899,995
Total purchases for the period	28,760,841
<u>Sales</u>	<u>Proceeds (£)</u>
State Street Emerging Markets Local Currency Government Bond Index 'B' GBP	6,712,971
State Street Global Treasury Bond Index 'B' GBP Hedged	6,450,000
Robeco QI Global Multi-Factor Credits 'ZBH'	4,980,000
State Street US Screened Index Equity 'B' GBP	4,150,000
AMX Robeco Global Sustainable Multi-Factor Equity Index 'B' GBP Hedged	2,620,000
BNY Mellon Efficient US Fallen Angels Beta 'X' Sterling Hedged	2,300,000
Total sales for the period	27,212,971



**IFSL ATOMOS OEIC**  
**IFSL ATOMOS CAUTIOUS FUND**

**COMPARATIVE TABLE**

<b><u>A Income shares</u></b>	<b>Period to</b>	<b>Year to</b>	<b>Year to</b>	<b>Year to</b>
<b>Change in net assets per share</b>	<b>31.07.2024</b>	<b>31.01.2024</b>	<b>31.01.2023</b>	<b>31.01.2022</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	106.99	102.82	110.87	110.98
Return before operating charges*	4.69	7.07	(4.50)	3.05
Operating charges	(0.55)	(0.99)	(0.88)	(0.99)
Return after operating charges*	4.14	6.08	(5.38)	2.06
Distributions on income shares	(1.55)	(1.91)	(2.67)	(2.17)
Closing net asset value per share	109.58	106.99	102.82	110.87

\* after direct transaction costs of: - 0.04 0.06 0.10

**Performance**

Return after charges<sup>A</sup> 3.87% 5.91% (4.85)% 1.86%

**Other information**

Closing net asset value (£)	61,954,770	61,798,287	67,103,691	81,189,756
Closing number of shares	56,538,872	57,760,473	65,265,884	73,231,684
Operating charges	1.02% <sup>B,C,D</sup>	0.96% <sup>B,C</sup>	0.84%	0.87%
Direct transaction costs	0.00% <sup>D</sup>	0.04%	0.06%	0.08%

**Prices (pence per share)**

Highest share price	111.70	107.80	112.70	116.90
Lowest share price	106.80	98.79	96.65	109.50

**A Accumulation shares**

<b>Change in net assets per share</b>	<b>Period to</b>	<b>Year to</b>	<b>Year to</b>	<b>Year to</b>
	<b>31.07.2024</b>	<b>31.01.2024</b>	<b>31.01.2023</b>	<b>31.01.2022</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	118.15	111.51	117.20	115.12
Return before operating charges*	5.18	7.72	(4.75)	3.12
Operating charges	(0.61)	(1.08)	(0.94)	(1.04)
Return after operating charges*	4.57	6.64	(5.69)	2.08
Distributions on accumulation shares	(1.71)	(2.08)	(2.85)	(2.27)
Retained distributions on accumulation shares	1.71	2.08	2.85	2.27
Closing net asset value per share	122.72	118.15	111.51	117.20

\* after direct transaction costs of: - 0.04 0.07 0.10

**Performance**

Return after charges<sup>A</sup> 3.87% 5.95% (4.85)% 1.81%

**Other information**

Closing net asset value (£)	132,616,976	127,456,838	119,772,972	134,983,249
Closing number of shares	108,063,940	107,877,302	107,413,723	115,169,120
Operating charges	1.02% <sup>B,C,D</sup>	0.96% <sup>B,C</sup>	0.84%	0.87%
Direct transaction costs	0.00% <sup>D</sup>	0.04%	0.06%	0.08%

**Prices (pence per share)**

Highest share price	123.40	118.20	119.20	122.60
Lowest share price	117.90	108.30	103.60	113.60

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

<sup>B</sup> On 21 April 2023, the annual management charge (AMC) for A shares, was increased from 0.75% to 0.80%.

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

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

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS CAUTIOUS FUND**

**COMPARATIVE TABLE**

<b>B Accumulation shares</b>	<b>Period to 31.07.2024</b>	<b>Year to 31.01.2024</b>	<b>Year to 31.01.2023</b>	<b>Period to 31.01.2022<sup>A</sup></b>
<b>Change in net assets per share</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	119.48	112.27	117.54	119.40
Return before operating charges*	5.18	7.70	(4.90)	(1.51)
Operating charges	(0.30)	(0.49)	(0.37)	(0.35)
Return after operating charges*	4.88	7.21	(5.27)	(1.86)
Distributions on accumulation shares	(1.74)	(2.10)	(2.86)	(1.71)
Retained distributions on accumulation shares	1.74	2.10	2.86	1.71
Closing net asset value per share	124.36	119.48	112.27	117.54

\* after direct transaction costs of: - 0.04 0.07 0.10

**Performance**

Return after charges<sup>B</sup> 4.08% 6.42% (4.48)% (1.56)%

**Other information**

Closing net asset value (£)	70,428	67,706	132,180	96,937
Closing number of shares	56,632	56,669	117,734	82,475
Operating charges	0.49% <sup>D,E,F</sup>	0.43% <sup>D,E</sup>	0.33% <sup>C</sup>	0.38% <sup>F</sup>
Direct transaction costs	0.00% <sup>F</sup>	0.04%	0.06%	0.08%

**Prices (pence per share)**

Highest share price	125.00	119.50	119.60	122.80
Lowest share price	119.30	109.40	104.10	114.80

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

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

<sup>C</sup> On 7 October 2022, the annual management charge (AMC) for B shares, was reduced from 0.26% to 0.22%.

<sup>D</sup> On 21 April 2023, the annual management charge (AMC) for B shares, was increased from 0.22% to 0.27%.

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

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

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each share class in the 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 (all share classes)**

Lower risk Higher risk

←-----→

Typically lower rewards Typically higher rewards

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 is 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 ATOMOS OEIC**  
**IFSL ATOMOS CAUTIOUS FUND**

