

TM Cerno Investment Funds

Annual Report & Accounts
for the year ended 31st December 2022



THEISIS UNIT TRUST MANAGEMENT LIMITED

Authorised and regulated by the Financial Conduct Authority

TM Cerno Investment Funds

Contents

	Page
Management and Professional Service Providers' Details*	3
Report of the Authorised Corporate Director*	4
Investment Objectives and Policies*	4
Report of the Investment Manager*	7
Constitution*	14
Sub-fund Cross-Holdings*	14
Regulatory Disclosure*	14
Remuneration Disclosure	15
Certification of Annual Report & Accounts by Directors	15
Responsibilities of the Authorised Corporate Director	16
Statement of the Depositary's Responsibilities	17
Report of the Depositary	17
Independent auditors' report to the Shareholders	18
Statement of Accounting Policies, Distribution Policies and Risk Management Policies	21
TM Cerno Select Fund	
Portfolio Statement*	25
Sub-fund Information*	29
Assessment of Value	29
Statement of Total Return	37
Statement of Change in Net Assets Attributable to Shareholders	37
Balance Sheet	38
Notes to the Financial Statements	39
Distribution Tables	50

* These collectively comprise the Authorised Corporate Director's Report.

TM Cerno Investment Funds

Contents *(continued)*

	Page
TM Cerno Pacific Fund	
Portfolio Statement*	53
Sub-fund Information*	56
Assessment of Value	56
Statement of Total Return	64
Statement of Change in Net Assets Attributable to Shareholders	64
Balance Sheet	65
Notes to the Financial Statements	66
Distribution Tables	76
TM Cerno Global Leaders Fund	
Portfolio Statement*	79
Sub-fund Information*	81
Assessment of Value	81
Statement of Total Return	90
Statement of Change in Net Assets Attributable to Shareholders	90
Balance Sheet	91
Notes to the Financial Statements	92
Distribution Tables	101

* These collectively comprise the Authorised Corporate Director's Report.

TM Cerno Investment Funds

Management and Professional Service Providers' Details

Authorised Corporate Director:

Thesis Unit Trust Management Limited
Exchange Building
St John's Street
Chichester
West Sussex PO19 1UP
Tel: 01243 531 234

*Authorised and regulated by
the Financial Conduct Authority*

Investment Manager:

Cerno Capital Partners LLP
34 Sackville Street
London W1S 3ED

*Authorised and regulated by
the Financial Conduct Authority*

Administrator, Registrar and Fund Accountant:

Northern Trust Global Services SE, UK Branch
50 Bank Street
Canary Wharf
London E14 5NT

*Authorised and regulated by
the Financial Conduct Authority*

Dealing Office:

Thesis Unit Trust Management Limited
Sunderland SR43 4AZ
Tel: 0333 300 0375
Fax: 020 7982 3924

*Authorised and regulated by
the Financial Conduct Authority*

Depositary:

NatWest Trustee and Depositary Services Limited
House A, Floor 0
Gogarburn
175 Glasgow Road
Edinburgh EH12 1HQ

*Authorised and regulated by
the Financial Conduct Authority*

Auditor:

PricewaterhouseCoopers LLP
Level 4, Atria One
144 Morrison Street
Edinburgh EH3 8EX

Directors of the ACD:

S. R. Mugford - Finance Director
D. W. Tyerman - Chief Executive Officer
S. E. Noone - Client Service Director
D. K. Mytnik - Non-Executive Director
V. R. Smith - Non-Executive Director
W. D. Prew - Independent Non-Executive Director (resigned
on 29th April 2022)
G. Stewart - Non-Executive Director (appointed on
29th April 2022)
C. J. Willson - Independent Non-Executive Director
N. C. Palios - Non-Executive Chair

D. W. Tyerman and S. R. Mugford also hold directorships of other companies within the Thesis group and perform senior management roles within these companies, particularly Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the Authorised Corporate Director.

D. K. Mytnik, V. R. Smith and N. C. Palios also hold non-executive directorships of other companies within the Thesis group. They are not engaged in other business activities that are of significance to the TM Cerno Investment Funds (the "Company"). They and C. J. Willson and G. Stewart are not engaged in other business activities that are of significance to the Company.

TM Cerno Investment Funds

Report of the Authorised Corporate Director (“ACD”)

for the year ended 31st December 2022

Thesis Unit Trust Management Limited (the “ACD”) is pleased to present the ACD's Annual Report & Accounts for the TM Cerno Investment Funds (the “Company”) for the year ended 31st December 2022.

