

IFSL Avellemy OEIC

Annual Report and Audited Financial Statements
for the year ended 31 January 2023

IFSL AVELLEMY OEIC

CONTACT INFORMATION

Registered Office

Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

Authorised Corporate Director (ACD) and Registrar

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

Investor Support: (0808) 178 9321 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

Directors of the ACD

Andrew Staley (Non-Executive)
Allan Hamer
Dom Clarke - appointed 30 January 2023
Wayne D Green - resigned 24 March 2022
Helen Derbyshire
Helen Redmond
Sally Helston - appointed 12 August 2022
Guy Sears (Independent Non-Executive)
Sarah Peaston (Independent Non-Executive)

Investment Manager

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

Authorised and regulated by the Financial Conduct Authority.

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.

Auditor

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

IFSL AVELLEMY OEIC

CONTENTS	PAGE
AUTHORISED STATUS	1
GENERAL INFORMATION	1
AUTHORISED CORPORATE DIRECTOR'S STATEMENT	7
STATEMENT OF AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES	7
STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY	8
INDEPENDENT AUDITOR'S REPORT	9
AUTHORISED INVESTMENT MANAGER'S REPORT - SUMMARY OF THE MARKETS	12
NOTES TO THE FINANCIAL STATEMENTS - ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES	13
INDIVIDUAL SUB-FUNDS	
IFSL AVELLEMY 3	16
IFSL AVELLEMY 4	30
IFSL AVELLEMY 5	44
IFSL AVELLEMY 6	58
IFSL AVELLEMY 7	72
IFSL AVELLEMY 8	86

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

FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

BALANCE SHEET

NOTES TO THE FINANCIAL STATEMENTS

DISTRIBUTION TABLE

IFSL AVELLEMY OEIC

AUTHORISED STATUS

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

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

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

GENERAL INFORMATION

IFSL Avellemy 3

Investment objective

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

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

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

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

Investment policy

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

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

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

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

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

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

Assessing performance

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

IFSL AVELLEMY OEIC

GENERAL INFORMATION

IFSL Avellemy 4

Investment objective

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

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

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

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

Investment policy

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

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

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

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

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

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

Assessing performance

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

IFSL Avellemy 5

Investment objective

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

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

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

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

Investment policy

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

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

IFSL AVELLEMY OEIC

GENERAL INFORMATION

IFSL Avellemy 5 (continued)

Investment policy (continued)

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

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

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

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

Assessing performance

The Investment Manager uses the MSCI Multi-Asset Dynamic Planner 5 index as a comparator for risk analysis purposes. This index combines the performance of various market indices. The Sub-fund's risk and return characteristics most closely align with the allocation of this index.

IFSL Avellemy 6

Investment objective

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

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

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

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

Investment policy

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

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

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

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

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

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

Assessing performance

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

IFSL AVELLEMY OEIC

GENERAL INFORMATION

IFSL Avellemy 7

Investment objective

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

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

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

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

Investment policy

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

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

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

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

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

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

Assessing performance

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

IFSL Avellemy 8

Investment objective

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

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

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

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

Investment policy

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

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

IFSL AVELLEMY OEIC

GENERAL INFORMATION

IFSL Avellemy 8 (continued)

Investment policy (continued)

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

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

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

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

Assessing performance

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

Rights and terms attached to each share class

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

Assessment of value

The ACD is required to carry out an assessment of value at least annually and publish its findings in a report to investors. The sub-funds of the Company will be assessed and reported on in a composite report which the ACD will be publishing by 30 June 2023 on the website. www.ifsifunds.com

Changes in prospectus

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

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

Cross holdings

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

Leverage

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

IFSL AVELLEMY OEIC

GENERAL INFORMATION

Leverage (continued)

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

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

The total amount of leverage calculated for each sub-fund as at 31 January 2022 is as follows:

	Gross Method	Commitment Method
IFSL Avellemy 3	96.22%	96.22%
IFSL Avellemy 4	95.10%	95.10%
IFSL Avellemy 5	95.25%	95.25%
IFSL Avellemy 6	97.07%	97.07%
IFSL Avellemy 7	96.98%	96.98%
IFSL Avellemy 8	96.69%	96.69%

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

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

Remuneration policy

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

The quantitative remuneration disclosures as at 30 September 2022 (the AIFM's year end) are set out below:

	Number of identified staff	Total remuneration paid	Fixed remuneration paid	Variable remuneration paid
		£	£	£
Remuneration paid to staff of the AIFM who have a material impact on the risk profile of the Company				
Senior Management	7	757,911	667,666	90,245
Risk takers and other identified staff	2	245,763	203,403	42,360
Allocation of total remuneration of the employees of the AIFM to the Company				
Senior Management	1	120,707	106,334	14,373
Risk takers and other identified staff	0.32	39,141	32,395	6,746

The total number of staff employed by the AIFM's group was 236 as at 30 September 2022. The total remuneration paid to those staff was £14,048,823, of which £5,197,123 is attributable to the AIFM. The information is provided for the purpose of Regulation 107(1)(a) of the AIFM regulations but not for the purposes of Regulations 107(1)(b) and (c) of the AIFM regulations.

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

AUTHORISED CORPORATE DIRECTOR'S STATEMENT

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



Allan Hamer
Director



Helen Redmond
Director

Investment Fund Services Limited
03 May 2023

STATEMENT OF AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

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

In preparing those financial statements the ACD is required to:

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

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

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

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

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the IFSL Avellemly OEIC ("the Company") for the period ended 31st January 2023

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

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

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

The Depositary must ensure that:

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

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

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

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

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

HSBC BANK PLC

03 May 2023

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

Opinion

We have audited the financial statements of IFSL Avellemy OEIC, ("the Company") comprising each of its sub-funds, for the year ended 31 January 2023, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Company, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company, comprising each of its sub-funds, as at 31 January 2023 and of the net revenue and the net capital losses on the scheme property of the Company for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

We have nothing to report in this regard.

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

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

In our opinion:

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

Matters on which we are required to report by exception

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

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

Responsibilities of the ACD

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Our approach was as follows:

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

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

Use of our report

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

Ernst & Young LLP
Statutory Auditor
Edinburgh

03 May 2023

Notes:

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

AUTHORISED INVESTMENT MANAGER'S REPORT - SUMMARY OF THE MARKETS

for the year ended 31 January 2023

Investment markets were dominated by rising inflation and bond yields in the twelve months to 31 January 2023 on the back of greater money supply and demand as economies came out of Covid lockdowns and reduced supply as global supply chains were broken by the lockdowns, especially in China, and energy imports to the West from Russia were stopped following Russia's invasion of Ukraine. Too much money chasing too few goods is inflationary and higher inflation makes investors demand higher returns and yields from their bonds which requires bond prices to fall. The 10 year US treasury yield, which is often seen as the global risk free cost of borrowing, nearly doubled from 1.8% on the first of February 2022 to 3.5% at the end of January 2023, having peaked at 4.25% in October.

Central banks raised interest rates and pulled money out of their economies to try and contain the inflationary impulse. Inflation did start to weaken in the run up to the US midterm elections in November 2022 as oil prices declined but the USA has now run down its Strategic Petroleum Reserve and the Organisation of Petroleum Exporting Countries (OPEC+) is limiting its production. Rising US Treasury yields saw the US dollar strengthen significantly until October, which further tightened financial conditions for the rest of the world, but the US dollar has since given up half of its gains.

As the risk free rate rose, assets with predictable cashflows saw their future earnings discounted back using higher rates to lower present values. Essentially, all assets that did well over the last few years as government bond yields declined to zero struggled as this trend reversed. Technology stocks, which had the highest growth potential, were particularly affected. On the other hand, the commodity sectors, which had been weak for many years, benefitted enormously from higher commodity prices. Globally, equity markets were flat over the period as growth expectations were pared back and investors preferred present cashflows to future growth. The fall in markets at the start of the year was reversed at the end of the year after the US dollar weakened.

With central banks raising interest rates and pulling money out of the economy, economic growth slowed over the year as over indebted governments, corporations and individuals found it harder to finance themselves. The global economy was helped, however, by China lifting its Covid restrictions.

With the cost of capital rising, there was downward pressure on all assets, and, with bonds falling and equities flat, investors saw the value of their balanced portfolios decline. Cash saw a positive return of 1.3% in the 12 months to 31 January 2023 but other perceived safe havens like government bonds were down 19.1% as they are highly sensitive to rising bond yields. Investment grade corporate bonds were down 10.9% over the 12 months but high yield corporate bonds, which are more sensitive to economic conditions than rising bond yields, fell 5.8%.

In equities, UK equities were the best performing region as the UK market has the largest weightings in energy and mining companies, which were the best performing sectors, and banks, which get a higher return from lending at higher interest rates. It also has one of the smallest allocations of any region to technology companies which were among the worst performing stocks.

US equities, which include the largest weighting to technology companies, were one of the weakest performing regions, not helped by the US dollar weakening towards the end of the year. Emerging markets are sensitive to the strength and weakness of the US dollar so, while the US market was down 0.1% over the 12 months to 31 January 2023, emerging markets were down 4.9% due to the US dollar's strength earlier in the year and then China's Covid lockdown. The fall in emerging markets was made worse by the Russian invasion of Ukraine as investments in Russia were immediately embargoed and investors worried about the same thing happening to China. Although European equities performed poorly after the invasion as the European Union's sanctions on Russia saw Europe's energy supplies dwindle and its energy costs skyrocket, they recovered when energy prices dropped back, and they finished the year up 2.9%.

Avellemy Limited
27 February 2023

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

for the year ended 31 January 2023

1.1 ACCOUNTING POLICIES

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

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

Basis of accounting

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

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

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

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

Revenue

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

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

Bank interest is accounted for on an accruals basis.

Allocation of revenue

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

Expenses

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

Distributions from Collective Investment Schemes

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

Valuation

The valuation point was 12:00 on 31 January 2023 being the last valuation point of the accounting year.

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

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

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

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

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

for the year ended 31 January 2023

ACCOUNTING POLICIES

Taxation

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

Exchange rates

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at 12:00 on 31 January 2023 being the last valuation point of the accounting period. Revenue and expenditure transactions are translated at the rates of exchange ruling on the dates of the transactions. Exchange differences on such transactions follow the same treatment at the principal amounts.

1.2 DISTRIBUTION POLICIES

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

Equalisation

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

1.3 RISK MANAGEMENT POLICIES

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

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

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

Market price risk

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

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

for the year ended 31 January 2023

RISK MANAGEMENT POLICIES

Foreign currency risk

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

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

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

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

Interest rate risk

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

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

Liquidity risk

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

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

Credit and counterparty risk

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

Concentration risk

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

Derivatives and other financial instruments

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

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

IFSL AVELLEMY OEIC
IFSL AVELLEMY 3

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 January 2023

Performance to 31 January 2023

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>13.05.2019^A</u>
IFSL Avellemy 3	(2.11)%	(7.43)%	(3.31)%	2.10%
MSCI Multi-Asset Dynamic Planner 3	(3.64)%	(7.02)%	(2.07)%	4.29%

^A Launch period ended.

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

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

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

Investment commentary

The sub fund made a negative return of -7.43% over the period underperforming the Dynamic Planner 3 benchmark. Underperformance was primarily driven by our UK equity exposure (12% of the portfolio at risk profile 3), which is more diversified by market capitalisation than the underlying Dynamic Planner/UK reference index (which comprises a relatively small collection of the UK's largest companies). Cyclical energy and mining companies and banks, which performed well in the period, are amongst the largest companies in the country while the fund has exposure to smaller companies that have higher and more consistent growth, and which are on low valuations. As growth was derated, our smaller companies got cheaper in the period even though companies continued to meet their earnings forecasts. We expect our holdings may recover as market liquidity improves. Our UK equities were down 5.5% while the UK reference index was down 1.4%.

The US equity funds have a large exposure to technology stocks which fell in the first part of the year even though the ones we hold are established, profitable companies with good growth trajectories. Company earnings over the period were in line with expectations but investors rotated out of growth into cheaper companies before the technology sector bounced back at the start of the New Year. The US equity funds were down 3.2% over the twelve months while the US market was down 0.1%.

Our fixed income funds broadly added value compared to the market. Our index linked gilt exposure, which was 8% of the portfolio, benefitted from having less interest rate risk than its benchmark and our index linked gilt funds were down 15.6% compared to -31.4% for the benchmark.

The property funds, which made up 2.5% of the portfolio, were down 6.9% over the year to 31 January 2023 as property prices weakened.

Avellemy Limited
 27 February 2023

Distributions (pence per share)

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>A Accumulation</u>				
Net accumulation paid 31 March	0.7843	0.3719	0.5110	-
Net accumulation paid 30 September		0.3865	0.5444	0.6565
<u>A Income</u>				
Net income paid 31 March	0.7658	0.3685	-	-
Net income paid 30 September		0.3787	-	-
<u>C Income</u>				
Net income paid 31 March	0.8602	0.4721	0.5691	0.7182
Net income paid 30 September		0.4790	0.6146	0.6821
<u>D Accumulation</u>				
Net accumulation paid 31 March	0.5058	0.0852	0.1899	-
Net accumulation paid 30 September		0.1107	0.2319	0.1643

IFSL AVELLEMY OEIC
IFSL AVELLEMY 3

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 January 2023

Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
Royal London Short Duration Global Index Linked 'Z'	1,361,177
BlackRock ICS Sterling Liquidity 'Premier' GBP	934,981
Janus Henderson Horizon Global Property Equities 'M2' GBP	630,211
IFSL Avellemy UK Equity Income 'A'	340,750
Allianz Gilt Yield 'I' GBP	260,398
Royal London Sterling Credit 'Z'	108,406
Baillie Gifford Japanese 'B'	99,802
TwentyFour Corporate Bond 'I' GBP	98,281
Legal & General All Stocks Index Linked Gilt Index 'C'	94,267
Nomura Global Dynamic Bond 'ID' GBP Hedged	62,277
Other purchases	86,137
Total purchases for the year	4,076,687
<u>Largest sales</u>	<u>Proceeds (£)</u>
Legal & General All Stocks Index Linked Gilt Index 'C'	1,361,177
BlackRock ICS Sterling Liquidity 'Premier' GBP	906,045
Legal & General UK Property Feeder 'I'	675,151
IFSL Avellemy US Equity 'A'	570,785
iShares Global Property Securities Equity Index 'D' GBP	568,331
IFSL Avellemy UK Equity 'A'	394,781
Muzinich Global Tactical Credit 'S' GBP Hedged	373,257
IFSL Avellemy UK Equity Income 'A'	310,113
Allianz Gilt Yield 'I' GBP	175,210
Jupiter Strategic Bond 'Z'	131,991
Other sales	810,327
Total sales for the year	6,277,168

IFSL AVELLEMY OEIC
IFSL AVELLEMY 3

COMPARATIVE TABLE

A Income shares

Change in net assets per share	Year to 31.01.2023 pence	Period to 31.01.2022 pence
Opening net asset value per share	108.03	109.30 ^A
Return before operating charges*	(7.00)	0.15
Operating charges	(0.95)	(1.05)
Return after operating charges*	(7.95)	(0.90)
Distributions on income shares	(1.14)	(0.37)
Closing net asset value per share	98.94	108.03

* after direct transaction costs of:

- -

Performance

Return after charges ^C (7.36%) (0.82%)

Other information

Closing net asset value (£)	£267,766	£307,715
Closing number of shares	270,648	284,834
Operating charges	0.94% ^E	0.95% ^E
Direct transaction costs	0.00%	0.00%

Prices (pence per share)

Highest share price	108.70	112.70
Lowest share price	92.96	104.20

A Accumulation shares

Change in net assets per share	Year to 31.01.2023 pence	Year to 31.01.2022 pence	Period to 31.01.2021 pence
Opening net asset value per share	110.20	107.73	105.30 ^B
Return before operating charges*	(7.16)	3.53	3.31
Operating charges	(0.97)	(1.06)	(0.87)
Return after operating charges*	(8.13)	2.47	2.43
Distributions on accumulation shares	(1.17)	(0.92)	(1.17)
Retained distributions on accumulation shares	1.17	0.92	1.17
Closing net asset value per share	102.07	110.20	107.73

* after direct transaction costs of:

- - -

Performance

Return after charges ^C (7.38%) 2.29% 2.31%

Other information

Closing net asset value	£9,934,606	£12,119,353	£969,663
Closing number of shares	9,733,253	10,997,780	900,050
Operating charges	0.94% ^E	0.95% ^E	0.83% ^D
Direct transaction costs	0.00%	0.00%	0.00%

Prices (pence per share)

Highest share price	110.90	114.60	108.60
Lowest share price	95.23	106.10	93.15

^A Opening net asset value per share on 19 July 2021.

^B Opening net asset value per share on 3 February 2020.

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

^D These figures have been annualised.

^E From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

IFSL AVELLEMY OEIC
IFSL AVELLEMY 3

COMPARATIVE TABLE

C Income shares

Change in net assets per share	Year to 31.01.2023 pence	Year to 31.01.2022 pence	Year to 31.01.2021 pence
Opening net asset value per share	107.38	105.85	104.85
Return before operating charges*	(7.02)	3.38	2.95
Operating charges	(0.69)	(0.76)	(0.70)
Return after operating charges*	(7.71)	2.62	2.25
Distributions on income shares	(1.34)	(1.09)	(1.25)
Closing net asset value per share	98.33	107.38	105.85

* after direct transaction costs of:

- - -

Performance

Return after charges ^B (7.18%) 2.48% 2.15%

Other information

Closing net asset value	£11,422,478	£14,289,329	£14,904,268
Closing number of shares	11,616,154	13,307,221	14,079,896
Operating charges	0.69% ^D	0.70% ^D	0.68%
Direct transaction costs	0.00%	0.00%	0.00%

Prices (pence per share)

Highest share price	108.10	112.20	107.20
Lowest share price	92.50	104.20	92.57

D Accumulation shares

Change in net assets per share	Year to 31.01.2023 pence	Year to 31.01.2022 pence	Period to 31.01.2021 pence
Opening net asset value per share	107.43	105.59	100.00 ^A
Return before operating charges*	(6.84)	3.58	7.23
Operating charges	(1.59)	(1.74)	(1.63)
Return after operating charges*	(8.43)	1.84	5.59
Distributions on accumulation shares	(0.62)	(0.32)	(0.35)
Retained distributions on accumulation shares	0.62	0.32	0.35
Closing net asset value per share	99.00	107.43	105.59

* after direct transaction costs of:

- - -

Performance

Return after charges ^B (7.85%) 1.74% 5.59%

Other information

Closing net asset value	£120,417	£112,940	£12,909
Closing number of shares	121,639	105,128	12,225
Operating charges	1.59% ^D	1.60% ^D	1.58% ^C
Direct transaction costs	0.00%	0.00%	0.00%

Prices (pence per share)

Highest share price	108.10	111.80	106.40
Lowest share price	92.44	103.80	99.45

^A Opening net asset value per share on 1 May 2020.