**PORTFOLIO STATEMENT**

as at 31 July 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>FIXED INTEREST</b> (31 January 2024 - 55.95%)		
<b>Emerging Markets Fixed Interest</b> (31 January 2024 - 7.87%)		
888,101 State Street Emerging Markets Hard Currency Government Bond Index 'B' GBP	9,415,821	4.84
Total Emerging Markets Fixed Interest	9,415,821	4.84
<b>European Fixed Interest</b> (31 January 2024 - 3.45%)		
62,315 M&G European Credit Investment 'A' GBP Hedged	6,662,448	3.42
Total European Fixed Interest	6,662,448	3.42
<b>Global Fixed Interest</b> (31 January 2024 - 23.62%)		
106,558 Robeco QI Global Multi-Factor Credits 'ZBH'	11,263,200	5.79
1,475,770 State Street Global Aggregate Bond Index 'B' GBP Hedged	15,441,430	7.93
710,806 State Street Global Treasury Bond Index 'B' GBP Hedged	7,421,315	3.81
Total Global Fixed Interest	34,125,945	17.53
<b>United Kingdom Fixed Interest</b> (31 January 2024 - 3.43%)		
6,370,060 AXA ACT Carbon Transition Sterling Buy and Maintain Credit 'T' GBP	6,529,311	3.35
570,698 iShares Core UK Gilts UCITS ETF GBP <sup>A</sup>	5,885,323	3.02
Total United Kingdom Fixed Interest	12,414,634	6.37
<b>United States Fixed Interest</b> (31 January 2024 - 17.58%)		
7,890,508 BNY Mellon Efficient US Fallen Angels Beta 'X' Sterling Hedged	6,537,286	3.36
17,370,830 BNY Mellon Efficient US High Yield Beta 'X' Sterling Hedged	14,904,172	7.66
1,007,397 iShares \$ TIPS UCITS ETF GBP Hedged <sup>A</sup>	4,919,120	2.53
3,057,847 iShares \$ Treasury Bond 20+yr UCITS ETF GBP Hedged <sup>A</sup>	9,763,705	5.02
Total United States Fixed Interest	36,124,283	18.57
Total Fixed Interest	98,743,131	50.73
<b>EQUITIES</b> (31 January 2024 - 33.30%)		
<b>Emerging Markets Equities</b> (31 January 2024 - 1.93%)		
360,953 State Street Global Emerging Markets Screened Index Equity 'B' GBP	3,933,843	2.02
Total Emerging Markets Equities	3,933,843	2.02
<b>European Equities</b> (31 January 2024 - 0.76%)		
128,247 State Street Europe Screened Index Equity 'B' GBP	1,496,905	0.77
Total European Equities	1,496,905	0.77
<b>Global Equities</b> (31 January 2024 - 23.91%)		
34,528 AMX Robeco Global Sustainable Multi-Factor Equity Index 'B' GBP Hedged	4,137,153	2.13
158,745 AMX STOXX Willis Towers Watson World Climate Transition Index 'B' GBP Hedged	18,668,172	9.59
70,000 Brown Advisory Global Leaders 'SI' Sterling	1,120,000	0.57
1,242,000 Jupiter Global Value Equity 'I'	795,749	0.41
359,000 MI Metropolis Valuefund 'S'	1,241,359	0.64
780,320 State Street Multi-Factor Global ESG Equity 'B' GBP	9,504,763	4.88
368,849 State Street Sustainable Climate World Equity 'B' GBP	5,061,712	2.60
440,352 State Street World Screened Index Equity 'B' GBP Hedged	6,061,883	3.11
16,000 Veritas Global Focus 'D' GBP	1,160,160	0.60
Total Global Equities	47,750,951	24.53
<b>Japanese Equities</b> (31 January 2024 - 1.30%)		
217,655 State Street Japan Screened Index Equity 'B' GBP	2,548,108	1.31
Total Japanese Equities	2,548,108	1.31

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS CAUTIOUS FUND**

**PORTFOLIO STATEMENT**

as at 31 July 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>EQUITIES</b> (continued)		
<b>Pacific ex. Japan Equities</b> (31 January 2024 - 0.23%)		
44,000 State Street Pacific Ex-Japan Screened Index Equity 'B' GBP	439,199	0.22
Total Pacific ex. Japan Equities	439,199	0.22
<b>United Kingdom Equities</b> (31 January 2024 - Nil)		
4,526,845 iShares UK Equity Index 'D' GBP	5,054,548	2.60
Total United Kingdom Equities	5,054,548	2.60
<b>United States Equities</b> (31 January 2024 - 5.17%)		
396,495 State Street US Screened Index Equity 'B' GBP	5,334,848	2.74
7,000 Vulcan Value Equity 'III' GBP	950,761	0.49
Total United States Equities	6,285,609	3.23
Total Equities	67,509,163	34.68
<b>OTHER</b> (31 January 2024 - 8.19%)		
<b>Infrastructure</b> (31 January 2024 - 3.90%)		
56,498 ATLAS Global Infrastructure 'B' GBP Unhedged	7,786,652	4.00
Total Infrastructure	7,786,652	4.00
<b>Money Markets</b> (31 January 2024 - 0.47%)		
584,199 ILF GBP Liquidity Plus '2'	907,975	0.47
Total Money Markets	907,975	0.47
<b>Real Estate</b> (31 January 2024 - 3.82%)		
13,351,911 Legal & General Global Real Estate Dividend Index 'C' GBP	7,913,678	4.06
Total Real Estate	7,913,678	4.06
<b>Specialist</b> (31 January 2024 - Nil)		
54,203 Leadenhall UCITS ILS 'B' GBP	7,623,565	3.92
Total Specialist	7,623,565	3.92
Total Other	24,231,870	12.45
<b>Portfolio of investments</b>	190,484,164	97.86
<b>Net other assets</b>	4,158,010	2.14
<b>Total net assets</b>	194,642,174	100.00

All investments are units/shares in unit trusts and ICVCs which are authorised or 'recognised' by the FCA with the exception of <sup>A</sup> which are open ended exchange traded funds.

**PORTFOLIO TRANSACTIONS**

for the six month period ended 31 July 2024

	£
Total purchases costs, including transaction charges	28,760,841
Total sales proceeds, net of transaction charges	27,212,971

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS CAUTIOUS FUND**

**STATEMENT OF TOTAL RETURN**

for the six month period ended 31 July 2024

	31 July 2024		31 July 2023	
	£	£	£	£
Income:				
Net capital gains		4,476,268		1,524,316
Revenue	4,250,585		2,251,563	
Expenses	(844,196)		(725,921)	
Net revenue before taxation	<u>3,406,389</u>		<u>1,525,642</u>	
Taxation	<u>(548,241)</u>		<u>(232,715)</u>	
Net revenue after taxation		<u>2,858,148</u>		<u>1,292,927</u>
Total return before distributions		7,334,416		2,817,243
Distributions		(2,749,940)		(1,841,062)
Change in net assets attributable to shareholders from investment activities		<u>4,584,476</u>		<u>976,181</u>

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

for the six month period ended 31 July 2024

	31 July 2024		31 July 2023	
	£	£	£	£
Opening net assets attributable to shareholders		<sup>A</sup> 189,322,831		187,008,843
Amounts receivable on issue of shares	21,053,491		10,978,066	
Amounts payable on cancellation of shares	(22,172,170)		(28,487,372)	
Amounts payable on unit conversions	<u>1</u>		<u>-</u>	
		(1,118,678)		(17,509,306)
Change in net assets attributable to shareholders from investment activities		4,584,476		976,181
Retained distribution on accumulation shares		1,853,545		1,156,847
Closing net assets attributable to shareholders		<u>194,642,174</u>		<sup>A</sup> <u>171,632,565</u>

<sup>A</sup> These figures are not the same as the comparatives are taken from the preceding interim period and not the last annual accounts.

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS CAUTIOUS FUND**

**BALANCE SHEET**  
as at 31 July 2024

	<b>31 July 2024</b>	<b>31 January 2024</b>
	£	£
<b>Assets:</b>		
<b>Fixed Assets:</b>		
Investments	190,484,164	184,467,647
<b>Current Assets:</b>		
Debtors	1,408,499	2,133,502
Cash and bank balances	5,124,694	4,277,135
Total assets	<u>197,017,357</u>	<u>190,878,284</u>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable on income shares	877,766	475,162
Other creditors	1,497,417	1,080,291
Total liabilities	<u>2,375,183</u>	<u>1,555,453</u>
<b>Net assets attributable to shareholders</b>	<u><u>194,642,174</u></u>	<u><u>189,322,831</u></u>

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS DEFENSIVE FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 31 July 2024

**Performance to 31 July 2024**

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>25.10.2019<sup>A</sup></u>
IFSL atomos Defensive Fund	3.37%	7.30%	(0.34)%	11.33%
IA Mixed Investment 20-60% Shares sector	5.15%	9.02%	3.23%	14.21%

<sup>A</sup> Launch period ended 24 October 2019.