This Company is an umbrella fund with three sub-funds, namely TM Cerno Select Fund, TM Cerno Pacific Fund and TM Cerno Global Leaders Fund (the “sub-funds”).

Investment Objectives and Policies

The sub-funds of the Company, their respective names, investment objectives and policies, are as follows:

TM Cerno Select Fund

The objective of the sub-fund is to achieve a return (income and capital) in excess of the UK Consumer Price Index (CPI) plus 3%, net of fees, over a long term period (5 years).

There is no guarantee that the above return will be achieved over that, or any, time period. Investors should note that, notwithstanding the objective, capital is in fact at risk.

The assets in which the sub-fund may invest will be equities, fixed income investments (e.g. corporate and government bonds), eligible alternatives and other transferable securities, money market instruments, deposits, cash and near cash investments and derivatives. Exposure to these asset classes may be gained through direct investment or indirectly through collective investment schemes (including those managed or operated by the ACD), exchange traded funds and investment trusts. At times, during times of market volatility, the sub-fund may hold a significant amount in cash. The proportion of the sub-fund invested in different asset classes will vary over time in response to the economic and market environment. The Investment Manager selects assets that in combination will attempt to achieve the sub-fund's return whilst offering a portfolio that is diversified by geography, sector and asset class.

Derivatives may be used for both investment purposes and Efficient Portfolio Management.

The sub-fund will be actively managed. This means that the Investment Manager actively makes decisions about how to invest the Scheme Property of the sub-fund (and which investments to buy and sell) instead of simply following a market index.

TM Cerno Pacific Fund

The investment objective of the sub-fund is to produce capital growth net of fees over the long term (5 years or more).

This is a geographically specific fund, which invests at least 70% in the Pacific Rim region (defined as all developed and emerging Asia Pacific countries including Oceania) with a focus on companies that are judged to be innovators or are beneficiaries of innovation through their products, services or business models.

The sub-fund will invest at least 70% in equities directly or indirectly through collectives (including those managed or operated by the ACD) including exchange traded funds. The sub-fund may also invest in fixed income (e.g. corporate and government bonds), eligible alternatives and other transferable securities, money market instruments, deposits, cash and near cash. No more than 10% of the Scheme Property of the sub-fund will consist of units or shares in other collective investment schemes.

Derivatives may be used for both investment purposes and Efficient Portfolio Management.

The sub-fund will be actively managed. This means that the Investment Manager actively makes decisions about how to invest the Scheme Property of the sub-fund (and which investments to buy and sell) instead of simply following a market index.

TM Cerno Global Leaders Fund

The investment objective of the sub-fund is to achieve long term growth (over 5 years) in value, net of fees.

The sub-fund will have a long term (over 5 years), low turnover portfolio, investing predominantly (i.e. a minimum of 90%) in a concentrated portfolio of equities of global leading companies. A concentrated portfolio means a portfolio with no more than 30 holdings (excluding cash). A global leading company is a listed company that has become a leader in its sector: manifested by its market position, higher than average industry profitability and its ability to shape future trends.

The sub-fund may also invest in fixed income investments and other transferable securities, money market instruments, deposits and cash and near cash investments. Exposure to these asset classes may be gained through direct investment, exchange traded funds and investment trusts. No more than 10% of the value of the Scheme Property may be invested in collective investment vehicles. Investment may be made in other schemes managed or operated by the ACD or an associate of the ACD.

TM Cerno Investment Funds

Report of the Authorised Corporate Director (“ACD”)

for the year ended 31st December 2022 (continued)

Investment Objectives and Policies *(continued)*

TM Cerno Global Leaders Fund *(continued)*

Derivatives may be used for Efficient Portfolio Management.

The ACD reserves the right to change the Reference Benchmark following consultation with the Depositary and in accordance with the rules in COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate or a benchmark administrator has given notification of discontinuance of the benchmark. Shareholders will be notified of such a change, FCA approval will be applied for and the Prospectus updated and the change noted in the subsequent annual and half-yearly reports.

Target Benchmark

TM Cerno Select Fund

The performance of the sub-fund will be measured against the UK Consumer Price Index (CPI) plus 3% for target return purposes only. This Index was chosen as a target for the sub-fund’s return because the sub-fund aims to grow investments above the rate of UK inflation.