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

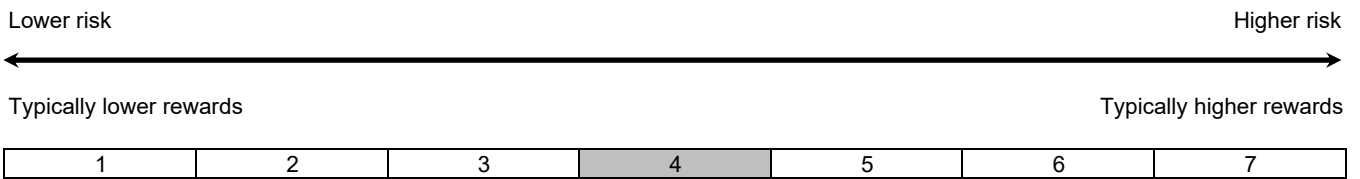
^C These figures have been annualised.

^D From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

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

IFSL AVELLEMY OEIC
IFSL AVELLEMY 3

SYNTHETIC RISK AND REWARD INDICATOR (all share classes)



This indicator aims to give you a measure of the price movement of this share class 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 it has experienced moderate volatility historically. During the year the synthetic risk changed from 3 to 4.

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

IFSL AVELLEMY OEIC
IFSL AVELLEMY 3

PORTFOLIO STATEMENT

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
EQUITY		
Japan (31 January 2022 - 4.52%)		
34,836 Baillie Gifford Japanese 'B'	551,808	2.54
477,991 Jupiter Japan Income 'I'	526,077	2.42
Total Japan	<u>1,077,885</u>	<u>4.96</u>
North America (31 January 2022 - 9.36%)		
1,905,970 IFSL Avellemy US Equity 'A'	1,905,970	8.77
Total North America	<u>1,905,970</u>	<u>8.77</u>
UK All Companies (31 January 2022 - 6.88%)		
1,442,696 IFSL Avellemy UK Equity 'A'	1,309,247	6.02
Total UK Equity	<u>1,309,247</u>	<u>6.02</u>
UK Equity Income (31 January 2022 - 4.44%)		
1,206,988 IFSL Avellemy UK Equity Income 'A'	1,261,302	5.80
Total UK Equity Income	<u>1,261,302</u>	<u>5.80</u>
FIXED INTEREST		
Global Inflation Linked Bond (31 January 2022 - Nil)		
1,078,459 Royal London Short Duration Global Index Linked 'Z'	1,135,617	5.22
Total Global Inflation Linked Bond	<u>1,135,617</u>	<u>5.22</u>
Sterling Corporate Bond (31 January 2022 - 14.60%)		
1,139,792 BlackRock Corporate Bond 'S' GBP	1,130,494	5.20
873,211 Royal London Sterling Credit 'Z'	1,039,995	4.78
12,342 TwentyFour Corporate Bond 'I' GBP	1,037,209	4.77
Total Sterling Corporate Bond	<u>3,207,698</u>	<u>14.75</u>
Sterling Strategic Bond (31 January 2022 - 17.59%)		
2,080,574 Jupiter Strategic Bond 'Z'	1,166,994	5.37
13,180 Muzinich Global Tactical Credit 'S' GBP Hedged	1,188,053	5.46
13,098 Nomura Global Dynamic Bond 'ID' GBP Hedged	1,281,450	5.89
Total Sterling Strategic Bond	<u>3,636,497</u>	<u>16.72</u>
UK Gilts (31 January 2022 - 9.68%)		
1,388,242 Allianz Gilt Yield 'I' GBP	2,127,064	9.78
Total UK Gilts	<u>2,127,064</u>	<u>9.78</u>
UK Index Linked Gilts (31 January 2022 - 7.78%)		
578,343 Legal & General All Stocks Index Linked Gilt Index 'C'	576,261	2.65
Total UK Index Linked Gilts	<u>576,261</u>	<u>2.65</u>
OTHER		
Property Other (31 January 2022 - 2.19%)		
19,440 Janus Henderson Horizon Global Property Equities 'M2' GBP	543,344	2.50
Total Property Other	<u>543,344</u>	<u>2.50</u>
UK Direct Property (31 January 2022 - 2.60%)		

IFSL AVELLEMY OEIC
IFSL AVELLEMY 3

PORTFOLIO STATEMENT
as at 31 January 2023

Holding or nominal value		Bid value £	Percentage of total net assets %
CASH / LIQUIDITY			
Short Term Money Market (31 January 2022 - 16.82%)			
43,153	BlackRock ICS Sterling Liquidity 'Premier' GBP	4,609,371	21.20
	Total Short Term Money Market	<u>4,609,371</u>	<u>21.20</u>
	Portfolio of investments	21,390,256	98.37
	Net other assets	<u>355,011</u>	<u>1.63</u>
	Total net assets	<u>21,745,267</u>	<u>100.00</u>

IFSL AVELLEMY OEIC
IFSL AVELLEMY 3

STATEMENT OF TOTAL RETURN
for the year ended 31 January 2023

	Notes	31 January 2023		31 January 2022	
		£	£	£	£
Income:					
Net capital (losses)/gains	2		(2,274,853)		383,755
Revenue	4	433,795		367,573	
Expenses	5	(82,530)		(84,328)	
Net revenue before taxation		<u>351,265</u>		<u>283,245</u>	
Taxation	6	(51,199)		(40,844)	
Net revenue after taxation			<u>300,066</u>		<u>242,401</u>
Total return before distributions			(1,974,787)		626,156
Distributions	7		(300,066)		(242,440)
Change in net assets attributable to shareholders from investment activities			<u>(2,274,853)</u>		<u>383,716</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 31 January 2023

	31 January 2023		31 January 2022	
	£	£	£	£
Opening net assets attributable to shareholders		26,829,337		24,694,496
Amounts receivable on issue of shares	2,741,138		8,591,984	
Amounts payable on cancellation of shares	(5,669,478)		(6,935,026)	
Amounts payable on unit class conversions	<u>-</u>		<u>(1,239)</u>	
		(2,928,340)		1,655,719
Change in net assets attributable to shareholders from investment activities		(2,274,853)		383,716
Retained distribution on accumulation shares		119,123		95,406
Closing net assets attributable to shareholders		<u>21,745,267</u>		<u>26,829,337</u>

IFSL AVELLEMY OEIC
IFSL AVELLEMY 3

BALANCE SHEET
as at 31 January 2023

	Notes	31 January 2023 £	31 January 2022 £
Assets:			
Fixed Assets:			
Investments	14	21,390,256	25,880,103
Current Assets:			
Debtors	8	498,918	479,635
Cash and cash equivalents		583,449	594,765
Total assets		<u>22,472,623</u>	<u>26,954,503</u>
Liabilities:			
Creditors:			
Distribution payable on income shares		102,003	63,876
Other creditors	9	625,353	61,290
Total liabilities		<u>727,356</u>	<u>125,166</u>
Net assets attributable to shareholders		<u>21,745,267</u>	<u>26,829,337</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	31 January 2023 £	31 January 2022 £
Realised (losses)/gains on non-derivative securities	(181,115)	1,215,199
Unrealised losses on non-derivative securities	(2,092,543)	(828,295)
Transaction charges	(1,195)	(3,149)
Net capital (losses)/gains	<u>(2,274,853)</u>	<u>383,755</u>

3 PURCHASES, SALES AND TRANSACTION COSTS

Purchases excluding transaction costs:
Collective Investment Schemes

	31 January 2023 £	31 January 2022 £
	4,076,687	18,450,385
	<u>4,076,687</u>	<u>18,450,385</u>
Total purchase transaction costs	-	-
Purchases including transaction costs	<u>4,076,687</u>	<u>18,450,385</u>

Sales excluding transaction costs:
Collective Investment Schemes

	6,277,168	16,483,530
	<u>6,277,168</u>	<u>16,483,530</u>
Total sale transaction costs	-	-
Sales net of transaction costs	<u>6,277,168</u>	<u>16,483,530</u>

Transaction handling charges

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

	<u>£1,195</u>	<u>£3,149</u>
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Average portfolio dealing spread

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

Average portfolio dealing spread at the balance sheet date

	<u>0.00%</u>	<u>0.00%</u>
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4 REVENUE

	31 January 2023 £	31 January 2022 £
UK dividends	95,272	76,117
Overseas dividends	-	2,908
Interest distributions	335,590	288,546
Bank interest	2,933	2
Total revenue	<u>433,795</u>	<u>367,573</u>

5 EXPENSES

Payable to the ACD or associate:

	31 January 2023 £	31 January 2022 £
ACD's periodic charge	61,123	62,656
Registration fees	400	392
KIID production costs	1,949	2,394
	<u>63,472</u>	<u>65,442</u>

Other expenses:

Depositary's fees	8,744	9,537
Safe custody fees	1,795	1,887
FCA fee	80	82
Audit fee	8,439	7,380
	<u>19,058</u>	<u>18,886</u>

Total expenses

	<u>82,530</u>	<u>84,328</u>
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IFSL AVELLEMY OEIC
IFSL AVELLEMY 3

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

6 TAXATION

31 January 2023 **31 January 2022**
£ £

a Analysis of the tax charge for the year		
UK Corporation tax at 20%	51,199	40,844
Total tax charge (see note 6(b))	<u>51,199</u>	<u>40,844</u>

b Factors affecting the tax charge for the year

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below.

Net revenue before taxation	351,265	283,245
Corporation tax at 20% (2022: 20%)	<u>70,253</u>	<u>56,649</u>

Effects of:

Revenue not subject to taxation	(19,054)	(15,805)
Total tax charge (see note 6(a))	<u>51,199</u>	<u>40,844</u>

c Provision for deferred taxation

No provision for deferred tax has been made in the current or prior accounting year.

7 DISTRIBUTIONS

31 January 2023 **31 January 2022**
£ £

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

Interim	104,218	138,687
Final	178,960	104,876

Amounts deducted on cancellation of shares	30,009	23,133
Amounts added on issue of shares	(13,108)	(22,998)
Equalisation on conversions	-	(1,239)
Revenue brought forward	(13)	(19)
Distributions	<u>300,066</u>	<u>242,440</u>

8 DEBTORS

31 January 2023 **31 January 2022**
£ £

Amounts receivable for issue of shares	18,925	455,604
Sales awaiting settlement	465,499	-
Accrued income	9,859	19,867
Taxation recoverable	4,635	4,164
Total debtors	<u>498,918</u>	<u>479,635</u>

9 OTHER CREDITORS

31 January 2023 **31 January 2022**
£ £

Amounts payable for cancellation of shares	548,352	5,323
Purchases awaiting settlement	10,830	-
ACD's periodic charge	4,791	5,668
Accrued expenses	10,180	9,455
Corporation tax payable	51,200	40,844
Total other creditors	<u>625,353</u>	<u>61,290</u>

10 RELATED PARTIES

The ACD is involved in all transactions in the shares of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to shareholders and note 7. Amounts due to/from the ACD in respect of share transactions at the period end are disclosed in notes 8 and 9. Amounts paid to the ACD or associates in respect of the ACD's periodic charge and other fees are disclosed in note 5. Amounts due to/(from) the ACD at the period end are £534,401 (2022: £444,515).

IFSL AVELLEMY OEIC
IFSL AVELLEMY 3

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

11 SHARE CLASSES

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

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

12 SHAREHOLDERS' FUND RECONCILIATION

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

	A Income	A Accumulation	C Income
Opening shares in issue at 1 February 2022	284,834	10,997,780	13,307,221
Share issues	23,457	1,789,332	858,220
Share cancellations	(37,643)	(3,053,859)	(2,549,287)
Closing shares in issue at 31 January 2023	<u>270,648</u>	<u>9,733,253</u>	<u>11,616,154</u>
		D Accumulation	
Opening shares in issue at 1 February 2022		105,128	
Share issues		17,238	
Share cancellations		(727)	
Share conversions		-	
Closing shares in issue at 31 January 2023		<u>121,639</u>	

13 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £1,069,513 (2022: £1,294,005). A five per cent decrease would have an equal and opposite effect.

Interest rate risk

The interest rate risk profile of financial assets and liabilities for the year ended 31 January 2023 consists of the following:

	31 January 2023	31 January 2022
	£	£
Financial assets floating rate	583,448	594,766
Financial assets interest bearing instruments	15,292,508	17,829,698
Financial assets non-interest bearing instruments	6,596,666	8,530,040
Financial liabilities non-interest bearing instruments	(727,355)	(125,167)
	<u>21,745,267</u>	<u>26,829,337</u>

Interest rate risk sensitivity

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

Liquidity risk

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

	31 January 2023	31 January 2022
	£	£
Within one year:		
Distribution payable on income shares	(102,003)	63,876
Other creditors	(625,353)	61,290
	<u>(727,356)</u>	<u>125,166</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

14 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	31 January 2023		31 January 2022	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	-	-	-	-
Level 2 - Observable market data	21,390,256	-	25,880,103	-
Level 3 - Unobservable data	-	-	-	-
	<u>21,390,256</u>	<u>-</u>	<u>25,880,103</u>	<u>-</u>

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

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

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

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

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

Level 3 - Valuation techniques using unobservable inputs.

15 POST BALANCE SHEET EVENTS

Since 31 January 2023, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)			Movement (%)
	31 January 2023 ^A	24 April 2023		
A Income	99.65	98.63		-1.02%
A Accumulation	102.10	101.80		-0.29%
C Income	99.21	98.14		-1.08%
D Accumulation	98.93	98.57		-0.36%

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

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IFSL AVELLEMY 3

DISTRIBUTION TABLE

Interim distribution or the period from 1 February 2022 to 31 July 2022

Group 1: Shares purchased prior to 1 February 2022

Group 2: Shares purchased on or after 1 February 2022

		Net revenue 31 July 2022 pence per share	Equalisation 31 July 2022 pence per share	Distribution paid 30 September 2022 pence per share	Distribution paid 30 September 2021 pence per share
A Accumulation	Group 1	0.3865p	-	0.3865p	0.5444p
	Group 2	0.0804p	0.3061p	0.3865p	0.5444p
A Income	Group 1	0.3787p	-	0.3787p	-
	Group 2	0.1165p	0.2622p	0.3787p	-
C Income	Group 1	0.4790p	-	0.4790p	0.6146p
	Group 2	0.1520p	0.3270p	0.4790p	0.6146p
C Accumulation	Group 1	-	-	-	-
	Group 2	-	-	-	-
D Accumulation	Group 1	0.1107p	-	0.1107p	0.2319p
	Group 2	0.1107p	-	0.1107p	0.2319p

Final distribution or the period from 1 August 2022 to 31 January 2023

Group 1: Shares purchased prior to 1 August 2022

Group 2: Shares purchased on or after 1 August 2022

		Net revenue 31 January 2023 pence per share	Equalisation 31 January 2023 pence per share	Distribution paid 31 March 2023 pence per share	Distribution paid 31 March 2022 pence per share
A Accumulation	Group 1	0.7843p	-	0.7843p	0.3719p
	Group 2	0.1203p	0.6640p	0.7843p	0.3719p
A Income	Group 1	0.7658p	-	0.7658p	0.3685p
	Group 2	0.2461p	0.5197p	0.7658p	0.3685p
C Income	Group 1	0.8602p	-	0.8602p	0.4721p
	Group 2	0.2151p	0.6451p	0.8602p	0.4721p
C Accumulation	Group 1	-	-	-	-
	Group 2	-	-	-	-
D Accumulation	Group 1	0.5058p	-	0.5058p	0.0852p
	Group 2	-	0.5058p	0.5058p	0.0852p

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AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 January 2023

Performance to 31 January 2023

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>13.05.2019^A</u>
IFSL Avellemy 4	(0.82)%	(5.48)%	2.55%	8.70%
MSCI Multi-Asset Dynamic Planner 4	(2.01)%	(5.21)%	3.97%	11.50%

^A Launch period ended.

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

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

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

Investment commentary

The sub fund made a negative return of -5.48% over the period underperforming the Dynamic Planner 4 benchmark. Underperformance was primarily driven by our UK equity exposure (16% of the portfolio at risk profile 4), which is more diversified by market capitalisation than the underlying Dynamic Planner/UK reference index (which comprises a relatively small collection of the UK's largest companies). Cyclical energy and mining companies and banks, which performed well in the period, are amongst the largest companies in the country while the fund has exposure to smaller companies that have higher and more consistent growth, and which are on low valuations. As growth was derated, our smaller companies got cheaper in the period even though companies continued to meet their earnings forecasts. We expect our holdings may recover as market liquidity improves. Our UK equities were down 5.5% while the UK reference index was down 1.4%.

The US equity funds have a large exposure to technology stocks which fell in the first part of the year even though the ones we hold are established, profitable companies with good growth trajectories. Company earnings over the period were in line with expectations but investors rotated out of growth into cheaper companies before the technology sector bounced back at the start of the New Year. The US equity funds were down 3.2% over the twelve months while the US market was down 0.1%.

Our fixed income funds broadly added value compared to the market. Our index linked gilt exposure, which was 8% of the portfolio, benefitted from having less interest rate risk than its benchmark and our index linked gilt funds were down 15.6% compared to -31.4% for the benchmark.

The property funds, which made up 2.5% of the portfolio, were down 6.9% over the year to 31 January 2023 as property prices weakened.

Avellemy Limited
27 February 2023

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AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 January 2023

Distributions (pence per share)

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>A Accumulation</u>				
Net accumulation paid 31 March	0.9025	0.3545	0.5053	0.7678
Net accumulation paid 30 September		0.3842	0.5526	0.6368
<u>A Income</u>				
Net income paid 31 March	0.8823	0.3552	-	-
Net income paid 30 September		0.3784	-	-
<u>C Income</u>				
Net income paid 31 March	0.9818	0.4633	0.5635	0.8139
Net income paid 30 September		0.4820	0.6270	0.6665
<u>D Accumulation</u>				
Net accumulation paid 31 March	0.5903	0.0433	0.1727	-
Net accumulation paid 30 September		0.0924	0.2214	0.2973

Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
Royal London Short Duration Global Index Linked 'Z'	11,482,940
BlackRock ICS Sterling Liquidity 'Premier' GBP	8,007,548
Janus Henderson Horizon Global Property Equities 'M2' GBP	5,063,924
IFSL Avellemy UK Equity Income 'A'	3,813,169
TwentyFour Corporate Bond 'I' GBP	2,837,341
IFSL Avellemy US Equity 'A'	2,357,855
IFSL Avellemy UK Equity 'A'	2,311,375
Allianz Gilt Yield 'I' GBP	2,016,760
Legal & General All Stocks Index Linked Gilt Index 'C'	1,975,297
Baillie Gifford Japanese 'B'	1,554,016
Other purchases	6,418,269
Total purchases for the year	47,838,494

<u>Largest sales</u>	<u>Proceeds (£)</u>
Legal & General All Stocks Index Linked Gilt Index 'C'	11,472,727
iShares Global Property Securities Equity Index 'D' GBP	5,126,000
Legal & General UK Property Feeder 'I'	4,926,997
IFSL Avellemy UK Equity 'A'	4,235,172
IFSL Avellemy US Equity 'A'	4,078,623
IFSL Avellemy UK Equity Income 'A'	2,543,957
TwentyFour Corporate Bond 'I' GBP	1,715,502
IFSL Avellemy European Equity 'A'	1,710,654
BlackRock ICS Sterling Liquidity 'Premier' GBP	875,422
Baillie Gifford Japanese 'B'	814,363
Other sales	1,223,702
Total sales for the year	38,723,119

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IFSL AVELLEMY 4

COMPARATIVE TABLE

A Income shares

Change in net assets per share	Year to 31.01.2023 pence	Period to 31.01.2022 pence
Opening net asset value per share	112.74	113.80 ^A
Return before operating charges*	(5.05)	0.41
Operating charges	(1.04)	(1.11)
Return after operating charges*	(6.09)	(0.70)
Distributions on income shares	(1.26)	(0.36)
Closing net asset value per share	105.39	112.74

* after direct transaction costs of:

- -

Performance

Return after charges ^B (5.40%) (0.62%)

Other information

Closing net asset value (£)	£2,947,528	£3,385,511
Closing number of shares	2,796,698	3,002,986
Operating charges	0.97% ^C	0.96% ^C
Direct transaction costs	0.00%	0.00%

Prices (pence per share)

Highest share price	114.00	118.60
Lowest share price	98.51	107.10

A Accumulation shares

Change in net assets per share	Year to 31.01.2023 pence	Year to 31.01.2022 pence	Year to 31.01.2021 pence
Opening net asset value per share	114.90	110.33	105.92
Return before operating charges*	(5.16)	5.70	5.31
Operating charges	(1.06)	(1.13)	(0.90)
Return after operating charges*	(6.22)	4.57	4.41
Distributions on accumulation shares	(1.29)	(0.91)	(1.14)
Retained distributions on accumulation shares	1.29	0.91	1.14
Closing net asset value per share	108.68	114.90	110.33

* after direct transaction costs of:

- - -

Performance

Return after charges ^B (5.41%) 4.14% 4.16%

Other information

Closing net asset value	£83,361,367	£90,163,331	£6,706,376
Closing number of shares	76,700,133	78,471,527	6,078,202
Operating charges	0.97% ^C	0.96% ^C	0.85%
Direct transaction costs	0.00%	0.00%	0.00%

Prices (pence per share)

Highest share price	116.20	120.60	111.80
Lowest share price	100.80	109.00	90.77

^A Opening net asset value per share on 19 July 2021.