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

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

Capital at risk. Past performance is not a reliable indicator of future performance; the value of your investment and any income from it can go down as well as up. Performance returns are based on the net asset value with distributable income reinvested and 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**

Market review

So far in 2024 investors have been carefully watching the decisions made by global central banks on their policy interest rates in response to generally falling inflation. Central banks can flex policy rates up or down to maintain the overall health of the economy – policy rates that are too high can stifle economic activity, but having policy rates too low can fuel higher inflation. It's all about finding the right balance. Both the Bank of England and the Federal Reserve (the US central bank) held rates steady over the first half of the year, although both were expected to cut rates in the second half of 2024 (which has since materialised in the UK).

Political uncertainty across the globe also dominated markets over the 6 months, with variability seen in French markets following the polarising French parliamentary election, whilst in the UK, Labour secured a strong win in the general election on 4th July. Despite investors navigating changing inflation and interest rate trends and a continuing uncertain political environment, it was a positive six months for markets overall. Global equities continued their stellar performance over the six months to 31 July 2024, driven predominantly by rising optimism around Artificial Intelligence (AI), driving strong returns from dominating technology companies such as Microsoft and Nvidia. In contrast, bond markets experienced varied performance as the changing expectations of rate cuts fed into bond prices. Generally, riskier bonds generated a better return than the higher quality (and lower risk) ones.

Sub-fund performance & portfolio activity

The sub-funds delivered positive returns over the six months to 31 July 2024.

Equities were the largest contributor to sub-fund returns over the first half of the year, as global equities continued to perform strongly as a result of optimism around AI. Given the equity market concentration (where a small number of stocks drive the majority of the market returns), some active managers underperformed the market where they didn't own those specific stocks.

Following strong performance in global equity markets over the past year or so, we took some profits in April and marginally increased the UK equity exposure, while retaining strong global diversification across the portfolio.

Bonds had mixed performance over the six months. Government bond prices fluctuated, largely influenced by their regional central bank policy interest rates. Overall, we saw our allocation to corporate bonds outperform government bonds as investors were rewarded for the higher level of risk. Our view coming into the year was that policy interest rates would be cut over the year, so we introduced an allocation to long-term US government bonds that are more sensitive to interest rate changes expecting them to profit as yields\* fall. We also introduced a specific UK government bond allocation in April to capture the expected faster interest rate cut by the Bank of England compared to the US.

The sub-fund has a global approach and held a higher allocation to overseas (mostly US) equities and bonds compared to the Investment Association ("IA") peer group\* (which tend to hold a higher allocation to UK assets), and therefore benefitted from global markets outperforming UK markets. Our higher allocation to real estate and infrastructure sectors detracted from performance as they underperformed the broader global equity market.

The lower risk sub-funds underperformed relative to their respective IA peer group due to having higher allocation to bonds (and therefore missing out on the absolute and relative equity performance) and a higher allocation to real estate and infrastructure which detracted relative to the broader global equity market.

Investment outlook

We think that variability in the price of bonds is likely to continue at least in the short-term, with the expectation that economic growth will be a little more tempered and inflation will continue to fall towards central bank targets. We expect equities to perform in line with normal expectations over the medium-term and so are now maintaining a neutral position.

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS DEFENSIVE FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 31 July 2024

**Investment commentary** (continued)

Investment outlook (continued)

In our view, we're transitioning from an era of rising interest rates to control inflation, to potential interest rate cuts to stimulate economies, however the impact on different countries remains uncertain. Alongside this, the global economy is currently sensitive to geopolitical risks such as the upcoming US election and global conflicts, which could create disparities across regions and sectors.

Given this, we continue to believe diversification – accessing a range of investments across different asset classes, geographies, and sectors – remains key. We maintain some protection assets in the portfolio which are expected to perform well when broad markets are falling. However, this uncertainty can also create opportunities to capture returns through stock selection and market rotations which we think are increasingly prevalent.

The portfolio is well positioned to withstand these risks and to take advantage of opportunities through dynamic positioning and manager selection.

Atomos Investments Limited  
30 August 2024

Explanation of terms\*

Peer Group – comparator for performance purposes.

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

**Distributions**

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>A Income (pence per share)</u>				
Net income paid 31 March	0.7195	0.5405	0.4869	0.4811
Net income paid 30 June <sup>B</sup>	N/A	N/A	0.6304	0.6033
Net income paid 30 September	1.3498	1.0210	0.7374	0.5486
Net income paid 31 December <sup>B</sup>		N/A	0.7331	0.5040
<u>A Accumulation (pence per share)</u>				
Net accumulation paid 31 March	0.7770	0.5752	0.5049	0.4891
Net accumulation paid 30 June <sup>B</sup>	N/A	N/A	0.6569	0.6162
Net accumulation paid 30 September	1.4702	1.0927	0.7727	0.5634
Net accumulation paid 31 December <sup>B</sup>		N/A	0.7743	0.5202
<u>B Accumulation (pence per share)</u>				
Net accumulation paid 31 March	0.7156	0.5860	0.2639	N/A <sup>A</sup>
Net accumulation paid 30 June <sup>B</sup>	N/A	N/A	0.6874	0.1076
Net accumulation paid 30 September	1.4908	1.1213	0.7325	0.5669
Net accumulation paid 31 December <sup>B</sup>		N/A	0.7212	-

<sup>A</sup> Shares were initially issued on 23 April 2021.

<sup>B</sup> On 21 April 2023, the number of distributions made per year was reduced from four to two. From this date, the distribution pay dates are 31 March and 30 September.



**IFSL ATOMOS OEIC**  
**IFSL ATOMOS DEFENSIVE FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 31 July 2024

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
ILF GBP Liquidity Plus '2'	2,150,000
Leadenhall UCITS ILS 'B' GBP	2,050,000
iShares Core UK Gilts UCITS ETF GBP	2,037,602
iShares \$ Treasury Bond 20+yr UCITS ETF GBP Hedged	945,157
iShares UK Equity Index 'D' GBP	900,000
State Street Global Aggregate Bond Index 'B' GBP Hedged	560,000
State Street Global Treasury Bond Index 'B' GBP Hedged	560,000
State Street World Screened Index Equity 'B' GBP Hedged	450,000
AMX STOXX Willis Towers Watson World Climate Transition Index 'B' GBP Hedged	250,000
State Street Sustainable Climate World Equity 'B' GBP	250,000
Other purchases	350,000
Total purchases for the period	10,502,759
<u>Largest sales</u>	<u>Proceeds (£)</u>
State Street Global Treasury Bond Index 'B' GBP Hedged	2,860,000
ILF GBP Liquidity Plus '2'	1,650,000
Robeco QI Global Multi-Factor Credits 'ZBH'	1,300,000
State Street Emerging Markets Local Currency Government Bond Index 'B' GBP	1,178,808
State Street US Screened Index Equity 'B' GBP	800,000
BNY Mellon Efficient US Fallen Angels Beta 'X' Sterling Hedged	500,000
AMX Robeco Global Sustainable Multi-Factor Equity Index 'B' GBP Hedged	500,000
AMX STOXX Willis Towers Watson World Climate Transition Index 'B' GBP Hedged	450,000
State Street Global Aggregate Bond Index 'B' GBP Hedged	200,000
State Street Japan Screened Index Equity 'B' GBP	200,000
Other sales	798,790
Total sales for the period	10,437,598