The objective of the sub-fund is to achieve a return over a 5-year period.

Please refer to the above risk factors for this sub-fund.

The ACD reserves the right to change the benchmark following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate. Shareholders will be notified of such a change through an update to the Prospectus and the change noted in the subsequent annual and half yearly reports.

Performance Comparator

TM Cerno Pacific Fund

The sub-fund uses the Morgan Stanley Capital International (MSCI) Asia Pacific Index NR (GBP) for performance comparison purposes only and the benchmark is not a target benchmark and the sub-fund is not constrained by it.

The Index has been selected as a benchmark for performance because the constituents are representative of the areas in which the sub-fund itself is likely to invest, and it is therefore an appropriate comparator for the sub-fund’s performance.

The ACD reserves the right to change the benchmark following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate. Shareholders will be notified of such a change through an update to the Prospectus and the change noted in the subsequent annual and half yearly reports.

TM Cerno Global Leaders

The sub-fund uses the Morgan Stanley Capital International (MSCI) World NR (GBP) Index for performance comparison purposes only and the benchmark is not a target benchmark and the sub-fund is not constrained by it.

The Index has been selected as a benchmark for performance because the constituents are representative of the areas in which the sub-fund itself is likely to invest, and it is therefore an appropriate comparator for the sub-fund’s performance.

The ACD reserves the right to change the benchmark following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate. Shareholders will be notified of such a change through an update to the Prospectus and the change noted in the subsequent annual and half yearly reports.

TM Cerno Investment Funds

Report of the Authorised Corporate Director (“ACD”)

for the year ended 31st December 2022 (continued)

Important Information

From time to time, major macroeconomic events occur and cause significant short-term volatility to capital markets. Russia’s military action is an example of such an event. We are monitoring the situation very closely and will continue to manage our funds in line with their respective objectives.

Thesis Unit Trust Management Limited
Authorised Corporate Director
25th April 2023

TM Cerno Investment Funds

Report of the Investment Manager

for the year ended 31st December 2022

Investment Report – TM Cerno Select Fund

Overall view on markets and the sub-fund's performance during the year

2022 was a difficult year for financial assets.

The main drivers behind negative performance in the year are well known. Russia's invasion of Ukraine coincided with more determined action on countering inflation with higher interest rates by the world's main Central Banks. Inflation has proved to be a more intractable issue than their policy setting committees anticipated. Markets have had to adjust to a step change in the price of risk and a large part of that adjustment was taken in the first half of the year.

The prices of all major financial asset classes fell in the first half of the year as interest rates began to rise in response to inflation. The fourth quarter of the year provided some respite. This principally came in the form of a weaker US dollar. The flow-through impact of this is to ease global liquidity conditions and provide room for a broader array of asset prices to recover, even if that recovery has, so far, been only partial.

For example, the British pound appreciated by 8.2% against the dollar over the 4th Quarter, the main European equity Index (Euro Stoxx 50) appreciated by 14.6% and Hong Kong's Hang Seng Index appreciated by 14.9%.

2022 has been a poor year for returns in the portfolio. Part of that is explained by an opportunity set that offered up only energy companies and the US dollar as a source of positive return. That said, we have cause to reflect upon our own decisions, particularly in multi-asset portfolios (TM Cerno Select Fund and its companion portfolios) where we entered the year with the sails too far out and were too slow to adjust. Some actions have proven correct, such as de-emphasising growth investments but were not commuted as fully as they should have been. The financial chaos that accompanied the short-lived Truss-Kwarteng administration in September had a severely detrimental impact upon the UK assets held within these portfolios – not in their operational outlook but all through valuation drops which will be slower to recover even with UK gilts (which have a relationship with these assets' pricing) recovering.

Finally, having correctly identified the US dollar as a haven early in the year, we did not move back to other currencies, particularly GBP, when the dollar upshoot began to end. This had the effect of dragging positive performance in the 4th Quarter rally described above.

Looking forward and more broadly, our expectation is that financial assets will reach their valuation lows well before the economic cycle rounds out. This needs to be borne in mind. At the low point, the world - and our personal circumstances - will still feel recessionary but financial assets will have bottomed. It is a truism to state that there is often meagre appetite to make fresh investment when the best time comes.