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

^C From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

IFSL AVELLEMY OEIC
IFSL AVELLEMY 4

COMPARATIVE TABLE

C Income shares

Change in net assets per share	Year to 31.01.2023 pence	Year to 31.01.2022 pence	Year to 31.01.2021 pence
Opening net asset value per share	112.05	108.45	105.24
Return before operating charges*	(5.07)	5.50	5.17
Operating charges	(0.77)	(0.81)	(0.73)
Return after operating charges*	(5.84)	4.69	4.44
Distributions on income shares	(1.46)	(1.09)	(1.23)
Closing net asset value per share	104.75	112.05	108.45

* after direct transaction costs of:

Performance

Return after charges ^A	(5.21%)	4.32%	4.22%
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Other information

Closing net asset value	£113,483,474	£118,618,026	£93,672,287
Closing number of shares	108,338,776	105,860,256	86,370,008
Operating charges	0.72% ^B	0.71% ^B	0.70%
Direct transaction costs	0.00%	0.00%	0.00%

Prices (pence per share)

Highest share price	113.30	118.00	110.40
Lowest share price	98.01	107.10	90.17

D Accumulation shares

Change in net assets per share	Year to 31.01.2023 pence	Year to 31.01.2022 pence	Year to 31.01.2021 pence
Opening net asset value per share	109.10	105.34	101.75
Return before operating charges*	(4.76)	5.53	5.20
Operating charges	(1.67)	(1.77)	(1.61)
Return after operating charges*	(6.43)	3.76	3.59
Distributions on accumulation shares	(0.68)	(0.26)	(0.47)
Retained distributions on accumulation shares	0.68	0.26	0.47
Closing net asset value per share	102.67	109.10	105.34

* after direct transaction costs of:

Performance

Return after charges ^A	(5.89%)	3.57%	3.53%
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Other information

Closing net asset value	£3,542,720	£3,749,268	£3,151,593
Closing number of shares	3,450,606	3,436,454	2,991,739
Operating charges	1.62% ^B	1.61% ^B	1.60%
Direct transaction costs	0.00%	0.00%	0.00%

Prices (pence per share)

Highest share price	110.30	114.50	106.70
Lowest share price	95.31	104.00	87.05

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

^B From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

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

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SYNTHETIC RISK AND REWARD INDICATOR (all share classes)



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

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

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

IFSL AVELLEMY OEIC
IFSL AVELLEMY 4

PORTFOLIO STATEMENT

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
EQUITY		
Asia Pacific excluding Japan (31 January 2022 - 2.56%)		
3,502,762 Schroder Asian Income 'L' GBP	2,772,436	1.36
2,985 Veritas Asian 'D' GBP	2,717,426	1.34
Total Asia Pacific excluding Japan	<u>5,489,862</u>	<u>2.70</u>
Europe excluding UK (31 January 2022 - 4.59%)		
9,791,815 IFSL Avellemy European Equity 'A'	9,879,942	4.86
Total Europe excluding UK	<u>9,879,942</u>	<u>4.86</u>
Japan (31 January 2022 - 4.26%)		
309,088 Baillie Gifford Japanese 'B'	4,895,955	2.41
4,805,962 Jupiter Japan Income 'I'	5,289,441	2.60
Total Japan	<u>10,185,396</u>	<u>5.01</u>
North America (31 January 2022 - 14.45%)		
28,530,377 IFSL Avellemy US Equity 'A'	28,530,377	14.03
Total North America	<u>28,530,377</u>	<u>14.03</u>
UK All Companies (31 January 2022 - 9.42%)		
18,651,716 IFSL Avellemy UK Equity 'A'	16,926,432	8.32
Total UK All Companies	<u>16,926,432</u>	<u>8.32</u>
UK Equity Income (31 January 2022 - 6.07%)		
14,272,743 IFSL Avellemy UK Equity Income 'A'	14,915,017	7.34
Total UK Equity Income	<u>14,915,017</u>	<u>7.34</u>
FIXED INTEREST		
Global Inflation Linked Bond (31 January 2022 - Nil)		
10,003,354 Royal London Short Duration Global Index Linked 'Z'	10,533,531	5.18
Total Global Inflation Linked Bond	<u>10,533,531</u>	<u>5.18</u>
Sterling Corporate Bond (31 January 2022 - 14.10%)		
10,045,281 BlackRock Corporate Bond 'S' GBP	9,963,332	4.90
7,222,061 Royal London Sterling Credit 'Z'	8,601,475	4.23
113,431 TwentyFour Corporate Bond 'I' GBP	9,532,717	4.69
Total Sterling Corporate Bond	<u>28,097,524</u>	<u>13.82</u>
Sterling Strategic Bond (31 January 2022 - 9.48%)		
12,019,908 Jupiter Strategic Bond 'Z'	6,741,967	3.32
72,561 Muzinich Global Tactical Credit 'S' GBP Hedged	6,540,626	3.22
68,156 Nomura Global Dynamic Bond 'ID' GBP Hedged	6,668,366	3.28
Total Sterling Strategic Bond	<u>19,950,959</u>	<u>9.82</u>
UK Gilts (31 January 2022 - 4.76%)		
6,489,933 Allianz Gilt Yield 'I' GBP	9,943,876	4.89
Total UK Gilts	<u>9,943,876</u>	<u>4.89</u>
UK Index Linked Gilts (31 January 2022 - 7.88%)		
5,476,025 Legal & General All Stocks Index Linked Gilt Index 'C'	5,456,311	2.68
Total UK Index Linked Gilts	<u>5,456,311</u>	<u>2.68</u>

IFSL AVELLEMY OEIC
IFSL AVELLEMY 4

PORTFOLIO STATEMENT

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
OTHER		
Property Other (31 January 2022 - 2.46%)		
176,382 Janus Henderson Horizon Global Property Equities 'M2' GBP	4,929,874	2.42
Total Property Other	<u>4,929,874</u>	<u>2.42</u>
Specialist (31 January 2022 - 1.11%)		
6,623 Schroder Asian Total Return 'C' GBP	2,773,353	1.36
Total Specialist	<u>2,773,353</u>	<u>1.36</u>
UK Direct Property (31 January 2022 - 2.59%)		
CASH / LIQUIDITY		
Short Term Money Market (31 January 2022 - 11.63%)		
306,003 BlackRock ICS Sterling Liquidity 'Premier' GBP	32,685,288	16.08
Total Short Term Money Market	<u>32,685,288</u>	<u>16.08</u>
Portfolio of investments	200,297,742	98.51
Net other assets	<u>3,037,347</u>	<u>1.49</u>
Total net assets	<u>203,335,089</u>	<u>100.00</u>

IFSL AVELLEMY OEIC
IFSL AVELLEMY 4

STATEMENT OF TOTAL RETURN
for the year ended 31 January 2023

	Notes	31 January 2023		31 January 2022	
		£	£	£	£
Income:					
Net capital (losses)/gains	2		(14,499,494)		5,885,796
Revenue	4	3,618,324		2,553,852	
Expenses	5	<u>(626,822)</u>		<u>(618,179)</u>	
Net revenue before taxation		2,991,502		1,935,673	
Taxation	6	<u>(320,507)</u>		<u>(208,179)</u>	
Net revenue after taxation			<u>2,670,995</u>		<u>1,727,494</u>
Total return before distributions			(11,828,499)		7,613,290
Distributions	7		(2,670,995)		(1,727,818)
Change in net assets attributable to shareholders from investment activities			<u>(14,499,494)</u>		<u>5,885,472</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 31 January 2023

	31 January 2023		31 January 2022	
	£	£	£	£
Opening net assets attributable to shareholders		215,916,136		173,578,128
Amounts receivable on issue of shares	28,229,286		54,973,175	
Amounts payable on cancellation of shares	<u>(27,341,935)</u>		<u>(19,213,845)</u>	
Amounts payable on unit class conversions	-		<u>(6,001)</u>	
		887,351		35,753,329
Change in net assets attributable to shareholders from investment activities		(14,499,494)		5,885,472
Retained distribution on accumulation shares		1,031,096		699,207
Closing net assets attributable to shareholders		<u>203,335,089</u>		<u>215,916,136</u>

IFSL AVELLEMY OEIC
IFSL AVELLEMY 4

BALANCE SHEET
as at 31 January 2023

	Notes	31 January 2023 £	31 January 2022 £
Assets:			
Fixed Assets:			
Investments	14	200,297,742	205,891,663
Current Assets:			
Debtors	8	313,918	483,014
Cash and cash equivalents		4,622,569	10,694,026
Total assets		<u>205,234,229</u>	<u>217,068,703</u>
Liabilities:			
Creditors:			
Distribution payable on income shares		1,088,423	501,181
Other creditors	9	810,717	651,386
Total liabilities		<u>1,899,140</u>	<u>1,152,567</u>
Net assets attributable to shareholders		<u><u>203,335,089</u></u>	<u><u>215,916,136</u></u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	31 January 2023 £	31 January 2022 £
Realised (losses)/gains on non-derivative securities	(40,923)	12,961,314
Unrealised losses on non-derivative securities	(14,457,901)	(7,072,825)
Transaction charges	(670)	(2,693)
Net capital (losses)/gains	<u>(14,499,494)</u>	<u>5,885,796</u>

3 PURCHASES, SALES AND TRANSACTION COSTS

Purchases excluding transaction costs:

	31 January 2023 £	31 January 2022 £
Collective Investment Schemes	47,838,494	163,420,992
	<u>47,838,494</u>	<u>163,420,992</u>

Total purchase transaction costs

	-	-
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Purchases including transaction costs

	<u>47,838,494</u>	<u>163,420,992</u>
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Sales excluding transaction costs:

Collective Investment Schemes	38,723,119	130,634,550
	<u>38,723,119</u>	<u>130,634,550</u>

Total sale transaction costs

	-	-
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Sales net of transaction costs

	<u>38,723,119</u>	<u>130,634,550</u>
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Transaction handling charges

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

	<u>£670</u>	<u>£2,693</u>
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Average portfolio dealing spread

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

Average portfolio dealing spread at the balance sheet date

	<u>0.00%</u>	<u>0.00%</u>
--	--------------	--------------

4 REVENUE

	31 January 2023 £	31 January 2022 £
UK dividends	1,316,075	812,904
Overseas dividends	72,894	81,875
Interest distributions	2,205,737	1,659,027
Bank interest	23,618	46
Total revenue	<u>3,618,324</u>	<u>2,553,852</u>

5 EXPENSES

Payable to the ACD or associate:

	31 January 2023 £	31 January 2022 £
ACD's periodic charge	526,601	521,416
Registration fees	1,099	928
KIID production costs	1,949	2,411
	<u>529,649</u>	<u>524,755</u>

Other expenses:

Depositary's fees	73,573	71,989
Safe custody fees	15,081	13,973
FCA fee	80	82
Audit fee	8,439	7,380
	<u>97,173</u>	<u>93,424</u>

Total expenses

	<u>626,822</u>	<u>618,179</u>
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IFSL AVELLEMY OEIC
IFSL AVELLEMY 4

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

6 TAXATION

	31 January 2023	31 January 2022
	£	£
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	320,507	208,179
Total tax charge (see note 6(b))	<u>320,507</u>	<u>208,179</u>

b Factors affecting the tax charge for the year

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below.

Net revenue before taxation	2,991,502	1,935,673
Corporation tax at 20% (2022: 20%)	<u>598,300</u>	<u>387,135</u>

Effects of:

Revenue not subject to taxation	(277,793)	(178,956)
Total tax charge (see note 6(a))	<u>320,507</u>	<u>208,179</u>

c Provision for deferred taxation

No provision for deferred tax has been made in the current year or prior year.

7 DISTRIBUTIONS

	31 January 2023	31 January 2022
	£	£

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

Interim	844,342	1,048,221
Final	1,801,060	780,872

Amounts deducted on cancellation of shares	140,339	54,838
Amounts added on issue of shares	(114,661)	(150,074)
Equalisation on conversions	-	(6,001)
Revenue brought forward	(85)	(38)
Distributions	<u>2,670,995</u>	<u>1,727,818</u>

Movement between net revenue and distributions:

Net revenue after taxation	2,670,995	1,727,494
Add: Shortfall in the period	-	324
	<u>2,670,995</u>	<u>1,727,818</u>

8 DEBTORS

	31 January 2023	31 January 2022
	£	£

Amounts receivable for issue of units	130,365	240,610
Accrued income	145,012	212,088
Taxation recoverable	38,541	30,316
Total debtors	<u>313,918</u>	<u>483,014</u>

9 OTHER CREDITORS

	31 January 2023	31 January 2022
	£	£

Amounts payable for cancellation of shares	547,745	372,426
ACD's periodic charge	43,467	47,429
Accrued expenses	23,998	23,352
Corporation tax payable	195,507	208,179
Total other creditors	<u>810,717</u>	<u>651,386</u>

10 RELATED PARTIES

The ACD is involved in all transactions in the shares of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to shareholders and note 7. Amounts due to/from the ACD in respect of share transactions at the period end are disclosed in notes 8 and 9. Amounts paid to the ACD or associates in respect of the ACD's periodic charge and other fees are disclosed in note 5. Amounts due from the ACD at the year end are £461,088 (2022: £179,474).

IFSL AVELLEMY OEIC
IFSL AVELLEMY 4

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

11 SHARE CLASSES

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

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

12 SHAREHOLDERS' FUND RECONCILIATION

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

	A Income	A Accumulation	C Income
Opening shares in issue at 1 February 2022	3,002,986	78,471,527	105,860,256
Share issues	158,155	12,958,609	12,477,299
Share cancellations	(364,443)	(14,730,003)	(9,998,779)
Share conversions	-	-	-
Closing shares in issue at 31 January 2023	<u>2,796,698</u>	<u>76,700,133</u>	<u>108,338,776</u>

	D Accumulation
Opening shares in issue at 1 February 2022	3,436,454
Share issues	682,950
Share cancellations	(668,798)
Share conversions	-
Closing shares in issue at 31 January 2023	<u>3,450,606</u>

13 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £10,014,887 (2022: £10,294,583). A five per cent decrease would have an equal and opposite effect.

Interest rate risk

The interest rate risk profile of financial assets and liabilities for the year ended 31 January 2023 consists of the following:

	31 January 2023	31 January 2022
	£	£
Financial assets floating rate	4,622,569	10,694,026
Financial assets interest bearing instruments	106,667,489	103,317,028
Financial assets non-interest bearing instruments	93,944,171	103,057,649
Financial liabilities non-interest bearing instruments	(1,899,140)	(1,152,567)
	<u>203,335,089</u>	<u>215,916,136</u>

Interest rate risk sensitivity

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

Liquidity risk

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

	31 January 2023	31 January 2022
	£	£
Within one year:		
Distribution payable on income shares	1,088,423	501,181
Other creditors	810,717	651,386
	<u>1,899,140</u>	<u>1,152,567</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

14 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	31 January 2023		31 January 2022	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	-	-	-	-
Level 2 - Observable market data	200,297,742	-	205,891,663	-
Level 3 - Unobservable data	-	-	-	-
	<u>200,297,742</u>	<u>-</u>	<u>205,891,663</u>	<u>-</u>

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

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

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

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

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

Level 3 - Valuation techniques using unobservable inputs.

15 POST BALANCE SHEET EVENTS

Since 31 January 2023, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)		
	31 January 2023 ^A	24 April 2023	Movement (%)
A Income	106.20	105.50	-0.66%
A Accumulation	108.70	108.80	0.09%
C Income	105.70	104.90	-0.76%
D Accumulation	102.60	102.60	0.00%

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

IFSL AVELLEMY OEIC
IFSL AVELLEMY 4

DISTRIBUTION TABLE

Interim distribution or the period from 1 February 2022 to 31 July 2022

Group 1: Shares purchased prior to 1 February 2022

Group 2: Shares purchased on or after 1 February 2022

		Net revenue 31 July 2022 pence per share	Equalisation 31 July 2022 pence per share	Distribution paid 30 September 2022 pence per share	Distribution paid 30 September 2021 pence per share
A Income	Group 1	0.3784p	-	0.3784p	-
	Group 2	0.0114p	0.3670p	0.3784p	-
A Accumulation	Group 1	0.3842p	-	0.3842p	0.5526p
	Group 2	0.0873p	0.2969p	0.3842p	0.5526p
C Income	Group 1	0.4820p	-	0.4820p	0.6270p
	Group 2	0.1477p	0.3343p	0.4820p	0.6270p
D Accumulation	Group 1	0.0924p	-	0.0924p	0.2214p
	Group 2	-	0.0924p	0.0924p	0.2214p

Final distribution or the period from 1 August 2022 to 31 January 2023

Group 1: Shares purchased prior to 1 August 2022

Group 2: Shares purchased on or after 1 August 2022

		Net revenue 31 January 2023 pence per share	Equalisation 31 January 2023 pence per share	Distribution paid 31 March 2023 pence per share	Distribution paid 31 March 2022 pence per share
A Income	Group 1	0.8823p	-	0.8823p	0.3552p
	Group 2	0.6684p	0.2139p	0.8823p	0.3552p
A Accumulation	Group 1	0.9025p	-	0.9025p	0.3545p
	Group 2	0.3284p	0.5741p	0.9025p	0.3545p
C Income	Group 1	0.9818p	-	0.9818p	0.4633p
	Group 2	0.3146p	0.6672p	0.9818p	0.4633p
D Accumulation	Group 1	0.5903p	-	0.5903p	0.0433p
	Group 2	0.2015p	0.3888p	0.5903p	0.0433p

IFSL AVELLEMY OEIC
IFSL AVELLEMY 5

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 January 2023

Performance to 31 January 2023

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>13.05.2019^A</u>
IFSL Avellemy 5	0.18%	(3.96)%	7.14%	14.00%
MSCI Multi-Asset Dynamic Planner 5	(0.18)%	(2.15)%	12.06%	20.92%

^A Launch period ended.