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS DEFENSIVE FUND**

**COMPARATIVE TABLE**

<b><u>A Income shares</u></b>	<b>Period to</b>	<b>Year to</b>	<b>Year to</b>	<b>Year to</b>
<b>Change in net assets per share</b>	<b>31.07.2024</b>	<b>31.01.2024</b>	<b>31.01.2023</b>	<b>31.01.2022</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	98.85	96.23	104.39	105.03
Return before operating charges*	3.84	5.30	(4.68)	2.42
Operating charges	(0.52)	(0.94)	(0.84)	(0.92)
Return after operating charges*	3.32	4.36	(5.52)	1.50
Distributions on income shares	(1.35)	(1.74)	(2.64)	(2.14)
Closing net asset value per share	100.82	98.85	96.23	104.39

\* after direct transaction costs of: - 0.04 0.05 0.08

**Performance**

Return after charges<sup>A</sup> 3.36% 4.53% (5.29)% 1.43%

**Other information**

Closing net asset value (£)	15,124,414	16,050,375	20,636,463	25,207,034
Closing number of shares	15,002,107	16,237,835	21,445,479	24,146,749
Operating charges	1.03% <sup>B,C,D</sup>	0.98% <sup>B,C</sup>	0.85%	0.86%
Direct transaction costs	0.00% <sup>D</sup>	0.04%	0.05%	0.08%

**Prices** (pence per share)

Highest share price	102.40	99.88	105.60	109.60
Lowest share price	98.42	92.02	90.68	104.00

**A Accumulation shares**

<b>Change in net assets per share</b>	<b>Period to</b>	<b>Year to</b>	<b>Year to</b>	<b>Year to</b>
	<b>31.07.2024</b>	<b>31.01.2024</b>	<b>31.01.2023</b>	<b>31.01.2022</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	107.71	103.01	108.77	107.28
Return before operating charges*	4.13	5.72	(4.88)	2.44
Operating charges	(0.56)	(1.02)	(0.88)	(0.95)
Return after operating charges*	3.57	4.70	(5.76)	1.49
Distributions on accumulation shares	(1.47)	(1.87)	(2.78)	(2.20)
Retained distributions on accumulation shares	1.47	1.87	2.78	2.20
Closing net asset value per share	111.28	107.71	103.01	108.77

\* after direct transaction costs of: - 0.04 0.05 0.09

**Performance**

Return after charges<sup>A</sup> 3.31% 4.56% (5.30)% 1.39%

**Other information**

Closing net asset value (£)	35,041,601	33,579,596	32,769,821	32,951,668
Closing number of shares	31,489,910	31,177,020	31,812,895	30,293,557
Operating charges	1.03% <sup>B,C,D</sup>	0.98% <sup>B,C</sup>	0.85%	0.86%
Direct transaction costs	0.00% <sup>D</sup>	0.04%	0.05%	0.08%

**Prices** (pence per share)

Highest share price	111.50	108.10	110.10	113.10
Lowest share price	107.30	99.55	95.77	106.20

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

<sup>B</sup> On 21 April 2023, the annual management charge (AMC) for A shares, was increased from 0.75% to 0.80%.

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

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

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS DEFENSIVE FUND**

**COMPARATIVE TABLE**

<b>B Accumulation shares</b>	<b>Period to 31.07.2024</b>	<b>Year to 31.01.2024</b>	<b>Year to 31.01.2023</b>	<b>Period to 31.01.2022<sup>A</sup></b>
<b>Change in net assets per share</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	108.66	103.12	108.26	110.40
Return before operating charges*	4.46	6.01	(4.79)	(1.92)
Operating charges	(0.28)	(0.47)	(0.35)	(0.22)
Return after operating charges*	4.18	5.54	(5.14)	(2.14)
Distributions on accumulation shares	(1.49)	(1.84)	(2.73)	(0.94)
Retained distributions on accumulation shares	1.49	1.84	2.73	0.94
Closing net asset value per share	112.84	108.66	103.12	108.26

\* after direct transaction costs of: - 0.04 0.05 0.09

**Performance**

Return after charges<sup>B</sup> 3.85% 5.37% (4.75)% (1.94)%

**Other information**

Closing net asset value (£)	200	193	183	160
Closing number of shares	177	177	177	148
Operating charges	0.50% <sup>D,E,F</sup>	0.45% <sup>D,E</sup>	0.34% <sup>C</sup>	0.37% <sup>F</sup>
Direct transaction costs	0.00% <sup>F</sup>	0.04%	0.05%	0.08%

**Prices (pence per share)**

Highest share price	113.00	109.00	109.70	113.30
Lowest share price	108.30	100.30	95.76	107.00

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

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

<sup>C</sup> On 7 October 2022, the annual management charge (AMC) for B shares, was reduced from 0.26% to 0.22%.

<sup>D</sup> On 21 April 2023, the annual management charge (AMC) for B shares, was increased from 0.22% to 0.27%.

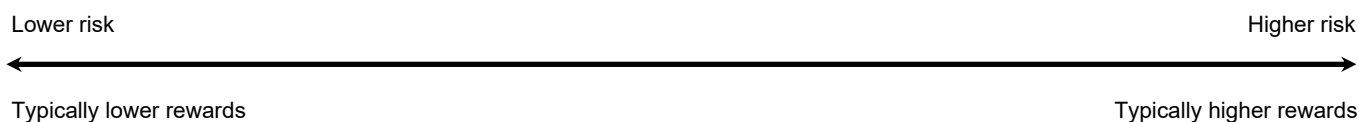
<sup>E</sup> On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

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

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each share class in the 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 (all share classes)**



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 is 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 ATOMOS OEIC**  
**IFSL ATOMOS DEFENSIVE FUND**