TM Cerno Investment Funds

Report of the Investment Manager

for the year ended 31st December 2022 (continued)

Investment Report – TM Cerno Select Fund (continued)

Investment Performance

For the year 1st January 2022 – 31st December 2022, the sub-fund returned -14.1% (Class C GBP Accumulation). The benchmark for the sub-fund (CPI+3%) returned 14.3% for the year.



Source: Bloomberg

The three largest purchases made within the sub-fund during the year were:

1. BlackRock ICS Sterling Liquidity Select Dist - £10,600,000 on 30th November 2022
2. SPDR Bloomberg 0-5 Year Sterling Corporate Bond UCITS ETF Dist – £5,282,115 on 3rd November 2022
3. The Independent UCITS Platform - Zennor Japan 'I' JPY Acc – £5,245,619 on 8th November 2022

All purchases were mentioned in the commentary above.

The three largest sales made within the sub-fund during the year were:

1. iShares Edge MSCI World Value Factor UCITS ETF - \$9,317,543 on 25th November 2022
2. iShares Core MSCI Japan IMI UCITS ETF Acc - £6,045,643 on 7th November 2022
3. Matthews Asia China Small Companies 'S' GBP - £4,481,554 on 25th October 2022

Sale of SPDR MSCI Europe Small Cap UCITS ETF was mentioned above. Redemptions from Digital 9 Infrastructure and Fresenius Medical Care AG & Co. KGaA were part of portfolio rebalancing.

Note: Investments carry risks. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Cerno Capital Partners LLP
Investment Manager
1st February 2023

TM Cerno Investment Funds

Report of the Investment Manager

for the year ended 31st December 2022 (continued)

Investment Report – TM Cerno Pacific Fund

Overall view on markets and the sub-fund's performance during the year

The sub-fund delivered -30.2% (Class B GBP) against -7.2% for the MSCI AC Asia Pacific Index for 2022. The large gap in relative underperformance was due to the sub-fund's style bias towards growth, which suffered under the global interest rate hiking environment compressing valuations, lack of exposure to sectors such as Energy, and geopolitics driven volatility within our China and semiconductor allocations.

The first half of 2022 has been a highly volatile period. The immediate catalyst for the risk off environment is clear. Starting in January, global equity sold off on the back of rate hiking cycle and inflation fears, having an outsized impact on growth style companies with sharp multiple compression, which the TM Cerno Pacific Fund portfolio is biased to. The final quarter was characterised by a V-shaped equity market in Asia. October marked the bearish extreme of investor sentiment as geopolitics took a turn for the worse on outcomes of the China 20th Party Congress and the semiconductor embargo expansion by the US that alarmed investors. The MSCI China Index corrected -17% in USD terms, troughing on 31st October 2022.

Our largest geographic exposure, China, was detracting overall. Despite a modest bounce observed in Quarter 2, as the authorities signaled less disruptive regulatory policy announcements going forward and made clear its stance on Ukraine, earlier damage to investor confidence was not entirely repaired. The events in Ukraine represented the fear crescendo after a year of risks ratcheting higher. On top of the regulatory crackdown, ADR delisting noise, and negative side effects of China's zero-COVID-19 the possibility that China would become a target for international sanctions was the trigger for broad based capitulation across security markets. Subsequent reversal of this downtrend came as the Chinese leadership was forced into a somewhat abrupt dismantling of its controversial zero-COVID-19 policy. The original intent for a gradual loosening (with no clear timeline) quickly shifted gear into full policy U-turn, catalysed on the back of widespread public protests broke out across the nation in late November as citizens vented their pent-up frustrations. By year end, the vast majority of the draconian measures had been rolled back including mass PCR testing, health QR code checks, home lockdowns, centralised quarantines, and re-opening of international borders for business and travel after three long years of self-imposed isolation on 8th January 2023. The market welcomed this much needed visibility and Chinese equities rebounded strongly, posting a +30% USD gain on the MSCI China Index from the October trough.

We made several position changes during the year. In the first half, we sold Delta Electronics (components) and the remaining stake in Alibaba Group (E-commerce) given possible prolonged weakness in consumer sentiment on the risk of recession. We also reduced other supply chain names exposed to PCs and smartphones on the back on weak demand and recession fears. We introduced Nabestco, a Japan based company with exposure to industrial automation, a secular growth theme we believe has a long runway.