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

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

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

Investment commentary

The sub fund made a negative return of -3.96% over the period underperforming the Dynamic Planner 5 benchmark. Underperformance was primarily driven by our UK equity exposure (23% of the portfolio at risk profile 5), which is more diversified by market capitalisation than the underlying Dynamic Planner/UK reference index (which comprises a relatively small collection of the UK's largest companies). Cyclical energy and mining companies and banks, which performed well in the period, are amongst the largest companies in the country while the fund has exposure to smaller companies that have higher and more consistent growth, and which are on low valuations. As growth was derated, our smaller companies got cheaper in the period even though companies continued to meet their earnings forecasts. We expect our holdings may recover as market liquidity improves. Our UK equities were down 5.5% while the UK reference index was down 1.4%.

The US equity funds, which make up 22% of the portfolio, have a large exposure to technology stocks which fell in the first part of the year even though the ones we hold are established, profitable companies with good growth trajectories. Company earnings over the period were in line with expectations but investors rotated out of growth into cheaper companies before the technology sector bounced back at the start of the New Year. The US equity funds were down 3.2% over the twelve months while the US market was down 0.1%.

The Asia Pacific and Emerging Market funds were also invested in companies with predictable growth and they were subject to a similar change in investor sentiment when the Chinese economy slowed due to Covid lockdowns. The Asia Pacific funds were down 1.5% over the year to 31 January 2023 when the region was up 2.1% and the emerging market funds were down 8.9% when the market was down 4.9%. Chinese Covid restrictions have now been lifted and we would expect the Chinese economy and economic growth may start to recover.

Our fixed income funds broadly added value compared to the market. Our index linked gilt exposure, which was 4% of the portfolio, benefitted from having less interest rate risk than its benchmark and our index linked gilt funds were down 15.6% compared to -31.4% for the benchmark.

The property funds, which made up 2.5% of the portfolio, were down 6.9% over the year to 31 January 2023 as property prices weakened.

Avellemy Limited
27 February 2023

IFSL AVELLEMY OEIC
IFSL AVELLEMY 5

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 January 2023

Distributions (pence per share)

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>A Accumulation</u>				
Net accumulation paid 31 March	0.9018	0.2903	0.5054	0.9590
Net accumulation paid 30 September		0.3463	0.6177	0.6487
<u>A Income</u>				
Net income paid 31 March	0.8763	0.2861	N/A	N/A
Net income paid 30 September		0.3376	0.3705	N/A
<u>C Income</u>				
Net income paid 31 March	0.9834	0.4030	0.5618	0.9121
Net income paid 30 September		0.4473	0.6902	0.6749
<u>D Accumulation</u>				
Net accumulation paid 31 March	0.5645	-	0.1667	-
Net accumulation paid 30 September		0.0474	0.2731	0.4302
<u>D Income</u>				
Net income paid 31 March	0.5310	-	N/A	N/A
Net income paid 30 September		0.0480	0.1019	N/A

Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
BlackRock ICS Sterling Liquidity 'Premier' GBP	24,506,651
Royal London Short Duration Global Index Linked 'Z'	16,666,696
Janus Henderson Horizon Global Property Equities 'M2' GBP	14,827,751
IFSL Avellemly UK Equity Income 'A'	12,890,273
IFSL Avellemly US Equity 'A'	5,020,001
Baillie Gifford Japanese 'B'	4,456,635
Royal London Sterling Credit 'Z'	4,186,184
TwentyFour Corporate Bond 'I' GBP	3,860,389
Allianz Gilt Yield 'I' GBP	3,664,687
Jupiter Strategic Bond 'Z'	3,195,817
Other purchases	20,071,857
Total purchases for the year	113,346,941
<u>Largest sales</u>	
Legal & General All Stocks Index Linked Gilt Index 'C'	16,666,696
Legal & General UK Property Feeder 'I'	15,239,702
IFSL Avellemly US Equity 'A'	14,749,203
iShares Global Property Securities Equity Index 'D' GBP	14,457,756
IFSL Avellemly UK Equity 'A'	5,907,274
Baillie Gifford Japanese 'B'	4,430,455
Royal London Sterling Credit 'Z'	3,432,032
BlackRock ICS Sterling Liquidity 'Premier' GBP	2,816,528
Jupiter Japan Income 'I'	2,299,779
Veritas Asian 'D' GBP	1,415,728
Other sales	1,910,400
Total sales for the year	83,325,553

IFSL AVELLEMY OEIC
IFSL AVELLEMY 5

COMPARATIVE TABLE

A Income shares

Change in net assets per share	Year to 31.01.2023 pence	Period to 31.01.2022 pence
Opening net asset value per share	115.60	111.80 ^A
Return before operating charges*	(3.29)	5.66
Operating charges	(1.14)	(1.20)
Return after operating charges*	(4.43)	4.46
Distributions on income shares	(1.21)	(0.66)
Closing net asset value per share	109.96	115.60

* after direct transaction costs of:

- -

Performance

Return after charges ^B (3.83%) 3.99%

Other information

Closing net asset value (£)	£2,393,285	£2,167,712
Closing number of shares	2,176,446	1,875,179
Operating charges	1.04% ^C	1.02% ^C
Direct transaction costs	0.00%	0.00%

Prices (pence per share)

Highest share price	117.40	122.10
Lowest share price	102.90	109.20

A Accumulation shares

Change in net assets per share	Year to 31.01.2023 pence	Year to 31.01.2022 pence	Year to 31.01.2021 pence
Opening net asset value per share	118.54	112.30	106.30
Return before operating charges*	(3.37)	7.47	6.96
Operating charges	(1.18)	(1.23)	(0.96)
Return after operating charges*	(4.55)	6.24	6.00
Distributions on accumulation shares	(1.25)	(0.91)	(1.15)
Retained distributions on accumulation shares	1.25	0.91	1.15
Closing net asset value per share	113.99	118.54	112.30

* after direct transaction costs of:

- - -

Performance

Return after charges ^B (3.84%) 5.56% 5.64%

Other information

Closing net asset value	£358,431,323	£384,553,675	£191,555,287
	314,432,895	324,412,991	170,576,576
Operating charges	1.04% ^C	1.02% ^C	0.92%
Direct transaction costs	0.00%	0.00%	0.00%

Prices (pence per share)

Highest share price	120.50	125.10	114.50
Lowest share price	105.90	111.50	88.20

^A Opening net asset value per share on 11 February 2021.

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

^C From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

IFSL AVELLEMY OEIC
IFSL AVELLEMY 5

COMPARATIVE TABLE

C Income shares

Change in net assets per share	Year to 31.01.2023 pence	Year to 31.01.2022 pence	Year to 31.01.2021 pence
Opening net asset value per share	115.31	110.09	105.35
Return before operating charges*	(3.32)	7.21	6.78
Operating charges	(0.87)	(0.90)	(0.80)
Return after operating charges*	(4.19)	6.31	5.98
Distributions on income shares	(1.43)	(1.09)	(1.24)
Closing net asset value per share	109.69	115.31	110.09

* after direct transaction costs of:

Performance

Return after charges ^B	(3.63%)	5.73%	5.68%
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Other information

Closing net asset value	£225,076,199	£227,234,586	£167,372,405
Closing number of shares	205,197,645	197,064,814	152,036,371
Operating charges	0.79% ^C	0.77% ^C	0.77%
Direct transaction costs	0.00%	0.00%	0.00%

Prices (pence per share)

Highest share price	117.10	122.00	112.80
Lowest share price	102.70	109.20	87.35

D Income shares

Change in net assets per share	Year to 31.01.2023 pence	Year to 31.01.2022 pence
Opening net asset value per share	103.77	100.00 ^A
Return before operating charges*	(2.82)	5.64
Operating charges	(1.67)	(1.77)
Return after operating charges*	(4.49)	3.87
Distributions on income shares	(0.58)	(0.10)
Closing net asset value per share	98.70	103.77

* after direct transaction costs of:

Performance

Return after charges ^B	(4.33%)	3.87%
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Other information

Closing net asset value (£)	£265,476	£297,799
Closing number of shares	268,973	286,984
Operating charges	1.69% ^C	1.67% ^C
Direct transaction costs	0.00%	0.00%

Prices (pence per share)

Highest share price	105.30	109.40
Lowest share price	92.20	99.90

^A Opening net asset value per share on 23 March 2021.

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

^C From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

IFSL AVELLEMY OEIC
IFSL AVELLEMY 5

COMPARATIVE TABLE

D Accumulation shares

Change in net assets per share	Year to 31.01.2023 pence	Year to 31.01.2022 pence	Year to 31.01.2021 pence
Opening net asset value per share	110.23	105.00	100.00
Return before operating charges*	(3.00)	7.08	6.65
Operating charges	(1.77)	(1.85)	(1.65)
Return after operating charges*	(4.77)	5.23	5.00
Distributions on accumulation shares	(0.61)	(0.27)	(0.60)
Retained distributions on accumulation shares	0.61	0.27	0.60
Closing net asset value per share	105.46	110.23	105.00

* after direct transaction costs of:

Performance

Return after charges ^B	(4.33%)	4.98%	5.00%
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Other information

Closing net asset value	£17,573,233	£18,767,913	£17,934,936
Closing number of shares	16,663,801	17,026,177	17,080,515
Operating charges	1.69% ^C	1.67% ^C	1.67%
Direct transaction costs	0.00%	0.00%	0.00%

Prices (pence per share)

Highest share price	111.90	116.30	107.00
Lowest share price	98.04	104.10	82.81

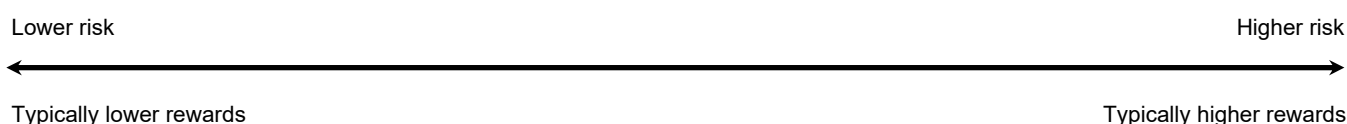
^A Opening net asset value per share on 31 January 2020.

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

^C From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

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

SYNTHETIC RISK AND REWARD INDICATOR (all share classes)



1	2	3	4	5	6	7
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This indicator aims to give you a measure of the price movement of this share class 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 it has experienced moderate volatility historically. During the year the synthetic risk and reward indicator has remained unchanged.

IFSL AVELLEMY OEIC
IFSL AVELLEMY 5

PORTFOLIO STATEMENT

as at 31 January 2023

Holding or nominal value		Bid value £	Percentage of total net assets %
EQUITY			
Asia Pacific excluding Japan (31 January 2022 - 2.56%)			
10,304,212	Schroder Asian Income 'L' GBP	8,155,784	1.35
8,777	Veritas Asian 'D' GBP	7,990,406	1.32
	Total Asia Pacific excluding Japan	<u>16,146,190</u>	<u>2.67</u>
Europe excluding UK (31 January 2022 - 4.60%)			
32,337,407	IFSL Avellemy European Equity 'A'	32,628,444	5.40
	Total Europe excluding UK	<u>32,628,444</u>	<u>5.40</u>
Global Emerging Markets (31 January 2022 - 3.68%)			
435,189	Goldman Sachs Emerging Markets Equity 'I' GBP	7,302,477	1.21
10,606,939	Schroder Global Emerging Markets 'Z' GBP	9,513,363	1.58
60,115	Vontobel mtX Sustainable Emerging Markets Leaders 'N' GBP	7,543,868	1.25
	Total Global Emerging Markets	<u>24,359,708</u>	<u>4.04</u>
Japan (31 January 2022 - 5.11%)			
985,517	Baillie Gifford Japanese 'B'	15,610,584	2.59
14,578,035	Jupiter Japan Income 'I'	16,044,585	2.66
	Total Japan	<u>31,655,169</u>	<u>5.25</u>
North America (31 January 2022 - 21.23%)			
120,260,264	IFSL Avellemy US Equity 'A'	120,260,264	19.92
	Total North America	<u>120,260,264</u>	<u>19.92</u>
UK All Companies (31 January 2022 - 13.09%)			
78,465,717	IFSL Avellemy UK Equity 'A'	71,207,638	11.79
	Total UK All Companies	<u>71,207,638</u>	<u>11.79</u>
UK Equity Income (31 January 2022 - 9.24%)			
70,093,808	IFSL Avellemy UK Equity Income 'A'	73,248,029	12.13
	Total UK Equity Income	<u>73,248,029</u>	<u>12.13</u>
FIXED INTEREST			
Global Inflation Linked Bond (31 January 2022 - Nil)			
14,417,557	Royal London Short Duration Global Index Linked 'Z'	15,181,688	2.51
	Total Global Inflation Linked Bond	<u>15,181,688</u>	<u>2.51</u>
Sterling Corporate Bond (31 January 2022 - 9.40%)			
17,453,715	BlackRock Corporate Bond 'S' GBP	17,311,328	2.87
14,261,407	Royal London Sterling Credit 'Z'	16,985,335	2.81
242,461	TwentyFour Corporate Bond 'I' GBP	20,376,415	3.37
	Total Sterling Corporate Bond	<u>54,673,078</u>	<u>9.05</u>
Sterling Strategic Bond (31 January 2022 - 3.80%)			
17,821,960	Jupiter Strategic Bond 'Z'	9,996,337	1.66
110,203	Muzinich Global Tactical Credit 'S' GBP Hedged	9,933,671	1.65
103,997	Nomura Global Dynamic Bond 'ID' GBP Hedged	10,175,011	1.69
	Total Sterling Strategic Bond	<u>30,105,019</u>	<u>5.00</u>
UK Gilts (31 January 2022 - 2.86%)			
11,535,669	Allianz Gilt Yield 'I' GBP	17,674,952	2.93
	Total UK Gilts	<u>17,674,952</u>	<u>2.93</u>
UK Index Linked Gilts (31 January 2022 - 3.94%)			
7,822,210	Legal & General All Stocks Index Linked Gilt Index 'C'	7,794,051	1.29
	Total UK Index Linked Gilts	<u>7,794,051</u>	<u>1.29</u>

IFSL AVELLEMY OEIC
IFSL AVELLEMY 5

PORTFOLIO STATEMENT
as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
OTHER		
Property Other (31 January 2022 - 2.36%)		
516,467 Janus Henderson Horizon Global Property Equities 'M2' GBP	14,435,237	2.39
Total Property Other	<u>14,435,237</u>	<u>2.39</u>
Specialist (31 January 2022 - 1.11%)		
19,485 Schroder Asian Total Return 'C' GBP	8,159,530	1.35
Total Specialist	<u>8,159,530</u>	<u>1.35</u>
UK Direct Property (31 January 2022 - 2.68%)		
CASH / LIQUIDITY		
Short Term Money Market (31 January 2022 - 9.70%)		
788,536 BlackRock ICS Sterling Liquidity 'Premier' GBP	84,226,473	13.95
Total Short Term Money Market	<u>84,226,473</u>	<u>13.95</u>
Portfolio of investments	601,755,470	99.67
Net other assets	<u>1,984,045</u>	<u>0.33</u>
Total net assets	<u>603,739,515</u>	<u>100.00</u>

IFSL AVELLEMY OEIC
IFSL AVELLEMY 5

STATEMENT OF TOTAL RETURN
for the year ended 31 January 2023

	Notes	31 January 2023		31 January 2022	
		£	£	£	£
Income:					
Net capital (losses)/gains	2		(31,482,829)		23,938,636
Revenue	4	9,596,943		6,879,027	
Expenses	5	<u>(2,087,665)</u>		<u>(2,008,917)</u>	
Net revenue before taxation		7,509,278		4,870,110	
Taxation	6	<u>(388,220)</u>		<u>(270,941)</u>	
Net revenue after taxation			<u>7,121,058</u>		<u>4,599,169</u>
Total return before distributions			(24,361,771)		28,537,805
Distributions	7		(7,121,058)		(4,604,264)
Change in net assets attributable to shareholders from investment activities			<u>(31,482,829)</u>		<u>23,933,541</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 31 January 2023

	31 January 2023		31 January 2022	
	£	£	£	£
Opening net assets attributable to shareholders		633,021,685		492,070,404
Amounts receivable on issue of shares	51,727,343		146,269,241	
Amounts payable on cancellation of shares	<u>(53,607,885)</u>		<u>(32,020,296)</u>	
Amounts payable on unit class conversions	-		<u>(143,076)</u>	
		(1,880,542)		114,105,869
Change in net assets attributable to shareholders from investment activities		(31,482,829)		23,933,541
Retained distribution on accumulation shares		4,081,201		2,911,871
Closing net assets attributable to shareholders		<u>603,739,515</u>		<u>633,021,685</u>
investment activities				

IFSL AVELLEMY OEIC
IFSL AVELLEMY 5

BALANCE SHEET
as at 31 January 2023

	Notes	31 January 2023 £	31 January 2022 £
Assets:			
Fixed Assets:			
Investments	14	601,755,470	603,638,553
Current Assets:			
Debtors	8	837,724	2,567,923
Cash and cash equivalents		5,127,481	28,162,977
Total assets		<u>607,720,675</u>	<u>634,369,453</u>
Liabilities:			
Creditors:			
Distribution payable on income shares		2,038,479	799,598
Other creditors	9	1,942,681	548,170
Total liabilities		<u>3,981,160</u>	<u>1,347,768</u>
Net assets attributable to shareholders		<u><u>603,739,515</u></u>	<u><u>633,021,685</u></u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	31 January 2023 £	31 January 2022 £
Realised (losses)/gains on non-derivative securities	(862,432)	49,392,411
Unrealised losses on non-derivative securities	(30,620,098)	(25,451,047)
Transaction charges	(299)	(2,728)
Net capital (losses)/gains	<u>(31,482,829)</u>	<u>23,938,636</u>

3 PURCHASES, SALES AND TRANSACTION COSTS

Purchases excluding transaction costs:

	31 January 2023 £	31 January 2022 £
Collective Investment Schemes	113,346,941	607,982,202
	<u>113,346,941</u>	<u>607,982,202</u>
Total purchase transaction costs	-	-
Purchases including transaction costs	<u>113,346,941</u>	<u>607,982,202</u>

Sales excluding transaction costs:

Collective Investment Schemes	83,325,553	505,830,686
	<u>83,325,553</u>	<u>505,830,686</u>
Total sale transaction costs	-	-
Sales net of transaction costs	<u>83,325,553</u>	<u>505,830,686</u>

Transaction handling charges

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

	<u>£299</u>	<u>£2,728</u>
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Average portfolio dealing spread

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

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

	31 January 2023 £	31 January 2022 £
UK dividends	5,183,627	3,120,250
Overseas dividends	384,549	395,153
Interest distributions	3,954,656	3,363,396
HMRC Interest Payment	-	104
Bank interest	74,111	124
Total revenue	<u>9,596,943</u>	<u>6,879,027</u>

5 EXPENSES

Payable to the ACD or associate:

ACD's periodic charge	1,884,435	1,814,278
Registration fees	1,369	1,190
KIID production costs	1,949	2,394
	<u>1,887,753</u>	<u>1,817,862</u>

Other expenses:

Depositary's fees	146,395	143,366
Safe custody fees	44,655	40,227
Bank interest	343	-
FCA fee	80	82
Audit fee	8,439	7,380
	<u>199,912</u>	<u>191,055</u>

Total expenses

	<u>2,087,665</u>	<u>2,008,917</u>
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IFSL AVELLEMY OEIC
IFSL AVELLEMY 5

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

6 TAXATION

	31 January 2023	31 January 2022
	£	£
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	388,220	270,941
Total tax charge (see note 6(b))	<u>388,220</u>	<u>270,941</u>

b Factors affecting the tax charge for the year

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below.