**PORTFOLIO STATEMENT**

as at 31 July 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>FIXED INTEREST</b> (31 January 2024 - 62.97%)		
<b>Emerging Markets Fixed Interest</b> (31 January 2024 - 5.43%)		
134,892 State Street Emerging Markets Hard Currency Government Bond Index 'B' GBP	1,430,148	2.85
Total Emerging Markets Fixed Interest	1,430,148	2.85
<b>European Fixed Interest</b> (31 January 2024 - 5.24%)		
23,857 M&G European Credit Investment 'A' GBP Hedged	2,550,673	5.08
Total European Fixed Interest	2,550,673	5.08
<b>Global Fixed Interest</b> (31 January 2024 - 33.81%)		
46,509 Robeco QI Global Multi-Factor Credits 'ZBH'	4,915,953	9.80
557,763 State Street Global Aggregate Bond Index 'B' GBP Hedged	5,836,042	11.63
259,910 State Street Global Treasury Bond Index 'B' GBP Hedged	2,713,639	5.41
Total Global Fixed Interest	13,465,634	26.84
<b>United Kingdom Fixed Interest</b> (31 January 2024 - 5.22%)		
2,538,574 AXA ACT Carbon Transition Sterling Buy and Maintain Credit 'T' GBP	2,602,038	5.19
199,743 iShares Core UK Gilts UCITS ETF GBP <sup>A</sup>	2,059,850	4.11
Total United Kingdom Fixed Interest	4,661,888	9.30
<b>United States Fixed Interest</b> (31 January 2024 - 13.27%)		
1,486,449 BNY Mellon Efficient US Fallen Angels Beta 'X' Sterling Hedged	1,231,523	2.45
2,763,597 BNY Mellon Efficient US High Yield Beta 'X' Sterling Hedged	2,371,166	4.73
208,721 iShares \$ TIPS UCITS ETF GBP Hedged <sup>A</sup>	1,019,185	2.03
652,744 iShares \$ Treasury Bond 20+yr UCITS ETF GBP Hedged <sup>A</sup>	2,084,212	4.15
Total United States Fixed Interest	6,706,086	13.36
Total Fixed Interest	28,814,429	57.43
<b>EQUITIES</b> (31 January 2024 - 23.73%)		
<b>Emerging Markets Equities</b> (31 January 2024 - 1.55%)		
76,000 State Street Global Emerging Markets Screened Index Equity 'B' GBP	828,286	1.65
Total Emerging Markets Equities	828,286	1.65
<b>European Equities</b> (31 January 2024 - 0.52%)		
23,000 State Street Europe Screened Index Equity 'B' GBP	268,456	0.54
Total European Equities	268,456	0.54
<b>Global Equities</b> (31 January 2024 - 16.54%)		
6,606 AMX Robeco Global Sustainable Multi-Factor Equity Index 'B' GBP Hedged	791,531	1.58
25,823 AMX STOXX Willis Towers Watson World Climate Transition Index 'B' GBP Hedged	3,036,787	6.05
17,224 Brown Advisory Global Leaders 'SI' Sterling	275,586	0.55
310,596 Jupiter Global Value Equity 'I'	198,999	0.40
79,896 MI Metropolis Valuefund 'S'	276,267	0.55
145,756 State Street Multi-Factor Global ESG Equity 'B' GBP	1,775,399	3.54
78,032 State Street Sustainable Climate World Equity 'B' GBP	1,070,833	2.13
66,173 State Street World Screened Index Equity 'B' GBP Hedged	910,932	1.82
3,906 Veritas Global Focus 'D' GBP	283,230	0.56
Total Global Equities	8,619,564	17.18
<b>Japanese Equities</b> (31 January 2024 - 1.05%)		
29,065 State Street Japan Screened Index Equity 'B' GBP	340,270	0.68
Total Japanese Equities	340,270	0.68

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS DEFENSIVE FUND**

**PORTFOLIO STATEMENT**

as at 31 July 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>EQUITIES</b> (continued)		
<b>Pacific ex. Japan Equities</b> (31 January 2024 - 0.26%)		
13,000 State Street Pacific Ex-Japan Screened Index Equity 'B' GBP	129,763	0.26
Total Pacific ex. Japan Equities	<u>129,763</u>	<u>0.26</u>
<b>United Kingdom Equities</b> (31 January 2024 - Nil)		
857,718 iShares UK Equity Index 'D' GBP	957,704	1.91
Total United Kingdom Equities	<u>957,704</u>	<u>1.91</u>
<b>United States Equities</b> (31 January 2024 - 3.81%)		
75,168 State Street US Screened Index Equity 'B' GBP	1,011,391	2.02
1,494 Vulcan Value Equity 'III' GBP	202,911	0.40
Total United States Equities	<u>1,214,302</u>	<u>2.42</u>
Total Equities	<u>12,358,345</u>	<u>24.64</u>
<b>OTHER</b> (31 January 2024 - 11.51%)		
<b>Infrastructure</b> (31 January 2024 - 4.60%)		
16,200 ATLAS Global Infrastructure 'B' GBP Unhedged	2,232,687	4.45
Total Infrastructure	<u>2,232,687</u>	<u>4.45</u>
<b>Money Markets</b> (31 January 2024 - 2.64%)		
1,191,892 ILF GBP Liquidity Plus '2'	1,852,463	3.69
Total Money Markets	<u>1,852,463</u>	<u>3.69</u>
<b>Real Estate</b> (31 January 2024 - 4.27%)		
4,042,457 Legal & General Global Real Estate Dividend Index 'C' GBP	2,395,964	4.78
Total Real Estate	<u>2,395,964</u>	<u>4.78</u>
<b>Specialist</b> (31 January 2024 - Nil)		
14,796 Leadenhall UCITS ILS 'B' GBP	2,081,000	4.15
Total Specialist	<u>2,081,000</u>	<u>4.15</u>
Total Other	<u>8,562,114</u>	<u>17.07</u>
<b>Portfolio of investments</b>	49,734,888	99.14
<b>Net other assets</b>	431,327	0.86
<b>Total net assets</b>	<u><u>50,166,215</u></u>	<u><u>100.00</u></u>

All investments are units/shares in unit trusts and ICVCs which are authorised or 'recognised' by the FCA with the exception of <sup>A</sup> which are open ended exchange traded funds.

**PORTFOLIO TRANSACTIONS**

for the six month period ended 31 July 2024

	£
Total purchases costs, including transaction charges	10,502,759
Total sales proceeds, net of transaction charges	10,437,598

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS DEFENSIVE FUND**

**STATEMENT OF TOTAL RETURN**

for the six month period ended 31 July 2024

	31 July 2024		31 July 2023	
	£	£	£	£
Income:				
Net capital gains		929,031		4,293
Revenue	1,088,115		662,610	
Expenses	<u>(225,335)</u>		<u>(214,333)</u>	
Net revenue before taxation	862,780		448,277	
Taxation	<u>(134,724)</u>		<u>(69,040)</u>	
Net revenue after taxation		<u>728,056</u>		<u>379,237</u>
Total return before distributions		1,657,087		383,530
Distributions		(684,421)		(537,471)
Change in net assets attributable to shareholders from investment activities		<u>972,666</u>		<u>(153,941)</u>

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

for the six month period ended 31 July 2024

	31 July 2024		31 July 2023	
	£	£	£	£
Opening net assets attributable to shareholders		<sup>A</sup> 49,630,164		53,406,467
Amounts receivable on issue of shares	7,755,999		6,418,502	
Amounts payable on cancellation of shares	<u>(8,655,566)</u>		<u>(9,417,208)</u>	
		(899,567)		(2,998,706)
Change in net assets attributable to shareholders from investment activities		972,666		(153,941)
Retained distribution on accumulation shares		462,952		346,080
Closing net assets attributable to shareholders		<u>50,166,215</u>	<sup>A</sup>	<u>50,599,900</u>

<sup>A</sup> These figures are not the same as the comparatives are taken from the preceding interim period and not the last annual accounts.

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS DEFENSIVE FUND**

**BALANCE SHEET**  
as at 31 July 2024

	<b>31 July 2024</b>	<b>31 January 2024</b>
	£	£
<b>Assets:</b>		
<b>Fixed Assets:</b>		
Investments	49,734,888	48,741,446
<b>Current Assets:</b>		
Debtors	340,894	489,921
Cash and bank balances	1,091,987	1,295,705
Total assets	<u>51,167,769</u>	<u>50,527,072</u>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Bank overdrafts	245,220	-
Distribution payable on income shares	202,498	116,846
Other creditors	553,836	780,062
Total liabilities	<u>1,001,554</u>	<u>896,908</u>
<b>Net assets attributable to shareholders</b>	<u><u>50,166,215</u></u>	<u><u>49,630,164</u></u>

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS CONSERVATIVE FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 31 July 2024

**Performance to 31 July 2024**

	<u>Six months</u>	<u>1 year</u>	<u>3 year</u>	<u>06.10.2020<sup>A</sup></u>
IFSL atomos Conservative Fund	2.61%	6.17%	(3.65)%	4.91%
IA Mixed Investment 0-35% Shares sector	3.73%	7.54%	(1.34)%	4.92%

<sup>A</sup> Launch period ended 5 October 2020.