Systemex, the global leader in haematology testing, returned to the strategy. We sold the business in January 2021 on valuation grounds and after a large round trip it is now back within range. ResMed, part of a global duopoly in sleep apnoea solutions, is also a returnee. The extended recall of its key competitor, Koninklijke Philips, provides a good underpinning to demand. So far, the group's ability to fully take advantage of the market opportunity has been crimped by semiconductor availability but this should ease into year end.

Bilibili and Nidec have been sold. Bilibili was one of our few pre-earnings businesses. As such, it has been hit hard by the switch in market sentiment towards the safety of cash flow. We continue to like the service it provides from a consumer perspective. It occupies a unique position in the China internet space with user generated content producing a powerful online community. We had remained owners to see if the company could monetise this unique offering. We are increasingly concerned about its ability to do so. However, we may revisit the business if it manages to prove out its earnings potential further down the line. Nidec faces more of an uphill battle. Its core business is brushless DC motors for a broad swathe of industrial and consumer products. It is a well penetrated industry and so limited to GDP-like growth. The long-term opportunity has been EV motors. After a strong start momentum appears to have stalled as low-end Chinese players have taken share rapidly driven by the need to thrift components as the cost of batteries rise.

On the performance front, Glodon (+141bps), Disco (+52bps) and Beijing Kingsoft Office Software (+43bps). On the negative side, the biggest detractor was Sea ADR (-344bps), followed by Silergy (-310bps) and Tokyo Electron (-184bps).

2022 has been a challenging year with a myriad of macro and micro factors culminating in a turbulent market. With the Chinese economy re-opening and the interest rate cycle decelerating, Asia looks to be in a much more favourable setup heading into the New Year.

TM Cerno Investment Funds

Report of the Investment Manager

for the year ended 31st December 2022 (continued)

Investment Report – TM Cerno Pacific Fund (continued)

Investment Performance

The month-end NAV history (Class B GBP) for the year is captioned below:

Month	NAV in GBP
January 2022	17.58
February 2022	17.28
March 2022	16.39
April 2022	15.25
May 2022	15.15
June 2022	15.22
July 2022	15.26
August 2022	15.56
September 2022	13.83
October 2022	13.32
November 2022	14.37
December 2022	14.32

These figures are taken from Bloomberg.

For the year 1st January 2022 – 31st December 2022, the sub-fund returned -30.2% (Class B GBP).



TM Cerno Investment Funds

Report of the Investment Manager

for the year ended 31st December 2022 (continued)

Investment Report – TM Cerno Pacific Fund *(continued)*

Investment Performance *(continued)*

The three largest purchases made within the sub-fund during the year were:

1. Samsung Electronics - \$1,738,711 on 14th March 2022.
2. Hamamatsu Photonics – JPY 438,501,293 on 25th October 2022
3. ResMed – \$1,443,089 on 24th October 2022

The purchases were explained above.

The three largest sales made within the sub-fund during the year were:

1. Jiangsu Hengli Hydraulic – CNH 14,380,088 on 25th October 2022
2. Shenzhen Mindray Bio-Medical Electronics – CNH 14,085,580 on 25th October 2022
3. Techtronic Industries – HKD 15,655,980 on 15th March 2022

The sales were explained above.

Note: Investments carry risks. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Cerno Capital Partners LLP
Investment Manager
1st February 2023

TM Cerno Investment Funds

Report of the Investment Manager

for the year ended 31st December 2022 (continued)

Investment Report – TM Cerno Global Leaders Fund

Overall view on markets and the sub-fund's performance during the year

The first two quarters of this year marks the first time in this cycle when inflation and its secondary effects have been acknowledged by all. It is necessary to understand the impact on i) policy ii) equity valuations and iii) earnings fundamentals. The third quarter marked the end of a short summer rally in financial assets and the resumption of the market's belief that the key monetary authorities, led by the Federal Reserve, will further increase interest rates. This has pressured a set of assumptions that have worked off very low interest rates since the Global Financial Crisis of 2008-09. The growth in the consensus regarding interest rates has further driven down valuations in financial assets, a process that began at the start of the year. The portfolio returned +4.6% in the fourth quarter of the year. Currency movements were significant in suppressing the overall return to GBP class investors as GBP strengthened by 8.2% vs USD and 9.2% versus the euro. It should be remembered that these large moves were partially an unwind of significant moves in the other direction in the 3rd Quarter brought upon by the short-lived but eventful Truss-Kwarteng administration that created considerable volatility in the pricing of GBP and UK government bonds.