Net revenue before taxation	7,509,278	4,870,110
Corporation tax at 20% (2022: 20%)	<u>1,501,855</u>	<u>974,022</u>

Effects of:

Revenue not subject to taxation	(1,113,635)	(703,081)
Total tax charge (see note 6(a))	<u>388,220</u>	<u>270,941</u>

c Provision for deferred taxation

No provision for deferred tax has been made in the current year or prior year.

7 DISTRIBUTIONS

31 January 2023	31 January 2022
£	£

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

Interim	2,074,096	3,240,332
Final	4,968,308	1,741,396
Amounts deducted on cancellation of shares	282,292	67,534
Amounts added on issue of shares	(203,549)	(301,724)
Equalisation on conversions	-	(143,076)
Revenue brought forward	(89)	(198)
Distributions	<u>7,121,058</u>	<u>4,604,264</u>

8 DEBTORS

31 January 2023	31 January 2022
£	£

Amounts receivable for issue of units	393,735	1,816,116
Accrued income	329,823	661,951
Taxation recoverable	114,166	89,856
Total debtors	<u>837,724</u>	<u>2,567,923</u>

9 OTHER CREDITORS

31 January 2023	31 January 2022
£	£

Amounts payable for cancellation of shares	1,473,005	168,235
ACD's periodic charge	156,658	170,507
Accrued expenses	39,797	38,486
Corporation tax payable	273,221	170,942
Total other creditors	<u>1,942,681</u>	<u>548,170</u>

10 RELATED PARTIES

The ACD is involved in all transactions in the shares of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to shareholders and note 7. Amounts due to/from the ACD in respect of share transactions at the period end are disclosed in notes 8 and 9. Amounts paid to the ACD or associates in respect of the ACD's periodic charge and other fees are disclosed in note 5. Amounts due to/(from) the ACD at the period end are £1,236,197 (2022: £1,477,065).

IFSL AVELLEMY OEIC
IFSL AVELLEMY 5

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

11 SHARE CLASSES

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

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

12 SHAREHOLDERS' FUND RECONCILIATION

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

	A Income	A Accumulation	C Income
Opening shares in issue at 1 February 2022	1,875,179	324,412,991	197,064,814
Share issues	468,796	22,063,825	21,909,408
Share cancellations	(167,529)	(32,043,921)	(13,776,577)
Share conversions	-	-	-
Closing shares in issue at 31 January 2023	<u>2,176,446</u>	<u>314,432,895</u>	<u>205,197,645</u>

	D Income	D Accumulation
Opening shares in issue at 1 February 2022	286,984	17,026,177
Share issues	459	2,129,906
Share cancellations	(18,470)	(2,492,282)
Share conversions	-	-
Closing shares in issue at 31 January 2023	<u>268,973</u>	<u>16,663,801</u>

13 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £30,087,774 (2022: £30,181,928). A five per cent decrease would have an equal and opposite effect.

Interest rate risk

The interest rate risk profile of financial assets and liabilities for the year ended 31 January 2023 consists of the following:

	31 January 2023	31 January 2022
	£	£
Financial assets floating rate	5,127,481	28,162,977
Financial assets interest bearing instruments	209,655,261	187,997,597
Financial assets non-interest bearing instruments	392,937,933	418,208,879
Financial liabilities non-interest bearing instruments	(3,981,160)	(1,347,768)
	<u>603,739,515</u>	<u>633,021,685</u>

Interest rate risk sensitivity

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

Liquidity risk

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

	31 January 2023	31 January 2022
	£	£
Within one year:		
Distribution payable on income shares	2,038,479	799,598
Other creditors	1,942,681	548,170
	<u>3,981,160</u>	<u>1,347,768</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

14 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	31 January 2023		31 January 2022	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	-	-	-	-
Level 2 - Observable market data	601,755,470	-	603,638,553	-
Level 3 - Unobservable data	-	-	-	-
	<u>601,755,470</u>	<u>-</u>	<u>603,638,553</u>	<u>-</u>

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

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

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

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

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

Level 3 - Valuation techniques using unobservable inputs.

15 POST BALANCE SHEET EVENTS

Since 31 January 2023, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)		
	31 January 2023 ^A	24 April 2023	Movement (%)
A Income	110.80	110.20	-0.54%
A Accumulation	114.00	114.40	0.35%
C Income	110.60	110.00	-0.54%
D Income	99.11	98.77	-0.34%
D Accumulation	105.40	105.60	0.19%

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

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IFSL AVELLEMY 5

DISTRIBUTION TABLE

Interim distribution or the period from 1 February 2022 to 31 July 2022

Group 1: Shares purchased prior to 1 February 2022

Group 2: Shares purchased on or after 1 February 2022

		Net revenue 31 July 2022 pence per share	Equalisation 31 July 2022 pence per share	Distribution paid 30 September 2022 pence per share	Distribution paid 30 September 2021 pence per share
A Income	Group 1	0.3376p	-	0.3376p	0.3705p
	Group 2	-	0.3376p	0.3376p	0.3705p
A Accumulation	Group 1	0.3463p	-	0.3463p	0.6177p
	Group 2	0.0439p	0.3024p	0.3463p	0.6177p
C Income	Group 1	0.4473p	-	0.4473p	0.6902p
	Group 2	0.1181p	0.3292p	0.4473p	0.6902p
C Accumulation	Group 1	-	-	-	-
	Group 2	-	-	-	-
D Income	Group 1	0.0480p	-	0.0480p	0.1019p
	Group 2	0.0269p	0.0211p	0.0480p	0.1019p
D Accumulation	Group 1	0.0474p	-	0.0474p	0.2731p
	Group 2	-	0.0474p	0.0474p	0.2731p

Final distribution or the period from 1 August 2022 to 31 January 2023

Group 1: Shares purchased prior to 1 August 2022

Group 2: Shares purchased on or after 1 August 2022

		Net revenue 31 January 2023 pence per share	Equalisation 31 January 2023 pence per share	Distribution paid 31 March 2023 pence per share	Distribution paid 31 March 2022 pence per share
A Income	Group 1	0.8763p	-	0.8763p	0.2861p
	Group 2	0.4098p	0.4665p	0.8763p	0.2861p
A Accumulation	Group 1	0.9018p	-	0.9018p	0.2903p
	Group 2	0.2309p	0.6709p	0.9018p	0.2903p
C Income	Group 1	0.9834p	-	0.9834p	0.4030p
	Group 2	0.2456p	0.7378p	0.9834p	0.4030p
C Accumulation	Group 1	-	-	-	-
	Group 2	-	-	-	-
D Income	Group 1	0.5310p	-	0.5310p	-
	Group 2	0.0831p	0.4479p	0.5310p	-
D Accumulation	Group 1	0.5645p	-	0.5645p	-
	Group 2	0.1220p	0.4425p	0.5645p	-

IFSL AVELLEMY OEIC
IFSL AVELLEMY 6

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 January 2023

Performance to 31 January 2023

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>13.05.2019^A</u>
IFSL Avellemy 6	1.32%	(2.95)%	9.08%	15.30%
MSCI Multi-Asset Dynamic Planner 6	1.62%	0.04%	15.74%	24.47%

^A Launch period ended.

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

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

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

Investment commentary

The sub fund made a negative return of -2.95% over the period underperforming the Dynamic Planner 6 benchmark. Underperformance was primarily driven by our UK equity exposure (23% of the portfolio at risk profile 6), which is more diversified by market capitalisation than the underlying Dynamic Planner/UK reference index (which comprises a relatively small collection of the UK's largest companies). Cyclical energy and mining companies and banks, which performed well in the period, are amongst the largest companies in the country while the fund has exposure to smaller companies that have higher and more consistent growth, and which are on low valuations. As growth was derated, our smaller companies got cheaper in the period even though companies continued to meet their earnings forecasts. We expect our holdings may recover as market liquidity improves. Our UK equities were down 5.5% while the UK reference index was down 1.4%.

The US equity funds, which made up 22% of the portfolio, have a large exposure to technology stocks which fell in the first part of the year even though the ones we hold are established, profitable companies with good growth trajectories. Company earnings over the period were in line with expectations but investors rotated out of growth into cheaper companies before the technology sector bounced back at the start of the New Year. The US equity funds were down 3.2% over the twelve months while the US market was down 0.1%.

The Asia Pacific and Emerging Market funds, which each made up 10% of the portfolio, were also invested in companies with predictable growth and they were subject to a similar change in investor sentiment when the Chinese economy slowed due to covid lockdowns. The Asia Pacific funds were down 1.5% over the year to 31 January 2023 when the region was up 2.1% and the Emerging Market funds were down 8.9% when the market was down 4.9%. Chinese covid restrictions have now been lifted and we would expect the Chinese economy and economic growth may start to recover.

The property funds, which made up 2.5% of the portfolio, were down 6.9% over the year to 31 January 2023 as property prices weakened.

Avellemy Limited
27 February 2023

IFSL AVELLEMY OEIC
IFSL AVELLEMY 6

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 January 2023

Distributions (pence per share)

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>A Accumulation</u>				
Net accumulation paid 31 March	0.9503	0.3535	0.5195	0.9353
Net accumulation paid 30 September		0.3952	0.6338	0.6472
<u>A Income</u>				
Net income paid 31 March	0.9276	0.3535	N/A	N/A
Net income paid 30 September		0.3868	0.0158	N/A
<u>C Income</u>				
Net income paid 31 March	1.0315	0.4663	0.5765	0.9906
Net income paid 30 September		0.4953	0.7067	0.6751
<u>D Accumulation</u>				
Net accumulation paid 31 March	0.6281	0.0313	0.1873	0.0370
Net accumulation paid 30 September		0.0958	0.2927	0.3345

Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
BlackRock ICS Sterling Liquidity 'Premier' GBP	21,798,530
Janus Henderson Horizon Global Property Equities 'M2' GBP	12,905,820
IFSL Avelley UK Equity Income 'A'	11,916,077
IFSL Avelley US Equity 'A'	9,934,723
Schroder Global Emerging Markets 'Z' GBP	4,737,123
Schroder Asian Total Return 'C' GBP	4,222,572
BlackRock Corporate Bond 'S' GBP	3,601,640
Jupiter Japan Income 'I'	3,468,157
IFSL Avelley European Equity 'A'	2,080,678
TwentyFour Corporate Bond 'I' GBP	2,040,538
Other purchases	6,231,408
Total purchases for the year	82,937,266

<u>Largest sales</u>	<u>Proceeds (£)</u>
Legal & General UK Property Feeder 'I'	13,186,972
iShares Global Property Securities Equity Index 'D' GBP	12,343,642
IFSL Avelley UK Equity 'A'	7,661,107
Jupiter Japan Income 'I'	6,809,317
IFSL Avelley UK Equity Income 'A'	6,686,961
Baillie Gifford Japanese 'B'	5,154,034
IFSL Avelley US Equity 'A'	4,835,415
Veritas Asian 'D' GBP	3,065,758
IFSL Avelley European Equity 'A'	2,961,571
BlackRock ICS Sterling Liquidity 'Premier' GBP	2,734,400
Other sales	4,682,330
Total sales for the year	70,121,507

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IFSL AVELLEMY 6

COMPARATIVE TABLE

A Income shares

Change in net assets per share	Year to 31.01.2023 pence	Period to 31.01.2022 pence
Opening net asset value per share	116.31	118.70 ^A
Return before operating charges*	(2.05)	(0.66)
Operating charges	(1.24)	(1.36)
Return after operating charges*	(3.29)	(2.02)
Distributions on income shares	(1.31)	(0.37)
Closing net asset value per share	111.71	116.31

* after direct transaction costs of:

- -

Performance

Return after charges ^B (2.83%) (1.70%)

Other information

Closing net asset value (£)	£4,423,234	£5,606,558
Closing number of shares	3,959,744	4,820,177
Operating charges	1.12% ^C	1.13% ^C
Direct transaction costs	0.00%	0.00%

Prices (pence per share)

Highest share price	118.40	123.90
Lowest share price	104.00	110.10

A Accumulation shares

Change in net assets per share	Year to 31.01.2023 pence	Year to 31.01.2022 pence	Year to 31.01.2021 pence
Opening net asset value per share	118.70	113.01	105.67
Return before operating charges*	(2.10)	7.06	8.36
Operating charges	(1.27)	(1.37)	(1.02)
Return after operating charges*	(3.37)	5.69	7.34
Distributions on accumulation shares	(1.35)	(0.99)	(1.17)
Retained distributions on accumulation shares	1.35	0.99	1.17
Closing net asset value per share	115.33	118.70	113.01

* after direct transaction costs of:

- - -

Performance

Return after charges ^B (2.84%) 5.03% 6.95%

Other information

Closing net asset value	£372,934,049	£393,043,531	£222,790,262
Closing number of shares	323,357,727	331,128,744	197,139,261
Operating charges	1.12% ^C	1.13% ^C	0.99%
Direct transaction costs	0.00%	0.00%	0.00%

Prices (pence per share)

Highest share price	121.00	126.20	115.60
Lowest share price	106.60	112.20	85.12

^A Opening net asset value per share on 16 July 2021.

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

^C From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

IFSL AVELLEMY OEIC
IFSL AVELLEMY 6

COMPARATIVE TABLE

C Income shares

Change in net assets per share	Year to 31.01.2023 pence	Year to 31.01.2022 pence	Year to 31.01.2021 pence
Opening net asset value per share	115.55	110.94	104.89
Return before operating charges*	(2.09)	6.82	8.16
Operating charges	(0.96)	(1.04)	(0.86)
Return after operating charges*	(3.05)	5.78	7.30
Distributions on income shares	(1.53)	(1.17)	(1.25)
Closing net asset value per share	110.97	115.55	110.94

* after direct transaction costs of:

Performance

Return after charges ^A	(2.64%)	5.21%	6.96%
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Other information

Closing net asset value	£147,368,377	£142,558,137	£101,840,179
Closing number of shares	132,801,827	123,377,247	91,801,574
Operating charges	0.87% ^B	0.88% ^B	0.84%
Direct transaction costs	0.00%	0.00%	0.00%

Prices (pence per share)

Highest share price	117.70	123.20	114.10
Lowest share price	103.40	110.10	84.46

D Accumulation shares

Change in net assets per share	Year to 31.01.2023 pence	Year to 31.01.2022 pence	Year to 31.01.2021 pence
Opening net asset value per share	113.99	109.13	102.67
Return before operating charges*	(1.88)	6.92	8.20
Operating charges	(1.92)	(2.06)	(1.74)
Return after operating charges*	(3.80)	4.86	6.46
Distributions on accumulation shares	(0.72)	(0.32)	(0.52)
Retained distributions on accumulation shares	0.72	0.32	0.52
Closing net asset value per share	110.19	113.99	109.13

* after direct transaction costs of:

Performance

Return after charges ^A	(3.33%)	4.45%	6.29%
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Other information

Closing net asset value	£6,878,488	£6,400,997	£4,957,285
Closing number of shares	6,242,593	5,615,328	4,542,757
Operating charges	1.77% ^B	1.78% ^B	1.74%
Direct transaction costs	0.00%	0.00%	0.00%

Prices (pence per share)

Highest share price	116.10	121.20	111.60
Lowest share price	101.90	108.30	82.57

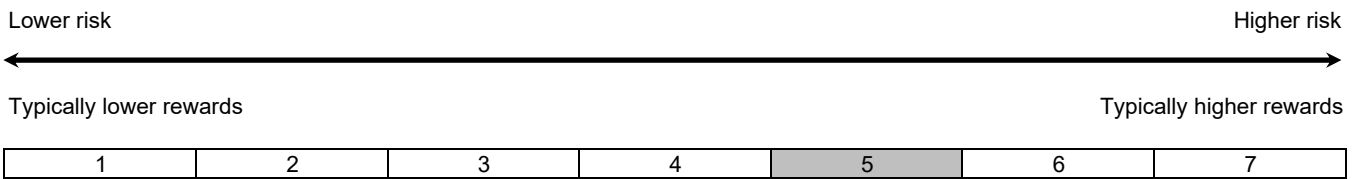
^A The return after charges is calculated using the underlying investments bid prices

^B From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

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

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IFSL AVELLEMY 6

SYNTHETIC RISK AND REWARD INDICATOR (all share classes)



This indicator aims to give you a measure of the price movement of this share class 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 it has experienced moderate to high volatility historically. During the year the synthetic risk and reward indicator has remained unchanged.