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

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

Capital at risk. Past performance is not a reliable indicator of future performance; the value of your investment and any income from it can go down as well as up. Performance returns are based on the net asset value with distributable income reinvested and 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**

Market review

So far in 2024 investors have been carefully watching the decisions made by global central banks on their policy interest rates in response to generally falling inflation. Central banks can flex policy rates up or down to maintain the overall health of the economy – policy rates that are too high can stifle economic activity, but having policy rates too low can fuel higher inflation. It's all about finding the right balance. Both the Bank of England and the Federal Reserve (the US central bank) held rates steady over the first half of the year, although both were expected to cut rates in the second half of 2024 (which has since materialised in the UK).

Political uncertainty across the globe also dominated markets over the 6 months, with variability seen in French markets following the polarising French parliamentary election, whilst in the UK, Labour secured a strong win in the general election on 4th July. Despite investors navigating changing inflation and interest rate trends and a continuing uncertain political environment, it was a positive six months for markets overall. Global equities continued their stellar performance over the six months to 31 July 2024, driven predominantly by rising optimism around Artificial Intelligence (AI), driving strong returns from dominating technology companies such as Microsoft and Nvidia. In contrast, bond markets experienced varied performance as the changing expectations of rate cuts fed into bond prices. Generally, riskier bonds generated a better return than the higher quality (and lower risk) ones.

Sub-fund performance & portfolio activity

The sub-funds delivered positive returns over the six months to 31 July 2024.

Equities were the largest contributor to sub-fund returns over the first half of the year, as global equities continued to perform strongly as a result of optimism around AI. Given the equity market concentration (where a small number of stocks drive the majority of the market returns), some active managers underperformed the market where they didn't own those specific stocks.

Following strong performance in global equity markets over the past year or so, we took some profits in April and marginally increased the UK equity exposure, while retaining strong global diversification across the portfolio.

Bonds had mixed performance over the six months. Government bond prices fluctuated, largely influenced by their regional central bank policy interest rates. Overall, we saw our allocation to corporate bonds outperform government bonds as investors were rewarded for the higher level of risk. Our view coming into the year was that policy interest rates would be cut over the year, so we introduced an allocation to long-term US government bonds that are more sensitive to interest rate changes expecting them to profit as yields\* fall. We also introduced a specific UK government bond allocation in April to capture the expected faster interest rate cut by the Bank of England compared to the US.

The sub-fund has a global approach and held a higher allocation to overseas (mostly US) equities and bonds compared to the Investment Association ("IA") peer group\* (which tend to hold a higher allocation to UK assets), and therefore benefitted from global markets outperforming UK markets. Our higher allocation to real estate and infrastructure sectors detracted from performance as they underperformed the broader global equity market.

The lower risk sub-funds underperformed relative to their respective IA peer group due to having higher allocation to bonds (and therefore missing out on the absolute and relative equity performance) and a higher allocation to real estate and infrastructure which detracted relative to the broader global equity market.

Investment outlook

We think that variability in the price of bonds is likely to continue at least in the short-term, with the expectation that economic growth will be a little more tempered and inflation will continue to fall towards central bank targets. We expect equities to perform in line with normal expectations over the medium-term and so are now maintaining a neutral position.



**IFSL ATOMOS OEIC**  
**IFSL ATOMOS CONSERVATIVE FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 31 July 2024

**Investment commentary** (continued)

Investment outlook (continued)

In our view, we're transitioning from an era of rising interest rates to control inflation, to potential interest rate cuts to stimulate economies, however the impact on different countries remains uncertain. Alongside this, the global economy is currently sensitive to geopolitical risks such as the upcoming US election and global conflicts, which could create disparities across regions and sectors.

Given this, we continue to believe diversification – accessing a range of investments across different asset classes, geographies, and sectors – remains key. We maintain some protection assets in the portfolio which are expected to perform well when broad markets are falling. However, this uncertainty can also create opportunities to capture returns through stock selection and market rotations which we think are increasingly prevalent.

The portfolio is well positioned to withstand these risks and to take advantage of opportunities through dynamic positioning and manager selection.

Atomos Investments Limited  
30 August 2024

Explanation of terms\*

Peer Group – comparator for performance purposes.

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

**Distributions**

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>A Income (pence per share)</u>				
Net income paid 31 March	0.6744	0.5475	0.5461	0.5905
Net income paid 30 June <sup>B</sup>	N/A	N/A	0.6205	0.5686
Net income paid 30 September	1.2653	0.9989	0.7010	0.5742
Net income paid 31 December <sup>B</sup>		N/A	0.7376	0.5202
<u>A Accumulation (pence per share)</u>				
Net accumulation paid 31 March	0.7152	0.5728	0.5564	0.6678
Net accumulation paid 30 June <sup>B</sup>	N/A	N/A	0.6355	0.5710
Net accumulation paid 30 September	1.3554	1.0517	0.7221	0.5722
Net accumulation paid 31 December <sup>B</sup>		N/A	0.7655	0.5273
<u>B Accumulation (pence per share)</u>				
Net accumulation paid 31 March	0.6739	0.5150	0.6141	N/A <sup>A</sup>
Net accumulation paid 30 June <sup>B</sup>	N/A	N/A	0.6410	0.0737
Net accumulation paid 30 September	1.3753	1.0630	0.7287	0.5635
Net accumulation paid 31 December <sup>B</sup>		N/A	0.7013	0.5372

<sup>A</sup> Shares were initially issued on 23 April 2021.

<sup>B</sup> On 21 April 2023, the number of distributions made per year was reduced from four to two. From this date, the distribution pay dates are 31 March and 30 September.

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS CONSERVATIVE FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the six month period ended 31 July 2024

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
iShares Core UK Gilts UCITS ETF GBP	1,124,194
ILF GBP Liquidity Plus '2'	670,000
Leadenhall UCITS ILS 'B' GBP	460,000
iShares \$ Treasury Bond 20+yr UCITS ETF GBP Hedged	352,863
iShares UK Equity Index 'D' GBP	200,000
Robeco QI Global Multi-Factor Credits 'ZBH'	120,000
ATLAS Global Infrastructure 'B' GBP Unhedged	100,000
State Street Global Treasury Bond Index 'B' GBP Hedged	100,000
State Street World Screened Index Equity 'B' GBP Hedged	100,000
State Street Global Emerging Markets Screened Index Equity 'B' GBP	80,000
Other purchases	130,000
Total purchases for the period	3,437,057