The portfolio's NAV has declined by 18% in 2022, the S&P 500 Index has fallen by 18%, NASDAQ by 33% and Euro Stoxx 50 by 9% for the year.

The main component of equity market falls this year has been a direct result of valuation contraction. Valuations fall when inflation rises. Generally speaking, stocks which were valued at 30x forward earnings are now available for 20x forward earnings. Markets have foreboding about earnings: firstly because Central Banks are likely to succumb to (or reaffirm) their inflation fighting credentials which will doubtless impact demand and, secondly, because corporate profit margins had reached a generational high and are poised to fall. Positive operating leverage turns negative.

That is the general. We only invest in the specific. The allocation to TM Cerno Global Leaders Fund provides exposure to the long term winners of trends such as the electrification of personal transport through Ansys, digitalisation of corporations through Accenture or Ansys and automation with Rockwell Automation. Semi-conductors play a crucial role across corporations and the sub-fund is well exposed via ASML, Taiwan Semiconductor Manufacturing Company ADR and Samsung Electronics. We note that the valuation on the TM Cerno Global Leaders Fund' portfolio now stands at a more reasonable 20x earnings and our belief is that their earnings outlook is better than the market at large.

The biggest detractors for the year were Koninklijke Philips (-2.45%), Aptiv (-1.60%) and Givaudan (-1.39%) while the biggest contributors were Keysight Technologies (0.45%), Zimmer Biomet (0.38%) and Linde (0.38%).

Equities have entered a bear market and one of the ways to measure their progress through this bear market is to understand how share prices are responding to good and bad news. Corporate managements will be reluctant to offer much detail on updates outside of proscribed earnings windows. This has the effect of concentrating share price adjustments into the post results period. Market analysts will be very attentive to order books and margin developments. Our assumption, for now, is that share prices remain prone to decline on bad news. At the point at which their reaction function begins to moderate via more modest falls on bad news, that will be recognised as the bear market bottoming out.

Investment Performance

The month-end NAV history (Class A GBP) for the year is captioned below:

Month	NAV in GBP
January 2022	15.86
February 2022	15.39
March 2022	15.74
April 2022	15.24
May 2022	14.87
June 2022	13.78
July 2022	15.03
August 2022	14.85
September 2022	13.96
October 2022	14.14
November 2022	14.95
December 2022	14.60

These figures are taken from Bloomberg.

TM Cerno Investment Funds

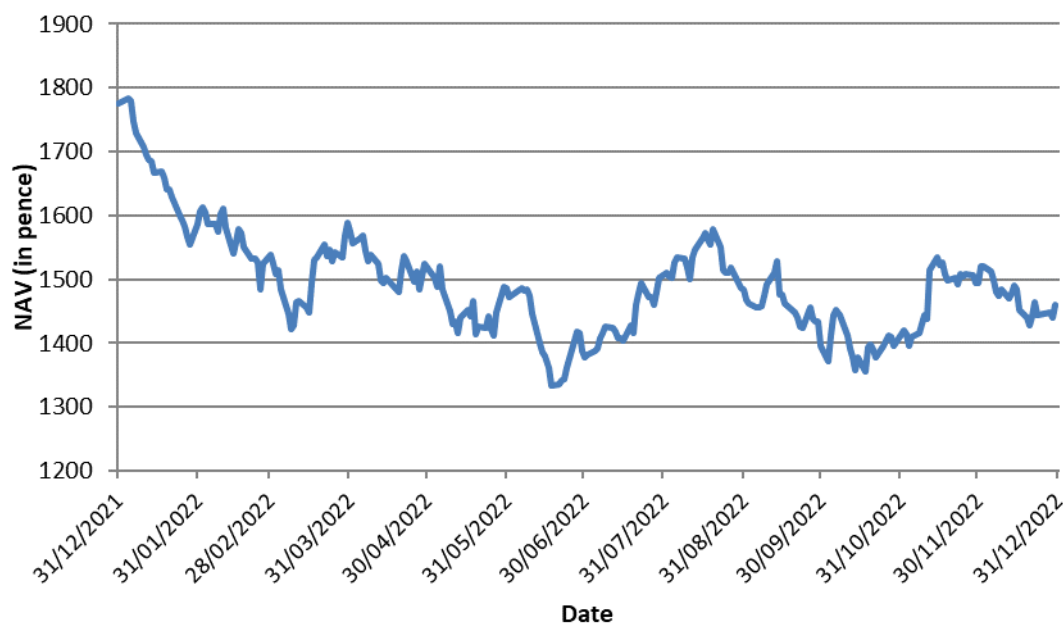
Report of the Investment Manager

for the year ended 31st December 2022 (continued)

Investment Report – TM Cerno Global Leaders Fund (continued)

Investment Performance (continued)

For the year 1st January 2022 – 31st December 2022, the sub-fund returned -17.8% (Class A GBP).