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IFSL AVELLEMY 6

PORTFOLIO STATEMENT

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
EQUITY		
Asia Pacific excluding Japan (31 January 2022 - 6.87%)		
22,447,519 Schroder Asian Income 'L' GBP	17,767,211	3.34
19,114 Veritas Asian 'D' GBP	17,400,937	3.27
Total Asia Pacific excluding Japan	<u>35,168,148</u>	<u>6.61</u>
Europe excluding UK (31 January 2022 - 4.68%)		
25,716,474 IFSL Avellemy European Equity 'A'	25,947,922	4.88
Total Europe excluding UK	<u>25,947,922</u>	<u>4.88</u>
Global Emerging Markets (31 January 2022 - 9.90%)		
1,064,681 Goldman Sachs Emerging Markets Equity 'I' GBP	17,865,346	3.36
20,753,892 Schroder Global Emerging Markets 'Z' GBP	18,614,165	3.50
131,027 Vontobel mtx Sustainable Emerging Markets Leaders 'N' GBP	16,442,522	3.09
Total Global Emerging Markets	<u>52,922,033</u>	<u>9.95</u>
Japan (31 January 2022 - 6.58%)		
870,552 Baillie Gifford Japanese 'B'	13,789,545	2.59
11,830,288 Jupiter Japan Income 'I'	13,020,416	2.45
Total Japan	<u>26,809,961</u>	<u>5.04</u>
North America (31 January 2022 - 20.55%)		
113,957,283 IFSL Avellemy US Equity 'A'	113,957,283	21.44
Total North America	<u>113,957,283</u>	<u>21.44</u>
UK All Companies (31 January 2022 - 13.56%)		
69,791,100 IFSL Avellemy UK Equity 'A'	63,335,423	11.92
Total UK All Companies	<u>63,335,423</u>	<u>11.92</u>
UK Equity Income (31 January 2022 - 9.16%)		
55,000,491 IFSL Avellemy UK Equity Income 'A'	57,475,513	10.81
Total UK Equity Income	<u>57,475,513</u>	<u>10.81</u>
FIXED INTEREST		
Global Inflation Linked Bond (31 January 2022 - Nil)		
Sterling Corporate Bond (31 January 2022 - 8.00%)		
14,887,372 BlackRock Corporate Bond 'S' GBP	14,765,921	2.78
11,764,692 Royal London Sterling Credit 'Z'	14,011,749	2.64
159,607 TwentyFour Corporate Bond 'I' GBP	13,413,399	2.52
Total Sterling Corporate Bond	<u>42,191,069</u>	<u>7.94</u>
Sterling Strategic Bond (31 January 2022 - 4.04%)		
12,672,202 Jupiter Strategic Bond 'Z'	7,107,838	1.34
81,918 Muzinich Global Tactical Credit 'S' GBP Hedged	7,384,049	1.39
66,852 Nomura Global Dynamic Bond 'ID' GBP Hedged	6,540,720	1.23
Total Sterling Strategic Bond	<u>21,032,607</u>	<u>3.96</u>
OTHER		
Property Other (31 January 2022 - 2.33%)		
449,524 Janus Henderson Horizon Global Property Equities 'M2' GBP	12,564,182	2.36
Total Property Other	<u>12,564,182</u>	<u>2.36</u>

IFSL AVELLEMY OEIC
IFSL AVELLEMY 6

PORTFOLIO STATEMENT
as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
Specialist (31 January 2022 - 2.75%)		
42,420 Schroder Asian Total Return 'C' GBP	17,763,889	3.34
Total Specialist	<u>17,763,889</u>	<u>3.34</u>
UK Direct Property (31 January 2022 - 2.63%)		
CASH / LIQUIDITY		
Short Term Money Market (31 January 2022 - 6.14%)		
499,168 BlackRock ICS Sterling Liquidity 'Premier' GBP	53,317,990	10.03
Total Short Term Money Market	<u>53,317,990</u>	<u>10.03</u>
Portfolio of investments	522,486,020	98.28
Net other assets	<u>9,118,127</u>	<u>1.72</u>
Total net assets	<u><u>531,604,147</u></u>	<u><u>100.00</u></u>

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STATEMENT OF TOTAL RETURN
for the year ended 31 January 2023

	Notes	31 January 2023		31 January 2022	
		£	£	£	£
Income:					
Net capital (losses)/gains	2		(22,406,679)		16,813,413
Revenue	4	8,655,866		6,105,492	
Expenses	5	(1,897,549)		(1,766,926)	
Net revenue before taxation		<u>6,758,317</u>		<u>4,338,566</u>	
Taxation	6		<u>(155,584)</u>		<u>(91,841)</u>
Net revenue after taxation			<u>6,602,733</u>		<u>4,246,725</u>
Total return before distributions			(15,803,946)		21,060,138
Distributions	7		(6,602,733)		(4,246,725)
Change in net assets attributable to shareholders from investment activities			<u><u>(22,406,679)</u></u>		<u><u>16,813,413</u></u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 31 January 2023

	31 January 2023		31 January 2022	
	£	£	£	£
Opening net assets attributable to shareholders		547,609,223		422,221,290
Amounts receivable on issue of shares	42,969,465		127,165,234	
Amounts payable on cancellation of shares	(41,025,562)		(21,749,773)	
Amounts payable on unit class conversions	<u>-</u>		<u>(13,002)</u>	
		1,943,903		105,402,459
Change in net assets attributable to shareholders from investment activities		(22,406,679)		16,813,413
Retained distribution on accumulation shares		4,457,700		3,172,061
Closing net assets attributable to shareholders		<u><u>531,604,147</u></u>		<u><u>547,609,223</u></u>

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BALANCE SHEET
as at 31 January 2023

	Notes	31 January 2023 £	31 January 2022 £
Assets:			
Fixed Assets:			
Investments	14	522,486,020	532,233,933
Current Assets:			
Debtors	8	748,084	2,747,502
Cash and cash equivalents		11,140,801	13,827,185
Total assets		<u>534,374,905</u>	<u>548,808,620</u>
Liabilities:			
Creditors:			
Distribution payable on income shares		1,406,597	592,350
Other creditors	9	1,364,161	607,047
Total liabilities		<u>2,770,758</u>	<u>1,199,397</u>
Net assets attributable to shareholders		<u>531,604,147</u>	<u>547,609,223</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	31 January 2023 £	31 January 2022 £
Realised (losses)/gains on non-derivative securities	(1,741,887)	43,794,371
Unrealised losses on non-derivative securities	(20,664,577)	(26,978,185)
Transaction charges	(215)	(2,773)
Net capital (losses)/gains	<u>(22,406,679)</u>	<u>16,813,413</u>

3 PURCHASES, SALES AND TRANSACTION COSTS

Purchases excluding transaction costs:

	31 January 2023 £	31 January 2022 £
Collective Investment Schemes	82,937,266	561,823,036
	<u>82,937,266</u>	<u>561,823,036</u>
Total purchase transaction costs	-	-
Purchases including transaction costs	<u>82,937,266</u>	<u>561,823,036</u>

Sales excluding transaction costs:

	31 January 2023 £	31 January 2022 £
Collective Investment Schemes	70,121,507	444,943,841
	<u>70,121,507</u>	<u>444,943,841</u>
Total sale transaction costs	-	-
Sales net of transaction costs	<u>70,121,507</u>	<u>444,943,841</u>

Transaction handling charges

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

£215	£2,773
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Average portfolio dealing spread

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

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

	31 January 2023 £	31 January 2022 £
UK dividends	5,161,366	3,228,525
Overseas dividends	819,029	650,836
Interest distributions	2,617,302	2,225,818
HMRC Interest Payment	60	178
Bank interest	58,109	135
Total revenue	<u>8,655,866</u>	<u>6,105,492</u>

5 EXPENSES

Payable to the ACD or associate:

	31 January 2023 £	31 January 2022 £
ACD's periodic charge	1,714,615	1,593,558
Registration fees	1,379	1,106
KIID production costs	1,949	2,394
	<u>1,717,943</u>	<u>1,597,058</u>

Other expenses:

Depositary's fees	132,372	128,244
Safe custody fees	38,715	34,162
FCA fee	80	82
Audit fee	8,439	7,380
	<u>179,606</u>	<u>169,868</u>

Total expenses

1,897,549	1,766,926
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IFSL AVELLEMY OEIC
IFSL AVELLEMY 6

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

6 TAXATION

	31 January 2023	31 January 2022
	£	£
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	155,584	91,841
Total tax charge (see note 6(b))	<u>155,584</u>	<u>91,841</u>

b Factors affecting the tax charge for the year

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below.

Net revenue before taxation	6,758,317	4,338,566
Corporation tax at 20% (2022: 20%)	<u>1,351,663</u>	<u>867,713</u>

Effects of:

Revenue not subject to taxation	(1,196,079)	(775,872)
Total tax charge (see note 6(a))	<u>155,584</u>	<u>91,841</u>

c Provision for deferred taxation

No provision for deferred tax has been made in the current or prior accounting year.

7 DISTRIBUTIONS

	31 January 2023	31 January 2022
	£	£

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

Interim	2,011,598	2,792,182
Final	4,518,826	1,764,922

Amounts deducted on cancellation of shares	219,015	57,323
Amounts added on issue of shares	(146,429)	(354,437)
Equalisation on conversions	-	(13,002)
Revenue brought forward	(277)	(263)
Distributions	<u>6,602,733</u>	<u>4,246,725</u>

Movement between net revenue and distributions:

Net revenue after taxation	6,602,733	4,246,725
	<u>6,602,733</u>	<u>4,246,725</u>

8 DEBTORS

	31 January 2023	31 January 2022
	£	£

Amounts receivable for issue of shares	232,925	1,742,255
Accrued income	420,494	929,169
Taxation recoverable	94,665	76,078
Total debtors	<u>748,084</u>	<u>2,747,502</u>

9 OTHER CREDITORS

	31 January 2023	31 January 2022
	£	£

Amounts payable for cancellation of shares	1,058,418	346,145
ACD's periodic charge	142,846	153,175
Accrued expenses	37,313	35,886
Corporation tax payable	125,584	71,841
Total other creditors	<u>1,364,161</u>	<u>607,047</u>

10 RELATED PARTIES

The ACD is involved in all transactions in the shares of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to shareholders and note 7. Amounts due to/from the ACD in respect of share transactions at the period end are disclosed in notes 8 and 9. Amounts paid to the ACD or associates in respect of the ACD's periodic charge and other fees are disclosed in note 5. Amounts due (from)/to the ACD at the year end are £968,603 (2022: £1,242,648).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

11 SHARE CLASSES

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

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

12 SHAREHOLDERS' FUND RECONCILIATION

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

	A Income	A Accumulation	C Income
Opening shares in issue at 1 February 2022	4,820,177	331,128,744	123,377,247
Share issues	223,847	19,696,587	17,038,131
Share cancellations	(1,084,280)	(27,467,604)	(7,613,551)
Closing shares in issue at 31 January 2023	<u>3,959,744</u>	<u>323,357,727</u>	<u>132,801,827</u>
		D Accumulation	
Opening shares in issue at 1 February 2022		5,615,328	
Share issues		1,303,873	
Share cancellations		(676,608)	
Closing shares in issue at 31 January 2023		<u>6,242,593</u>	

13 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £26,124,301 (2022: £26,611,697). A five per cent decrease would have an equal and opposite effect.

Interest rate risk

The interest rate risk profile of financial assets and liabilities for the year ended 31 January 2023 consists of the following:

	31 January 2023	31 January 2022
	£	£
Financial assets floating rate	11,140,801	13,827,185
Financial assets interest bearing instruments	116,541,666	99,507,973
Financial assets non-interest bearing instruments	406,692,438	435,473,463
Financial liabilities non-interest bearing instruments	(2,770,758)	(1,199,398)
	<u>531,604,147</u>	<u>547,609,223</u>

Interest rate risk sensitivity

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

RISK DISCLOSURES

Liquidity risk

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

	31 January 2023	31 January 2022
	£	£
Within one year:		
Distribution payable on income shares	1,406,597	592,350
Other creditors	1,364,161	607,047
	<u>2,770,758</u>	<u>1,199,397</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

14 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	31 January 2023		31 January 2022	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	-	-	-	-
Level 2 - Observable market data	522,486,020	-	532,233,933	-
Level 3 - Unobservable data	-	-	-	-
	<u>522,486,020</u>	<u>-</u>	<u>532,233,933</u>	<u>-</u>

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

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

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

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

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

Level 3 - Valuation techniques using unobservable inputs.

15 POST BALANCE SHEET EVENTS

Since 31 January 2023, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)		
	31 January 2023 ^A	24 April 2023	Movement (%)
A Income	112.50	111.10	-1.24%
A Accumulation	115.30	114.80	-0.43%
C Income	112.00	110.50	-1.34%
D Accumulation	110.10	109.50	-0.54%

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

IFSL AVELLEMY OEIC
IFSL AVELLEMY 6

DISTRIBUTION TABLE

Interim distribution or the period from 1 February 2022 to 31 July 2022

Group 1: Shares purchased prior to 1 February 2022

Group 2: Shares purchased on or after 1 February 2022

		Net revenue 31 July 2022 pence per share	Equalisation 31 July 2022 pence per share	Distribution paid 30 September 2022 pence per share	Distribution paid 30 September 2021 pence per share
A Income	Group 1	0.3868p	-	0.3868p	0.0158p
	Group 2	0.0854p	0.3014p	0.3868p	0.0158p
A Accumulation	Group 1	0.3952p	-	0.3952p	0.6338p
	Group 2	0.1198p	0.2754p	0.3952p	0.6338p
C Income	Group 1	0.4953p	-	0.4953p	0.7067p
	Group 2	0.1549p	0.3404p	0.4953p	0.7067p
D Accumulation	Group 1	0.0958p	-	0.0958p	0.2927p
	Group 2	-	0.0958p	0.0958p	0.2927p

Final distribution or the period from 1 August 2022 to 31 January 2023

Group 1: Shares purchased prior to 1 August 2022

Group 2: Shares purchased on or after 1 August 2022

		Net revenue 31 January 2023 pence per share	Equalisation 31 January 2023 pence per share	Distribution paid 31 March 2023 pence per share	Distribution paid 31 March 2022 pence per share
A Income	Group 1	0.9276p	-	0.9276p	0.3535p
	Group 2	0.2275p	0.7001p	0.9276p	0.3535p
A Accumulation	Group 1	0.9503p	-	0.9503p	0.3535p
	Group 2	0.3504p	0.5999p	0.9503p	0.3535p
C Income	Group 1	1.0315p	-	1.0315p	0.4663p
	Group 2	0.3564p	0.6751p	1.0315p	0.4663p
D Accumulation	Group 1	0.6281p	-	0.6281p	0.0313p
	Group 2	0.1918p	0.4363p	0.6281p	0.0313p

IFSL AVELLEMY OEIC
IFSL AVELLEMY 7

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 January 2023

Performance to 31 January 2023

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>13.05.2019^A</u>
IFSL Avellemy 7	2.52%	(1.91)%	11.54%	17.90%
MSCI Multi-Asset Dynamic Planner 7	3.20%	2.29%	19.80%	28.22%

^A Launch period ended.

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

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

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

Investment commentary

The sub fund made a negative return of -1.91% over the period underperforming the Dynamic Planner 7 benchmark. Underperformance was primarily driven by our UK equity exposure (34% of the portfolio at risk profile 7), which is more diversified by market capitalisation than the underlying Dynamic Planner/UK reference index (which comprises a relatively small collection of the UK's largest companies). Cyclical energy and mining companies and banks, which performed well in the period, are amongst the largest companies in the country while the fund has exposure to smaller companies that have higher and more consistent growth, and which are on low valuations. As growth was derated, our smaller companies got cheaper in the period even though companies continued to meet their earnings forecasts. We expect our holdings may recover as market liquidity improves. Our UK equities were down 5.5% while the UK reference index was down 1.4%.

The US equity funds, which made up 19% of the portfolio, have a large exposure to technology stocks which fell in the first part of the year even though the ones we hold are established, profitable companies with good growth trajectories. Company earnings over the period were in line with expectations but investors rotated out of growth into cheaper companies before the technology sector bounced back at the start of the New Year. The US equity funds were down 3.2% over the twelve months while the US market was down 0.1%.

The Asia Pacific and Emerging Market funds, which made up 11% and 13% of the portfolio respectively, were also invested in companies with predictable growth and they were subject to a similar change in investor sentiment when the Chinese economy slowed due to covid lockdowns. The Asia Pacific funds were down 1.5% over the year to 31 January 2023 when the region was up 2.1% and the Emerging Market funds were down 8.9% when the market was down 4.9%. Chinese covid restrictions have now been lifted and we would expect the Chinese economy and economic growth may start to recover.

The property funds, which made up 2.5% of the portfolio, were down 6.9% over the year to 31 January 2023 as property prices weakened.

Avellemy Limited
27 February 2023

IFSL AVELLEMY OEIC
IFSL AVELLEMY 7

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 January 2023

Distributions (pence per share)

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>A Accumulation</u>				
Net accumulation paid 31 March	1.0773	0.3072	0.5269	0.9340
Net accumulation paid 30 September		0.3778	0.6222	0.7588
<u>A Income</u>				
Net income paid 31 March	1.0487	0.3109	N/A	N/A
Net income paid 30 September		0.3684	-	N/A
<u>C Income</u>				
Net income paid 31 March	1.1593	0.4474	0.5826	1.0224
Net income paid 30 September		0.4923	0.7075	0.7687
<u>D Accumulation</u>				
Net accumulation paid 31 March	0.6585	-	0.1869	N/A
Net accumulation paid 30 September		0.0219	0.2038	0.2811

Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
BlackRock ICS Sterling Liquidity 'Premier' GBP	5,666,670
IFSL Avellemy UK Equity Income 'A'	5,407,327
Man GLG High Yield Opportunities 'C'	5,011,638
IFSL Avellemy UK Equity 'A'	3,106,420
Janus Henderson Horizon Global Property Equities 'M2' GBP	3,039,622
IFSL Avellemy US Equity 'A'	1,639,463
Goldman Sachs Emerging Markets Equity 'I' GBP	1,568,633
Schroder Global Emerging Markets 'Z' GBP	1,415,218
Jupiter Japan Income 'I'	1,222,710
Veritas Asian 'D' GBP	1,110,845
Other purchases	3,872,455
Total purchases for the year	33,061,001
<u>Largest sales</u>	<u>Proceeds (£)</u>
IFSL Avellemy UK Equity 'A'	5,198,423
Legal & General UK Property Feeder 'I'	3,538,375
iShares Global Property Securities Equity Index 'D' GBP	2,773,167
Threadneedle High Yield Bond 'Z' GBP	2,616,155
PIMCO Global High Yield Bond 'Inst' GBP Hedged	2,349,180
Jupiter Japan Income 'I'	2,235,753
Veritas Asian 'D' GBP	2,087,313
Baillie Gifford Japanese 'B'	753,035
IFSL Avellemy European Equity 'A'	602,385
IFSL Avellemy US Equity 'A'	318,553
Other sales	450,310
Total sales for the year	22,922,649

IFSL AVELLEMY OEIC
IFSL AVELLEMY 7

COMPARATIVE TABLE

A Income shares

Change in net assets per share	Year to 31.01.2023 pence	Period to 31.01.2022 pence
Opening net asset value per share	117.33	119.90 ^A
Return before operating charges*	(0.80)	(0.76)
Operating charges	(1.34)	(1.50)
Return after operating charges*	(2.14)	(2.26)
Distributions on income shares	(1.42)	(0.31)
Closing net asset value per share	113.77	117.33

* after direct transaction costs of:

- -

Performance

Return after charges ^B (1.82%) (1.88%)

Other information

Closing net asset value (£)	£927,626	£1,026,421
Closing number of shares	815,342	874,811
Operating charges	1.20%	1.23% ^D
Direct transaction costs	0.00%	0.00%

Prices (pence per share)

Highest share price	119.90	125.50
Lowest share price	105.00	110.80

A Accumulation shares

Change in net assets per share	Year to 31.01.2023 pence	Year to 31.01.2022 pence	Year to 31.01.2021 pence
Opening net asset value per share	120.11	114.08	105.75
Return before operating charges*	(0.81)	7.54	9.48
Operating charges	(1.38)	(1.51)	(1.15)
Return after operating charges*	(2.19)	6.03	8.33
Distributions on accumulation shares	(1.46)	(0.93)	(1.29)
Retained distributions on accumulation shares	1.46	0.93	1.29
Closing net asset value per share	117.92	120.11	114.08

* after direct transaction costs of:

- - -

Performance

Return after charges ^B (1.82%) 5.29% 7.88%

Other information

Closing net asset value	£67,656,271	£67,884,406	£17,509,355
Closing number of shares	57,374,036	56,519,171	15,347,704
Operating charges	1.20% ^C	1.23% ^C	1.11%
Direct transaction costs	0.00%	0.00%	0.00%

Prices (pence per share)

Highest share price	122.80	128.10	117.10
Lowest share price	107.90	113.20	82.79

^A Opening net asset value per share on 19 July 2021.