<u>Largest sales</u>	<u>Proceeds (£)</u>
State Street Global Treasury Bond Index 'B' GBP Hedged	1,320,000
Robeco QI Global Multi-Factor Credits 'ZBH'	810,000
ILF GBP Liquidity Plus '2'	460,000
State Street Emerging Markets Local Currency Government Bond Index 'B' GBP	326,367
State Street US Screened Index Equity 'B' GBP	200,000
BNY Mellon Efficient US Fallen Angels Beta 'X' Sterling Hedged	150,000
AMX STOXX Willis Towers Watson World Climate Transition Index 'B' GBP Hedged	100,000
M&G European Credit Investment 'A' GBP Hedged	90,000
ATLAS Global Infrastructure 'B' GBP Unhedged	70,000
State Street Global Aggregate Bond Index 'B' GBP Hedged	60,000
Other sales	240,000
Total sales for the period	3,826,367

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS CONSERVATIVE FUND**

**COMPARATIVE TABLE**

<b><u>A Income shares</u></b>	<b>Period to</b>	<b>Year to</b>	<b>Year to</b>	<b>Year to</b>
<b>Change in net assets per share</b>	<b>31.07.2024</b>	<b>31.01.2024</b>	<b>31.01.2023</b>	<b>31.01.2022</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	95.09	93.64	103.18	104.27
Return before operating charges*	3.07	4.03	(6.10)	2.02
Operating charges	(0.48)	(0.91)	(0.83)	(0.90)
Return after operating charges*	2.59	3.12	(6.93)	1.12
Distributions on income shares	(1.27)	(1.67)	(2.61)	(2.21)
Closing net asset value per share	96.41	95.09	93.64	103.18

\* after direct transaction costs of: - 0.04 0.03 0.06

**Performance**

Return after charges<sup>A</sup> 2.72% 3.33% (6.72)% 1.07%

**Other information**

Closing net asset value (£)	7,024,983	7,560,578	10,614,717	14,771,216
Closing number of shares	7,286,615	7,950,704	11,335,272	14,316,066
Operating charges	1.01% <sup>B,C,D</sup>	0.98% <sup>B,C</sup>	0.85%	0.85%
Direct transaction costs	0.00% <sup>D</sup>	0.04%	0.03%	0.06%

**Prices (pence per share)**

Highest share price	97.68	96.50	103.70	108.40
Lowest share price	94.46	89.17	88.40	103.70

**A Accumulation shares**

<b>Change in net assets per share</b>	<b>Period to</b>	<b>Year to</b>	<b>Year to</b>	<b>Year to</b>
	<b>31.07.2024</b>	<b>31.01.2024</b>	<b>31.01.2023</b>	<b>31.01.2022</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	101.87	98.55	105.67	104.86
Return before operating charges*	3.28	4.28	(6.27)	1.72
Operating charges	(0.52)	(0.96)	(0.85)	(0.91)
Return after operating charges*	2.76	3.32	(7.12)	0.81
Distributions on accumulation shares	(1.36)	(1.77)	(2.70)	(2.23)
Retained distributions on accumulation shares	1.36	1.77	2.70	2.23
Closing net asset value per share	104.63	101.87	98.55	105.67

\* after direct transaction costs of: - 0.04 0.03 0.06

**Performance**

Return after charges<sup>A</sup> 2.71% 3.37% (6.74)% 0.77%

**Other information**

Closing net asset value (£)	16,023,903	15,526,724	17,391,857	18,641,467
Closing number of shares	15,314,661	15,242,062	17,647,097	17,640,440
Operating charges	1.01% <sup>B,C,D</sup>	0.98% <sup>B,C</sup>	0.85%	0.85%
Direct transaction costs	0.00% <sup>D</sup>	0.04%	0.03%	0.06%

**Prices (pence per share)**

Highest share price	104.60	102.70	106.20	109.90
Lowest share price	101.20	94.86	91.75	104.10

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

<sup>B</sup> On 21 April 2023, the annual management charge (AMC) for A shares, was increased from 0.75% to 0.80%.

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

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

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS CONSERVATIVE FUND**

**COMPARATIVE TABLE**

<b>B Accumulation shares</b>	<b>Period to 31.07.2024</b>	<b>Year to 31.01.2024</b>	<b>Year to 31.01.2023</b>	<b>Period to 31.01.2022<sup>A</sup></b>
<b>Change in net assets per share</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	102.95	98.82	105.58	107.30
Return before operating charges*	3.47	4.57	(6.42)	(1.42)
Operating charges	(0.25)	(0.44)	(0.34)	(0.30)
Return after operating charges*	3.22	4.13	(6.76)	(1.72)
Distributions on accumulation shares	(1.38)	(1.74)	(2.59)	(1.79)
Retained distributions on accumulation shares	1.38	1.74	2.59	1.79
Closing net asset value per share	106.17	102.95	98.82	105.58

\* after direct transaction costs of: - 0.04 0.03 0.06

**Performance**

Return after charges<sup>B</sup> 3.13% 4.18% (6.40)% (1.60)%

**Other information**

Closing net asset value (£)	194	188	180	160
Closing number of shares	183	183	183	151
Operating charges	0.48% <sup>D,E,F</sup>	0.45% <sup>D,E</sup>	0.34% <sup>C</sup>	0.36% <sup>F</sup>
Direct transaction costs	0.00% <sup>F</sup>	0.04%	0.03%	0.06%

**Prices (pence per share)**

Highest share price	106.20	103.70	106.20	110.10
Lowest share price	102.40	95.68	92.00	104.70

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

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

<sup>C</sup> On 7 October 2022, the annual management charge (AMC) for B shares, was reduced from 0.26% to 0.22%.

<sup>D</sup> On 21 April 2023, the annual management charge (AMC) for B shares, was increased from 0.22% to 0.27%.

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

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

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each share class in the 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 (all share classes)**

Lower risk Higher risk

←-----→

Typically lower rewards Typically higher rewards

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 is 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 ATOMOS OEIC**  
**IFSL ATOMOS CONSERVATIVE FUND**