The three largest sales made within the sub-fund during the year were:

1. Nidec – JPY 793,728,428 on 24th August 2022
2. Fresenius Medical Care AG & Co. KGaA – EUR 3,681,243 on 7th January 2022
3. Johnson & Johnson - \$4,099,173 on 7th January 2022

The trades were to rebalance the portfolio to maintain equal weights for all holdings throughout the year.

The three largest purchases made within the sub-fund during the year were:

1. Adobe - \$5,099,625 on 7th January 2022
2. Keysight Technologies - \$3,994,861 on 1st February 2022
3. Rockwell Automation - \$3,991,013 on 1st February 2022

The trades were to rebalance the portfolio to maintain equal weights for all holdings throughout the year.

Note: Investments carry risks. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Cerno Capital Partners LLP
Investment Manager
1st February 2023

TM Cerno Investment Funds

Constitution

TM Cerno Investment Funds (the “Company”) is an authorised investment company with variable capital for the purposes of the OEIC Regulations. The Company was authorised by the FCA pursuant to an authorisation order dated 19th August 2013 and was launched on 4th September 2013. The Company is a UCITS scheme, being a category of authorised scheme for the purpose of the COLL 1.2.1R. The Company registration number is IC000984. The head office of the Company is at Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP and this is also the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

Shareholders are not liable for the debts of the Company.

Currently, the Company has three sub-funds as provided on page 4.

The base currency of the Company and each sub-fund is Pounds Sterling.

The sub-funds of the Company are segregated portfolios of assets and, accordingly, the assets of each sub-fund belong exclusively to that sub-fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other fund, and shall not be available for any such purpose.

Sub-fund Cross-Holdings

No sub-fund held shares in any other sub-fund within the Company during the current or prior year.

Regulatory Disclosure

This document has been issued by Thesis Unit Trust Management Limited (authorised and regulated by the Financial Conduct Authority).

Past performance is not necessarily a guide to future performance. The value of shares can go down as well as up and is not guaranteed. Changes in rates of exchange may also cause the value of shares to fluctuate. Any references in this report to other investments held within this Trust should not be read as a recommendation to the investor to buy and sell the same, but are included as illustration only.

TM Cerno Investment Funds

Remuneration Disclosures *(unaudited)*

The provisions of the UCITS V Directive took effect on 18th March 2016. That legislation requires Thesis Unit Trust Management Limited (the “Authorised Fund Manager”), to establish and maintain remuneration policies for its staff which are consistent with and promote sound and effective risk management and do not encourage risk taking that is inconsistent with the risk profile and the rules of the Scheme nor impair compliance with the Authorised Fund Manager’s duty to act in the best interest of the Scheme.

The Authorised Fund Manager is part of a larger group within which remuneration policies are the responsibility of a Remuneration Committee comprised entirely of non-executive directors. That committee has established a remuneration policy which sets out a framework for determining the level of fixed and variable remuneration of staff, including maintaining an appropriate balance between the two.

Arrangements for variable remuneration within the group are calculated primarily by reference to the performance of each individual and the profitability of the relevant business unit. The performance of individuals working on the business of the Authorised Fund Manager is assessed primarily by reference to non-financial criteria, especially the effectiveness of their oversight monitoring of delegates appointed to perform investment advisory or fund administration services for the Scheme.

Within the group, some staff are employed directly by the Authorised Fund Manager and others are employed by a service company, Thesis Services Limited. The costs of staff employed by Thesis Services Limited are allocated between entities within the group based on the estimate of time devoted to each.

The table below shows the total remuneration paid by the Authorised Fund Manager and the service company to all the staff working on its business for the financial year ended 30th April 2022.

	Senior Management	Risk Takers	Control	Other	Total
Number of Staff	6	12	5.43	24.67	48.1
Fixed remuneration	£831,205	£904,106	£263,745	£923,170	£2,922,226
Variable remuneration	£207,073	£78,873	£11,999	£49,204	£347,149

Management have carried out a review of the general principles within the remuneration policy and the implementation of the remuneration policy during the year and following this review, no changes have been considered necessary.