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

^C From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

IFSL AVELLEMY OEIC
IFSL AVELLEMY 7

COMPARATIVE TABLE

C Income shares

Change in net assets per share	Year to 31.01.2023 pence	Year to 31.01.2022 pence	Year to 31.01.2021 pence
Opening net asset value per share	116.58	111.59	104.70
Return before operating charges*	(0.76)	7.31	9.21
Operating charges	(1.06)	(1.17)	(0.97)
Return after operating charges*	(1.82)	6.14	8.24
Distributions on income shares	(1.65)	(1.15)	(1.35)
Closing net asset value per share	113.11	116.58	111.59

* after direct transaction costs of:

- - -

Performance

Return after charges ^B (1.56%) 5.50% 7.87%

Other information

Closing net asset value	£57,228,181	£53,561,304	£38,700,469
Closing number of shares	50,593,296	45,945,576	34,680,870
Operating charges	0.95% ^D	0.98% ^D	0.96%
Direct transaction costs	0.00%	0.00%	0.00%

Prices (pence per share)

Highest share price	119.20	124.90	115.20
Lowest share price	104.50	110.80	82.04

D Accumulation shares

Change in net assets per share	Year to 31.01.2023 pence	Year to 31.01.2022 pence	Period to 31.01.2021 pence
Opening net asset value per share	109.76	104.93	100.00 ^A
Return before operating charges*	(0.73)	6.94	6.74
Operating charges	(1.94)	(2.11)	(1.81)
Return after operating charges*	(2.67)	4.83	4.93
Distributions on accumulation shares	(0.68)	(0.20)	(0.47)
Retained distributions on accumulation shares	0.68	0.20	0.47
Closing net asset value per share	107.09	109.76	104.93

* after direct transaction costs of:

- - -

Performance

Return after charges ^B (2.43%) 4.60% 4.93%

Other information

Closing net asset value	£733,606	£1,008,666	£302,815
Closing number of shares	685,030	919,014	288,581
Operating charges	1.85% ^D	1.88% ^D	1.86% ^C
Direct transaction costs	0.00%	0.00%	0.00%

Prices (pence per share)

Highest share price	112.20	117.20	107.80
Lowest share price	98.18	104.10	76.52

^A Opening net asset value per share on 7 February 2020.

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

^C These figures have been annualised.

^D From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

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

IFSL AVELLEMY OEIC
IFSL AVELLEMY 7

PORTFOLIO STATEMENT

as at 31 January 2023

Holding or nominal value		Bid value £	Percentage of total net assets %
EQUITY			
Asia Pacific excluding Japan (31 January 2022 - 7.55%)			
5,504,426	Schroder Asian Income 'L' GBP	4,356,753	3.44
4,686	Veritas Asian 'D' GBP	4,266,196	3.37
	Total Asia Pacific excluding Japan	<u>8,622,949</u>	<u>6.81</u>
Europe excluding UK (31 January 2022 - 5.66%)			
7,570,596	IFSL Avellemy European Equity 'A'	7,638,732	6.04
	Total Europe excluding UK	<u>7,638,732</u>	<u>6.04</u>
Global Emerging Markets (31 January 2022 - 12.49%)			
355,773	Goldman Sachs Emerging Markets Equity 'I' GBP	5,969,876	4.72
6,784,752	Schroder Global Emerging Markets 'Z' GBP	6,085,244	4.81
43,255	Vontobel mtx Sustainable Emerging Markets Leaders 'N' GBP	5,428,116	4.29
	Total Global Emerging Markets	<u>17,483,236</u>	<u>13.82</u>
Japan (31 January 2022 - 7.65%)			
249,445	Baillie Gifford Japanese 'B'	3,951,214	3.12
3,228,361	Jupiter Japan Income 'I'	3,553,134	2.81
	Total Japan	<u>7,504,348</u>	<u>5.93</u>
North America (31 January 2022 - 19.06%)			
24,074,800	IFSL Avellemy US Equity 'A'	24,074,800	19.02
	Total North America	<u>24,074,800</u>	<u>19.02</u>
UK All Companies (31 January 2022 - 19.69%)			
22,494,188	IFSL Avellemy UK Equity 'A'	20,413,475	16.13
	Total UK All Companies	<u>20,413,475</u>	<u>16.13</u>
UK Equity Income (31 January 2022 - 13.10%)			
21,355,942	IFSL Avellemy UK Equity Income 'A'	22,316,959	17.64
	Total UK Equity Income	<u>22,316,959</u>	<u>17.64</u>
FIXED INTEREST			
Global High Yield (31 January 2022 - 1.87%)			
Sterling High Yield (31 January 2022 - 2.07%)			
3,871,046	Man GLG High Yield Opportunities 'C'	4,974,294	3.93
	Total Sterling High Yield	<u>4,974,294</u>	<u>3.93</u>
OTHER			
Property Other (31 January 2022 - 2.32%)			
105,873	Janus Henderson Horizon Global Property Equities 'M2' GBP	2,959,158	2.34
	Total Property Other	<u>2,959,158</u>	<u>2.34</u>
Specialist (31 January 2022 - 2.93%)			
10,406	Schroder Asian Total Return 'C' GBP	4,357,405	3.44
	Total Specialist	<u>4,357,405</u>	<u>3.44</u>

IFSL AVELLEMY OEIC
IFSL AVELLEMY 7

PORTFOLIO STATEMENT
as at 31 January 2023

Holding or nominal value		Bid value £	Percentage of total net assets %
CASH / LIQUIDITY			
	Short Term Money Market (31 January 2022 - Nil)		
52,450	BlackRock ICS Sterling Liquidity 'Premier' GBP	5,602,383	4.43
	Total Short Term Money Market	<u>5,602,383</u>	<u>4.43</u>
	Portfolio of investments	125,947,739	99.53
	Net other assets	<u>597,940</u>	<u>0.47</u>
	Total net assets	<u>126,545,679</u>	<u>100.00</u>

IFSL AVELLEMY OEIC
IFSL AVELLEMY 7

STATEMENT OF TOTAL RETURN
for the year ended 31 January 2023

	Notes	31 January 2023		31 January 2022	
		£	£	£	£
Income:					
Net capital (losses)/gains	2		(3,987,269)		3,448,956
Revenue	4	2,132,124		1,241,324	
Expenses	5	(411,605)		(360,494)	
Net revenue before taxation		<u>1,720,519</u>		<u>880,830</u>	
Taxation	6	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>1,720,519</u>		<u>880,830</u>
Total return before distributions			(2,266,750)		4,329,786
Distributions	7		(1,720,519)		(881,607)
Change in net assets attributable to shareholders from investment activities			<u>(3,987,269)</u>		<u>3,448,179</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 31 January 2023

	31 January 2023		31 January 2022	
	£	£	£	£
Opening net assets attributable to shareholders		123,480,797		88,110,941
Amounts receivable on issue of shares	21,551,767		44,206,616	
Amounts payable on cancellation of shares	(15,352,774)		(12,788,086)	
Amounts payable on unit class conversions	<u>-</u>		<u>(6,733)</u>	
		6,198,993		31,411,797
Change in net assets attributable to shareholders from investment activities		(3,987,269)		3,448,179
Retained distribution on accumulation shares		853,158		509,880
Closing net assets attributable to shareholders		<u>126,545,679</u>		<u>123,480,797</u>

IFSL AVELLEMY OEIC
IFSL AVELLEMY 7

BALANCE SHEET
as at 31 January 2023

	Notes	31 January 2023 £	31 January 2022 £
Assets:			
Fixed Assets:			
Investments	14	125,947,739	119,801,641
Current Assets:			
Debtors	8	150,044	770,037
Cash and cash equivalents		2,147,041	3,180,222
Total assets		<u>128,244,824</u>	<u>123,751,900</u>
Liabilities:			
Creditors:			
Distribution payable on income shares		595,111	208,301
Other creditors	9	1,104,034	62,802
Total liabilities		<u>1,699,145</u>	<u>271,103</u>
Net assets attributable to shareholders		<u>126,545,679</u>	<u>123,480,797</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES

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

2 NET CAPITAL (LOSSES)/GAINS

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

	31 January 2023 £	31 January 2022 £
Realised (losses)/gains on non-derivative securities	(1,431,052)	10,000,360
Unrealised losses on non-derivative securities	(2,555,297)	(6,548,522)
Transaction charges	(920)	(2,882)
Net capital (losses)/gains	(3,987,269)	3,448,956

3 PURCHASES, SALES AND TRANSACTION COSTS

Purchases excluding transaction costs:

	31 January 2023 £	31 January 2022 £
Collective Investment Schemes	33,061,001	137,616,806
	<u>33,061,001</u>	<u>137,616,806</u>
Total purchase transaction costs	-	-
Purchases including transaction costs	33,061,001	137,616,806

Sales excluding transaction costs:

Collective Investment Schemes	22,922,649	107,130,130
	<u>22,922,649</u>	<u>107,130,130</u>
Total sale transaction costs	-	-
Sales net of transaction costs	22,922,649	107,130,130

Transaction handling charges

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

	<u>£920</u>	<u>£2,882</u>
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Average portfolio dealing spread

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

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

	31 January 2023 £	31 January 2022 £
UK dividends	1,547,278	842,656
Overseas dividends	225,122	152,207
Interest distributions	342,597	246,409
Bank interest	17,127	52
Total revenue	2,132,124	1,241,324

5 EXPENSES

Payable to the ACD or associate:

ACD's periodic charge	345,994	302,790
Registration fees	677	726
KIID production costs	1,949	2,394
	<u>348,620</u>	<u>305,910</u>

Other expenses:

Depositary's fees	45,388	39,763
Safe custody fees	9,078	7,359
FCA fee	80	82
Audit fee	8,439	7,380
	<u>62,985</u>	<u>54,584</u>

Total expenses

	<u>411,605</u>	<u>360,494</u>
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IFSL AVELLEMY OEIC
IFSL AVELLEMY 7

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

6 TAXATION

31 January 2023 **31 January 2022**
£ **£**

a Analysis of the tax charge for the year

UK Corporation tax at 20%

Total tax charge (see note 6(b))

-	-
-	-

b Factors affecting the tax charge for the year

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below.

Net revenue before taxation

Corporation tax at 20% (2022: 20%)

1,720,519	880,830
344,104	176,166

Effects of:

Revenue not subject to taxation

Unrelieved excess management expenses

Total tax charge (see note 6(a))

(350,301)	(198,973)
6,197	22,807
-	-

c Provision for deferred taxation

At 31 January 2023 the sub-fund has deferred tax assets of £29,004 (2022: £22,807) arising from surplus management expenses,

7 DISTRIBUTIONS

31 January 2023 **31 January 2022**
£ **£**

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

Interim

Final

482,357	603,685
1,217,719	381,946

Amounts deducted on cancellation of shares

Amounts added on issue of shares

Equalisation on conversions

Revenue brought forward

Distributions

100,640	35,511
(80,158)	(132,791)
-	(6,733)
(39)	(11)
1,720,519	881,607

Movement between net revenue and distributions:

Net revenue after taxation

Add: Shortfall in the period

1,720,519	880,830
-	777
1,720,519	881,607

8 DEBTORS

31 January 2023 **31 January 2022**
£ **£**

Amounts receivable for issue of units

Accrued income

Taxation recoverable

Total debtors

57,693	658,740
70,106	95,400
22,245	15,897
150,044	770,037

9 OTHER CREDITORS

31 January 2023 **31 January 2022**
£ **£**

Amounts payable for cancellation of shares

ACD's periodic charge

Accrued expenses

Total other creditors

1,057,583	17,187
29,218	29,565
17,233	16,050
1,104,034	62,802

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

10 RELATED PARTIES

The ACD is involved in all transactions in the shares of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to shareholders and note 7. Amounts due to/from the ACD in respect of share transactions at the period end are disclosed in notes 8 and 9. Amounts paid to the ACD or associates in respect of the ACD's periodic charge and other fees are disclosed in note 5. Amounts due to/from the ACD at the year end are £1,029,315 (2022: £611,796).

11 SHARE CLASSES

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

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

12 SHAREHOLDERS' FUND RECONCILIATION

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

	A Income	A Accumulation	C Income
Opening shares in issue at 1 February 2022	874,811	56,519,171	45,945,576
Share issues	30,874	10,196,002	8,633,731
Share cancellations	(90,343)	(9,341,137)	(3,986,011)
Closing shares in issue at 31 January 2023	<u>815,342</u>	<u>57,374,036</u>	<u>50,593,296</u>
		D Accumulation	
Opening shares in issue at 1 February 2022		919,014	
Share issues		47,632	
Share cancellations		(281,616)	
Closing shares in issue at 31 January 2023		<u>685,030</u>	

13 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £6,297,387 (2022: £5,990,082). A five per cent decrease would have an equal and opposite effect.

Interest rate risk

The interest rate risk profile of financial assets and liabilities for the year ended 31 January 2023 consists of the following:

	31 January 2023 £	31 January 2022 £
Financial assets floating rate	2,147,041	3,180,222
Financial assets interest bearing instruments	10,576,677	4,858,817
Financial assets non-interest bearing instruments	115,521,106	115,712,861
Financial liabilities non-interest bearing instruments	(1,699,145)	(271,103)
	<u>126,545,679</u>	<u>123,480,797</u>

Interest rate risk sensitivity

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

Liquidity risk

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

	31 January 2023 £	31 January 2022 £
Within one year:		
Distribution payable on income shares	595,111	208,301
Other creditors	1,104,034	62,802
	<u>1,699,145</u>	<u>271,103</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

14 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	31 January 2023		31 January 2022	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	-	-	-	-
Level 2 - Observable market data	125,947,739	-	119,801,641	-
Level 3 - Unobservable data	-	-	-	-
	<u>125,947,739</u>	<u>-</u>	<u>119,801,641</u>	<u>-</u>

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

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

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

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

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

Level 3 - Valuation techniques using unobservable inputs.

15 POST BALANCE SHEET EVENTS

Since 31 January 2023, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)		
	31 January 2023 ^A	24 April 2023	Movement (%)
A Income	114.80	113.20	-1.39%
A Accumulation	117.90	117.30	-0.51%
C Income	114.30	112.60	-1.49%
D Accumulation	107.10	106.50	-0.56%

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

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IFSL AVELLEMY 7

DISTRIBUTION TABLE

Interim distribution or the period from 1 February 2022 to 31 July 2022

Group 1: Shares purchased prior to 1 February 2022

Group 2: Shares purchased on or after 1 February 2022

		Net revenue 31 July 2022 pence per share	Equalisation 31 July 2022 pence per share	Distribution paid 30 September 2022 pence per share	Distribution paid 30 September 2021 pence per share
A Income	Group 1	0.3684p	-	0.3684p	-
	Group 2	0.0509p	0.3175p	0.3684p	-
A Accumulation	Group 1	0.3778p	-	0.3778p	0.6222p
	Group 2	0.0953p	0.2825p	0.3778p	0.6222p
C Income	Group 1	0.4923p	-	0.4923p	0.7075p
	Group 2	0.1410p	0.3513p	0.4923p	0.7075p
D Accumulation	Group 1	0.0219p	-	0.0219p	0.2038p
	Group 2	-	0.0219p	0.0219p	0.2038p

Final distribution or the period from 1 August 2022 to 31 January 2023

Group 1: Shares purchased prior to 1 August 2022

Group 2: Shares purchased on or after 1 August 2022

		Net revenue 31 January 2023 pence per share	Equalisation 31 January 2023 pence per share	Distribution paid 31 March 2023 pence per share	Distribution paid 31 March 2022 pence per share
A Income	Group 1	1.0487p	-	1.0487p	0.3109p
	Group 2	0.9351p	0.1136p	1.0487p	0.3109p
A Accumulation	Group 1	1.0773p	-	1.0773p	0.3072p
	Group 2	0.3576p	0.7197p	1.0773p	0.3072p
C Income	Group 1	1.1593p	-	1.1593p	0.4474p
	Group 2	0.4011p	0.7582p	1.1593p	0.4474p
D Accumulation	Group 1	0.6585p	-	0.6585p	-
	Group 2	0.0601p	0.5984p	0.6585p	-

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IFSL AVELLEMY 8

AUTHORISED INVESTMENT MANAGER'S REPORT
for the year ended 31 January 2023

Performance to 31 January 2023

	<u>Six months</u>	<u>1 year</u>	<u>28.04.2020^A</u>
IFSL Avellemy 8	3.27%	(2.46)%	23.00%
MSCI Multi-Asset Dynamic Planner 8	3.67%	0.64%	30.61%

^A Launch period ended.

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

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

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

Investment commentary

The sub fund made a negative return of -2.46% over the period underperforming the Dynamic Planner 8 benchmark. Underperformance was primarily driven by our Emerging Market exposure which made up 27% of the portfolio at risk profile 8. Our Emerging Market funds were down 8.9% in the twelve months to 31 January 2023 compared to -4.9% for their benchmark. Our Emerging Market equity funds were investing for growth with a preference for technology stocks, Chinese equities, and smaller companies. With rising bond yields, markets rotated from growth stocks which had become expensive to cheaper companies. Technology stocks, with the largest proportion of future earnings, were the worst affected as rising bond yields mean their earnings are discounted at a higher rate. Our Asia Pacific equity funds, which made up 24% of the portfolio, were also biased towards technology companies but they avoided China and smaller companies, so they declined 1.5% while the region was up 2.1%. Chinese covid restrictions have now been lifted and we would expect the Chinese economy and economic growth may start to recover.

UK equities, which made up 18% of the portfolio, also pulled down the fund's performance. Which is more diversified by market capitalisation than the underlying Dynamic Planner/UK reference index (which comprises a relatively small collection of the UK's largest companies). Cyclical energy and mining companies and banks, which performed well in the period, are amongst the largest companies in the country while the fund has exposure to smaller companies that have higher and more consistent growth, and which are on low valuations. As growth was derated, our smaller companies got cheaper in the period even though companies continued to meet their earnings forecasts. We expect our holdings may recover as market liquidity improves. Our UK equities were down 5.5% while the UK reference index was down 1.4%.

The US equity funds, which made up 10% of the portfolio, have a large exposure to technology stocks which fell in the first part of the year even though the ones we hold are established, profitable companies with good growth trajectories. Company earnings over the period were in line with expectations but investors rotated out of growth into cheaper companies before the technology sector bounced back at the start of the New Year. The US equity funds were down 3.2% over the twelve months while the US market was down 0.1%.

The property funds, which made up 2.5% of the portfolio, were down 6.9% over the year to 31 January 2023 as property prices weakened.