**PORTFOLIO STATEMENT**

as at 31 July 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>FIXED INTEREST</b> (31 January 2024 - 69.61%)		
<b>Emerging Markets Fixed Interest</b> (31 January 2024 - 3.03%)		
33,051 State Street Emerging Markets Hard Currency Government Bond Index 'B' GBP	350,413	1.52
Total Emerging Markets Fixed Interest	350,413	1.52
<b>European Fixed Interest</b> (31 January 2024 - 6.72%)		
13,937 M&G European Credit Investment 'A' GBP Hedged	1,490,138	6.46
Total European Fixed Interest	1,490,138	6.46
<b>Global Fixed Interest</b> (31 January 2024 - 45.48%)		
29,412 Robeco QI Global Multi-Factor Credits 'ZBH'	3,108,891	13.49
326,157 State Street Global Aggregate Bond Index 'B' GBP Hedged	3,412,674	14.81
191,286 State Street Global Treasury Bond Index 'B' GBP Hedged	1,997,159	8.66
Total Global Fixed Interest	8,518,724	36.96
<b>United Kingdom Fixed Interest</b> (31 January 2024 - 6.51%)		
1,474,351 AXA ACT Carbon Transition Sterling Buy and Maintain Credit 'T' GBP	1,511,210	6.56
110,203 iShares Core UK Gilts UCITS ETF GBP <sup>A</sup>	1,136,468	4.93
Total United Kingdom Fixed Interest	2,647,678	11.49
<b>United States Fixed Interest</b> (31 January 2024 - 7.87%)		
322,994 BNY Mellon Efficient US Fallen Angels Beta 'X' Sterling Hedged	267,600	1.16
670,722 BNY Mellon Efficient US High Yield Beta 'X' Sterling Hedged	575,480	2.50
74,047 iShares \$ TIPS UCITS ETF GBP Hedged <sup>A</sup>	361,572	1.57
248,049 iShares \$ Treasury Bond 20+yr UCITS ETF GBP Hedged <sup>A</sup>	792,020	3.44
Total United States Fixed Interest	1,996,672	8.67
Total Fixed Interest	15,003,625	65.10
<b>EQUITIES</b> (31 January 2024 - 14.20%)		
<b>Emerging Markets Equities</b> (31 January 2024 - 0.61%)		
21,318 State Street Global Emerging Markets Screened Index Equity 'B' GBP	232,340	1.01
Total Emerging Markets Equities	232,340	1.01
<b>European Equities</b> (31 January 2024 - 0.29%)		
6,000 State Street Europe Screened Index Equity 'B' GBP	70,032	0.30
Total European Equities	70,032	0.30
<b>Global Equities</b> (31 January 2024 - 10.40%)		
2,599 AMX Robeco Global Sustainable Multi-Factor Equity Index 'B' GBP Hedged	311,365	1.35
6,673 AMX STOXX Willis Towers Watson World Climate Transition Index 'B' GBP Hedged	784,698	3.40
6,902 Brown Advisory Global Leaders 'SI' Sterling	110,434	0.48
128,986 Jupiter Global Value Equity 'I'	82,641	0.36
36,142 MI Metropolis Valuefund 'S'	124,971	0.54
32,886 State Street Multi-Factor Global ESG Equity 'B' GBP	400,567	1.74
16,939 State Street Sustainable Climate World Equity 'B' GBP	232,450	1.01
20,094 State Street World Screened Index Equity 'B' GBP Hedged	276,613	1.20
2,000 Veritas Global Focus 'D' GBP	145,020	0.63
Total Global Equities	2,468,759	10.71
<b>Japanese Equities</b> (31 January 2024 - 0.56%)		
11,488 State Street Japan Screened Index Equity 'B' GBP	134,490	0.58
Total Japanese Equities	134,490	0.58

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS CONSERVATIVE FUND**

**PORTFOLIO STATEMENT**

as at 31 July 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>EQUITIES</b> (continued)		
<b>United Kingdom Equities</b> (31 January 2024 - Nil)		
190,604 iShares UK Equity Index 'D' GBP	212,823	0.92
Total United Kingdom Equities	<u>212,823</u>	<u>0.92</u>
<b>United States Equities</b> (31 January 2024 - 2.34%)		
18,118 State Street US Screened Index Equity 'B' GBP	243,778	1.06
617 Vulcan Value Equity 'III' GBP	83,748	0.36
Total United States Equities	<u>327,526</u>	<u>1.42</u>
Total Equities	<u><u>3,445,970</u></u>	<u><u>14.94</u></u>
<b>OTHER</b> (31 January 2024 - 15.00%)		
<b>Infrastructure</b> (31 January 2024 - 5.16%)		
9,061 ATLAS Global Infrastructure 'B' GBP Unhedged	1,248,798	5.42
Total Infrastructure	<u>1,248,798</u>	<u>5.42</u>
<b>Money Markets</b> (31 January 2024 - 4.71%)		
855,669 ILF GBP Liquidity Plus '2'	1,329,899	5.77
Total Money Markets	<u>1,329,899</u>	<u>5.77</u>
<b>Real Estate</b> (31 January 2024 - 5.13%)		
2,057,281 Legal & General Global Real Estate Dividend Index 'C' GBP	1,219,351	5.29
Total Real Estate	<u>1,219,351</u>	<u>5.29</u>
<b>Specialist</b> (31 January 2024 - Nil)		
3,320 Leadenhall UCITS ILS 'B' GBP	466,956	2.03
Total Specialist	<u>466,956</u>	<u>2.03</u>
Total Other	<u><u>4,265,004</u></u>	<u><u>18.51</u></u>
<b>Portfolio of investments</b>	22,714,599	98.55
<b>Net other assets</b>	<u>334,481</u>	<u>1.45</u>
<b>Total net assets</b>	<u><u>23,049,080</u></u>	<u><u>100.00</u></u>

All investments are units/shares in unit trusts and ICVCs which are authorised or 'recognised' by the FCA with the exception of <sup>A</sup> which are open ended exchange traded funds.

**PORTFOLIO TRANSACTIONS**

for the six month period ended 31 July 2024

	£
Total purchases costs, including transaction charges	3,437,057
Total sales proceeds, net of transaction charges	3,826,367

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS CONSERVATIVE FUND**

**STATEMENT OF TOTAL RETURN**

for the six month period ended 31 July 2024

	31 July 2024		31 July 2023	
	£	£	£	£
Income:				
Net capital gains/(losses)		293,616		(192,173)
Revenue	488,445		344,776	
Expenses	<u>(100,683)</u>		<u>(110,911)</u>	
Net revenue before taxation	387,762		233,865	
Taxation	<u>(66,497)</u>		<u>(37,248)</u>	
Net revenue after taxation		<u>321,265</u>		<u>196,617</u>
Total return before distributions		614,881		4,444
Distributions		(306,161)		(277,544)
Change in net assets attributable to shareholders from investment activities		<u>308,720</u>		<u>(273,100)</u>

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

for the six month period ended 31 July 2024

	31 July 2024		31 July 2023	
	£	£	£	£
Opening net assets attributable to shareholders		<sup>A</sup> 23,087,490		28,006,754
Amounts receivable on issue of shares	2,850,547		2,006,743	
Amounts payable on cancellation of shares	<u>(3,405,252)</u>		<u>(5,495,665)</u>	
		(554,705)		(3,488,922)
Change in net assets attributable to shareholders from investment activities		308,720		(273,100)
Retained distribution on accumulation shares		207,575		166,873
Closing net assets attributable to shareholders		<u>23,049,080</u>		<sup>A</sup> <u>24,411,605</u>

<sup>A</sup> These figures are not the same as the comparatives are taken from the preceding interim period and not the last annual accounts.

**IFSL ATOMOS OEIC**  
**IFSL ATOMOS CONSERVATIVE FUND**

**BALANCE SHEET**  
as at 31 July 2024

	<b>31 July 2024</b>	<b>31 January 2024</b>
	£	£
<b>Assets:</b>		
<b>Fixed Assets:</b>		
Investments	22,714,599	22,811,878
<b>Current Assets:</b>		
Debtors	674,101	153,629
Cash and bank balances	563,191	260,704
Total assets	<u>23,951,891</u>	<u>23,226,211</u>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable on income shares	92,197	53,626
Other creditors	810,614	85,095
Total liabilities	<u>902,811</u>	<u>138,721</u>
<b>Net assets attributable to shareholders</b>	<u><u>23,049,080</u></u>	<u><u>23,087,490</u></u>



---

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

**Investor Support:** (0808) 178 9321 (FREEPHONE)

**Email.** [ifslclientsupport@ifslfunds.com](mailto:ifslclientsupport@ifslfunds.com)

**Website.** [www.ifslfunds.com](http://www.ifslfunds.com)

**Fax.** (01204) 533 045

Investment Fund Services Limited Registered in England No. 06110770  
Authorised and regulated by the Financial Conduct Authority and a  
member of The Investment Association.

Investment Fund Services