Avellemy Limited
27 February 2023

Distributions (pence per share)

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>A Accumulation</u>				
Net accumulation paid 31 March	1.1502	0.3997	0.3211	N/A
Net accumulation paid 30 September		0.4124	0.4498	-
<u>C Income</u>				
Net income paid 31 March	1.2767	0.5683	0.4103	N/A
Net income paid 30 September		0.5520	0.5844	-
<u>D Accumulation</u>				
Net accumulation paid 31 March	1.2100	-	N/A	N/A
Net accumulation paid 30 September		3.1400	-	N/A

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AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 January 2023

Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
Man GLG High Yield Opportunities 'C'	954,449
Janus Henderson Horizon Global Property Equities 'M2' GBP	579,701
BlackRock ICS Sterling Liquidity 'Premier' GBP	566,495
IFSL Avellemly UK Equity 'A'	493,765
Vontobel mtx Sustainable Emerging Markets Leaders 'N' GBP	463,938
IFSL Avellemly UK Equity Income 'A'	418,401
Veritas Asian 'D' GBP	385,540
IFSL Avellemly US Equity 'A'	335,979
Goldman Sachs Emerging Markets Equity 'I' GBP	335,337
Schroder Asian Total Return 'C' GBP	216,857
Other purchases	820,603
Total purchases for the year	5,571,065
<u>Largest sales</u>	<u>Proceeds (£)</u>
IFSL Avellemly UK Equity 'A'	834,594
Legal & General UK Property Feeder 'I'	637,003
iShares Global Property Securities Equity Index 'D' GBP	544,765
Schroder Asian Income 'L' GBP	531,373
PIMCO Global High Yield Bond 'Inst' GBP Hedged	504,828
Veritas Asian 'D' GBP	447,804
Threadneedle High Yield Bond 'Z' GBP	447,573
Vontobel mtx Sustainable Emerging Markets Leaders 'N' GBP	363,167
IFSL Avellemly US Equity 'A'	262,630
IFSL Avellemly European Equity 'A'	222,898
Other sales	525,523
Total sales for the year	5,322,158

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COMPARATIVE TABLE

A Accumulation shares

Change in net assets per share	Year to 31.01.2023 pence	Year to 31.01.2022 pence	Period to 31.01.2021 pence
Opening net asset value per share	126.01	125.91	100.00 ^A
Return before operating charges*	(1.49)	1.77	27.49
Operating charges	(1.49)	(1.67)	(1.58)
Return after operating charges*	(2.98)	0.10	25.91
Distributions on accumulation shares	(1.56)	(0.85)	(0.32)
Retained distributions on accumulation shares	1.56	0.85	0.32
Closing net asset value per share	123.03	126.01	125.91

* after direct transaction costs of:

- - -

Performance

Return after charges ^E (2.36%) 0.08% 25.91%

Other information

Closing net asset value	£19,015,042	£21,044,901	£5,144,282
Closing number of shares	15,455,681	16,701,143	4,085,551
Operating charges	1.25% ^D	1.28% ^D	1.33% ^C
Direct transaction costs	0.00%	0.00%	0.00%

Prices (pence per share)

Highest share price	129.00	135.50	130.00
Lowest share price	109.90	124.20	98.31

C Income shares

Change in net assets per share	Year to 31.01.2023 pence	Year to 31.01.2022 pence	Period to 31.01.2021 pence
Opening net asset value per share	126.40	127.15	100.00 ^B
Return before operating charges*	(1.49)	1.75	28.99
Operating charges	(1.19)	(1.35)	(1.43)
Return after operating charges*	(2.68)	0.40	27.56
Distributions on income shares	(1.83)	(1.15)	(0.41)
Closing net asset value per share	121.89	126.40	127.15

* after direct transaction costs of:

- - -

Performance

Return after charges ^E (2.12%) 0.31% 27.56%

Other information

Closing net asset value	£4,217,856	£3,194,733	£345,347
Closing number of shares	3,460,303	2,527,558	271,607
Operating charges	1.00% ^D	1.03% ^D	1.18% ^C
Direct transaction costs	0.00%	0.00%	0.00%

Prices (pence per share)

Highest share price	129.50	136.50	131.70
Lowest share price	109.90	125.50	99.54

^A Opening net asset value per share on 30 April 2020.

^B Opening net asset value per share on 4 May 2020.

^C These figures have been annualised.

^D From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

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

IFSL AVELLEMY OEIC
IFSL AVELLEMY 8

COMPARATIVE TABLE

D Accumulation shares

Change in net assets per share	Year to 31.01.2023 pence	Period to 31.01.2022 pence
Opening net asset value per share	95.30	100.00 ^A
Return before operating charges*	2.63	(3.67)
Operating charges	(1.76)	(1.03)
Return after operating charges*	0.87	(4.70)
Distributions on accumulation shares	(4.35)	-
Retained distributions on accumulation shares	4.35	-
Closing net asset value per share	96.17	95.30

* after direct transaction costs of:

- -

Performance

Return after charges ^C 0.91% (4.70%)

Other information

Closing net asset value (£)	£96	£95
Closing number of shares	100	100
Operating charges	1.90% ^B	1.93% ^B
Direct transaction costs	0.00%	0.00%

Prices (pence per share)

Highest share price	99.60	103.90
Lowest share price	85.98	97.10

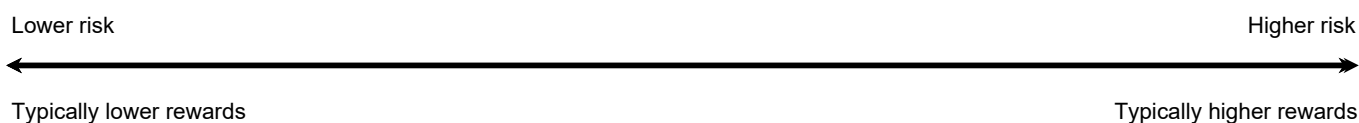
^A Opening net asset value per share on 12 March 2021.

^B From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

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

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

SYNTHETIC RISK AND REWARD INDICATOR (all share classes)



1	2	3	4	5	6	7
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This indicator aims to give you a measure of the price movement of this share class 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 it has experienced moderate to high volatility historically. During the year the synthetic risk and reward indicator has remained unchanged.

IFSL AVELLEMY OEIC
IFSL AVELLEMY 8

PORTFOLIO STATEMENT

as at 31 January 2023

Holding or nominal value		Bid value £	Percentage of total net assets %
EQUITY			
Asia Pacific excluding Japan (31 January 2022 - 15.88%)			
1,984,502	Schroder Asian Income 'L' GBP	1,570,733	6.76
2,005	Veritas Asian 'D' GBP	1,825,454	7.86
	Total Asia Pacific excluding Japan	<u>3,396,187</u>	<u>14.62</u>
Europe excluding UK (31 January 2022 - 5.63%)			
1,335,227	IFSL Avellemy European Equity 'A'	1,347,243	5.80
	Total Europe excluding UK	<u>1,347,243</u>	<u>5.80</u>
Global Emerging Markets (31 January 2022 - 26.40%)			
123,570	Goldman Sachs Emerging Markets Equity 'I' GBP	2,073,505	8.92
2,255,967	Schroder Global Emerging Markets 'Z' GBP	2,023,376	8.71
16,487	Vontobel mtx Sustainable Emerging Markets Leaders 'N' GBP	2,069,006	8.91
	Total Global Emerging Markets	<u>6,165,887</u>	<u>26.54</u>
Japan (31 January 2022 - 5.54%)			
42,912	Baillie Gifford Japanese 'B'	679,734	2.93
623,221	Jupiter Japan Income 'I'	685,917	2.95
	Total Japan	<u>1,365,651</u>	<u>5.88</u>
North America (31 January 2022 - 9.30%)			
2,252,255	IFSL Avellemy US Equity 'A'	2,252,255	9.69
	Total North America	<u>2,252,255</u>	<u>9.69</u>
UK All Companies (31 January 2022 - 10.73%)			
2,281,113	IFSL Avellemy UK Equity 'A'	2,070,110	8.91
	Total UK All Companies	<u>2,070,110</u>	<u>8.91</u>
UK Equity Income (31 January 2022 - 7.28%)			
2,157,529	IFSL Avellemy UK Equity Income 'A'	2,254,618	9.70
	Total UK Equity Income	<u>2,254,618</u>	<u>9.70</u>
FIXED INTEREST			
Global High Yield (31 January 2022 - 2.09%)			
1	PIMCO Global High Yield Bond 'Inst' GBP Hedged	3	0.00
	Total Global High Yield	<u>3</u>	<u>0.00</u>
Sterling High Yield (31 January 2022 - 1.85%)			
706,233	Man GLG High Yield Opportunities 'C'	907,510	3.91
1	Threadneedle High Yield Bond 'Z' GBP	1	0.00
	Total Sterling High Yield	<u>907,511</u>	<u>3.91</u>
OTHER			
Property Other (31 January 2022 - 2.32%)			
20,591	Janus Henderson Horizon Global Property Equities 'M2' GBP	575,527	2.47
	Total Property Other	<u>575,527</u>	<u>2.47</u>
Specialist (31 January 2022 - 7.00%)			
4,453	Schroder Asian Total Return 'C' GBP	1,864,716	8.03
	Total Specialist	<u>1,864,716</u>	<u>8.03</u>
UK Direct Property (31 January 2022 - 2.69%)			

IFSL AVELLEMY OEIC
IFSL AVELLEMY 8

PORTFOLIO STATEMENT
as at 31 January 2023

Holding or nominal value		Bid value £	Percentage of total net assets %
CASH / LIQUIDITY			
Short Term Money Market (31 January 2022 - Nil)			
5,312	BlackRock ICS Sterling Liquidity 'Premier' GBP	567,415	2.44
	Total Short Term Money Market	<u>567,415</u>	<u>2.44</u>
	Portfolio of investments	22,767,123	97.99
	Net other assets	<u>465,872</u>	<u>2.01</u>
	Total net assets	<u>23,232,995</u>	<u>100.00</u>

IFSL AVELLEMY OEIC
IFSL AVELLEMY 8

STATEMENT OF TOTAL RETURN
for the year ended 31 January 2023

	Notes	31 January 2023		31 January 2022	
		£	£	£	£
Income:					
Net capital losses	2		(943,988)		(413,650)
Revenue	4	418,294		210,887	
Expenses	5	<u>(92,783)</u>		<u>(79,053)</u>	
Net revenue before taxation		325,511		131,834	
Taxation	6	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>325,511</u>		<u>131,834</u>
Total return before distributions			(618,477)		(281,816)
Distributions	7		(325,511)		(131,835)
Change in net assets attributable to shareholders from investment activities			<u>(943,988)</u>		<u>(413,651)</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 31 January 2023

	31 January 2023		31 January 2022	
	£	£	£	£
Opening net assets attributable to shareholders		24,239,729		10,849,133
Amounts receivable on issue of shares	4,145,338		14,258,249	
Amounts payable on cancellation of shares	(4,457,485)		(584,129)	
Amounts payable on unit class conversions	<u>-</u>		<u>(2,021)</u>	
		(312,147)		13,672,099
Change in net assets attributable to shareholders from investment activities		(943,988)		(413,651)
Retained distribution on accumulation shares		249,401		132,148
Closing net assets attributable to shareholders		<u>23,232,995</u>		<u>24,239,729</u>

IFSL AVELLEMY OEIC
IFSL AVELLEMY 8

BALANCE SHEET
as at 31 January 2023

	Notes	31 January 2022 £	31 January 2022 £
Assets:			
Fixed Assets:			
Investments	14	22,767,123	23,442,037
Current Assets:			
Debtors	8	1,308,295	56,839
Cash and cash equivalents		500,479	766,036
Total assets		<u>24,575,897</u>	<u>24,264,912</u>
Liabilities:			
Creditors:			
Distribution payable on income shares		44,181	14,366
Other creditors	9	1,298,721	10,817
Total liabilities		<u>1,342,902</u>	<u>25,183</u>
Net assets attributable to shareholders		<u>23,232,995</u>	<u>24,239,729</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES

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

2 NET CAPITAL LOSSES

The net losses on investments during the period comprise:

	31 January 2023 £	31 January 2022 £
Realised (losses)/gains on non-derivative securities	(329,749)	897,339
Unrealised losses on non-derivative securities	(614,114)	(1,309,885)
Transaction charges	(125)	(1,104)
Net capital losses	<u>(943,988)</u>	<u>(413,650)</u>

3 PURCHASES, SALES AND TRANSACTION COSTS

Purchases excluding transaction costs:

	31 January 2023 £	31 January 2022 £
Collective Investment Schemes	5,571,065	25,514,429
	<u>5,571,065</u>	<u>25,514,429</u>
Total purchase transaction costs	-	-
Purchases including transaction costs	<u>5,571,065</u>	<u>25,514,429</u>

Sales excluding transaction costs:

	31 January 2023 £	31 January 2022 £
Collective Investment Schemes	5,322,158	12,151,974
	<u>5,322,158</u>	<u>12,151,974</u>
Total sale transaction costs	-	-
Sales net of transaction costs	<u>5,322,158</u>	<u>12,151,974</u>

Transaction handling charges

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

£125	£1,104
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Average portfolio dealing spread

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

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

	31 January 2023 £	31 January 2022 £
UK dividends	253,215	125,658
Overseas dividends	91,860	44,067
Interest distributions	70,434	41,157
Bank credit interest	2,773	5
HMRC interest payment	12	-
Total revenue	<u>418,294</u>	<u>210,887</u>

5 EXPENSES

Payable to the ACD or associate:

	31 January 2023 £	31 January 2022 £
ACD's periodic charge	81,656	70,411
Registration fees	384	358
KIID production costs	1,749	2,413
ACD Rebate	(10,190)	(10,465)
	<u>73,599</u>	<u>62,717</u>

Other expenses:

Depositary's fees	8,683	7,462
Safe custody fees	1,789	1,397
Financial Conduct Authority fee	-	97
Audit fee	8,712	7,380
	<u>19,184</u>	<u>16,336</u>

Total expenses

92,783	79,053
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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

6 TAXATION

	31 January 2023 £	31 January 2022 £
a Analysis of the tax charge for the period		
UK Corporation tax at 20%	-	-
Total tax charge (see note 6(b))	<u>-</u>	<u>-</u>
b Factors affecting the tax charge for the period		
The taxation assessed for the period is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below.		
Net revenue before taxation	325,511	131,834
Corporation tax at 20% (2022: 20%)	65,102	26,367
Effects of:		
Revenue not subject to taxation	(69,015)	(33,945)
Unrelieved excess management expenses	3,913	7,578
Total tax charge (see note 6(a))	<u>-</u>	<u>-</u>

At 31 January 2022 the sub-fund has deferred tax assets of £13,109 (2022: £9,196) arising from surplus management expenses, which have not been recognised due to uncertainty over the availability of future taxable profits.

7 DISTRIBUTIONS

	31 January 2023 £	31 January 2022 £
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim	89,613	72,710
Final	221,954	81,126
Amounts deducted on cancellation of shares	24,846	795
Amounts added on issue of shares	(10,894)	(20,770)
Equalisation on conversions	-	(2,021)
Revenue brought forward	(8)	(5)
Distributions	<u>325,511</u>	<u>131,835</u>
Movement between net revenue and distributions:		
Net revenue after taxation	325,511	131,835
Add: Shortfall in the period	-	-
	<u>325,511</u>	<u>131,835</u>

8 DEBTORS

	31 January 2023 £	31 January 2022 £
Amounts receivable for issue of shares	2,851	15,072
Sales awaiting settlement	1,256,745	-
Accrued income	44,462	40,291
Taxation recoverable	4,237	1,476
Total debtors	<u>1,308,295</u>	<u>56,839</u>

9 OTHER CREDITORS

	31 January 2023 £	31 January 2022 £
Amounts payable for cancellation of shares	1,212,416	1,710
Purchases awaiting settlement	77,278	-
ACD's periodic charge	6,818	7,328
Accrued expenses	2,209	1,779
Total other creditors	<u>1,298,721</u>	<u>10,817</u>

10 RELATED PARTIES

The ACD is involved in all transactions in the shares of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to shareholders and note 7. Amounts due to/from the ACD in respect of share transactions at the period end are disclosed in notes 8 and 9. Amounts paid to the ACD or associates in respect of the ACD's periodic charge and other fees are disclosed in note 5. Amounts due to/ (from) the ACD at the period end are £1,216,413 (2022: £5,940).

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

11 SHARE CLASSES

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

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

12 SHAREHOLDERS' FUND RECONCILIATION

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

	A Accumulation	C Income	D Accumulation
Opening shares in issue at 1 February 2022	16,701,143	2,527,558	100
Share issues	1,878,747	1,556,115	-
Share cancellations	(3,124,209)	(623,370)	-
Share conversions	-	-	-
Closing shares in issue at 31 January 2023	<u>15,455,681</u>	<u>3,460,303</u>	<u>100</u>

13 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £1,138,356 (2022: £1,172,102). A five per cent decrease would have an equal and opposite effect.

Interest rate risk

The interest rate risk profile of financial assets and liabilities for the period ended 31 January 2023 consists of the following:

	31 January 2023	31 January 2022
	£	£
Financial assets floating rate	500,479	766,036
Financial assets interest bearing instruments	1,474,928	953,070
Financial assets non-interest bearing instruments	22,600,490	22,545,806
Financial liabilities non-interest bearing instruments	(1,343,054)	(25,183)
	<u>23,232,843</u>	<u>24,239,729</u>

Interest rate risk sensitivity

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

Liquidity risk

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

	31 January 2023	31 January 2022
	£	£
Within one year:		
Distribution payable on income shares	44,181	14,366
Other creditors	1,298,721	10,817
	<u>1,342,902</u>	<u>25,183</u>

Foreign currency risk

At the year end date the net assets of the sub-fund were all denominated in sterling and there is therefore no foreign currency risk (2022: nil). No sensitivity analysis has been included for the current or prior accounting period.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

14 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	31 January 2023		31 January 2022	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	-	-	-	-
Level 2 - Observable market data	22,767,123	-	23,442,037	-
Level 3 - Unobservable data	-	-	-	-
	<u>22,767,123</u>	<u>-</u>	<u>23,442,037</u>	<u>-</u>

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

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

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

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

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

Level 3 - Valuation techniques using unobservable inputs.

15 POST BALANCE SHEET EVENTS

Since 31 January 2023, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)		
	31 January 2023 ^A	24 April 2023	Movement (%)
A Accumulation	123.00	119.50	-2.85%
C Income	123.20	118.40	-3.90%
D Accumulation	96.35	93.31	-3.16%

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

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DISTRIBUTION TABLE

Interim distribution or the period from 1 February 2022 to 31 July 2022

Group 1: Shares purchased prior to 1 February 2022

Group 2: Shares purchased on or after 1 February 2022

		Net revenue 31 July 2022 pence per share	Equalisation 31 July 2022 pence per share	Distribution paid 30 September 2022 pence per share	Distribution paid 30 September 2021 pence per share
A Accumulation	Group 1	0.4124p	-	0.4124p	0.4498p
	Group 2	0.2045p	0.2079p	0.4124p	0.4498p
C Income	Group 1	0.5520p	-	0.5520p	0.5844p
	Group 2	0.2919p	0.2601p	0.5520p	0.5844p
D Accumulation	Group 1	3.1400p	-	3.1400p	-
	Group 2	3.1400p	-	3.1400p	-

Final distribution or the period from 1 August 2022 to 31 January 2023

Group 1: Shares purchased prior to 1 August 2022

Group 2: Shares purchased on or after 1 August 2022

		Net revenue 31 January 2023 pence per share	Equalisation 31 January 2023 pence per share	Distribution paid 31 March 2023 pence per share	Distribution paid 31 March 2022 pence per share
A Accumulation	Group 1	1.1502p	-	1.1502p	0.3997p
	Group 2	0.4244p	0.7258p	1.1502p	0.3997p
C Income	Group 1	1.2767p	-	1.2767p	0.5683p
	Group 2	0.6589p	0.6178p	1.2767p	0.5683p
D Accumulation	Group 1	1.2100p	-	1.2100p	-
	Group 2	1.2100p	-	1.2100p	-

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

Investor Support: (0808) 178 9321 (FREEPHONE)
Fax: (01204) 533 045
Email: ifslclientsupport@ifslfunds.com
Website: www.ifslfunds.com

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