Certification of Annual Report & Accounts by Directors

In accordance with the requirements of the Open-Ended Investment Companies Regulations 2001 (the “OEIC Regulations”), the Collective Investment Schemes sourcebook (“COLL Rules”), we hereby certify this Annual Report & Accounts on behalf of the ACD, Thesis Unit Trust Management Limited.

S.R. MUGFORD Director

S. E. NOONE Director

25th April 2023

TM Cerno Investment Funds

Responsibilities of the Authorised Corporate Director (“ACD”)

The Open-Ended Investment Companies Regulations 2001 (the "OEIC Regulations") and the Collective Investment Schemes sourcebook (“COLL Rules”) published by the FCA requires the ACD to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Company and of the net revenue and net capital losses on the property of the Company for the year.

In preparing the financial statements, the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association (now known as The Investment Association) in May 2014 and amended in June 2017;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

Thesis Unit Trust Management Limited
Authorised Corporate Director
West Sussex
25th April 2023

TM Cerno Investment Funds

Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of TM Cerno Investment Funds (the "Company") for the Year Ended 31st December 2022

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited
Edinburgh
25th April 2023

TM Cerno Investment Funds

Independent auditors' report to the Shareholders of TM Cerno Investment Funds

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of TM Cerno Investment Funds (the "Company"):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 December 2022 and of the net revenue and the net capital losses on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

TM Cerno Investment Funds is an Open Ended Investment Company ('OEIC') with 3 sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report & Accounts (the "Annual Report"), which comprise: the balance sheets as at 31 December 2022; the statements of total return and the statements of change in net assets attributable to shareholders for the year then ended; the distribution tables; the accounting policies (in the Statement of Accounting Policies, Distribution Policies and Risk Management Policies section); and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 or any sub-funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's or any sub-funds' ability to continue as a going concern.

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

TM Cerno Investment Funds

Independent auditors' report to the Shareholders of TM Cerno Investment Funds *(continued)*

Reporting on other information *(continued)*

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Responsibilities of the Authorised Corporate Director, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine 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 Authorised Corporate Director is responsible for assessing the Company's and each of the sub-fund'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 Authorised Corporate Director either intends to wind up or terminate the Company or individual sub-fund, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Company or the sub-funds. Audit procedures performed included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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

TM Cerno Investment Funds

Independent auditors' report to the Shareholders of TM Cerno Investment Funds *(continued)*

Responsibilities for the financial statements and the audit *(continued)*

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
25th April 2023

TM Cerno Investment Funds

TM Cerno Investment Funds

Statement of Accounting Policies, Distribution Policies and Risk Management Policies

for the year ended 31st December 2022

1. Statement of Compliance

The financial statements have been prepared in accordance with the United Kingdom Generally Accepted Accounting Practice (UK GAAP), as defined within the UK Financial Reporting Standard (FRS 102) and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' (the "SORP"), issued by the Investment Management Association (now known as the Investment Association) in May 2014 and amended in June 2017.

2. Summary of Significant Accounting Policies

a) Basis of Preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The principal accounting policies which have been applied consistently are set out below.

b) Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Pounds Sterling, which is the Company's functional and presentation currency rounded to the nearest £'000 or as stated otherwise.

c) Valuation of Investments

Quoted investments are valued at bid-market value as at 12 noon on the last working day of the accounting year, net of any accrued interest, if applicable, which is included in the balance sheet as accrued revenue. As a result of market movements between 12 midday and close of business, the ACD has chosen to disclose the following sub-fund at close of business bid-market values: TM Cerno Global Leaders Fund. Where values cannot be readily determined, the securities are valued at the ACD's best assessment of their fair value. Purchases and sales are recognised when a legally binding and unconditional right to obtain, or an obligation to deliver, an asset or liability arises.

Collective investment schemes operated by the ACD are valued at their cancellation price for dual priced funds and their single price for single priced funds. Other Collective Investment Schemes are valued at their bid price for dual priced funds and their single price for single priced funds.

Open forward currency contracts are valued based on the difference between the contract value and the market value adjusted by the prevailing spot rate and swap curve.

All realised and unrealised gains and losses on investments are recognised as net capital gains/(losses) in the Statement of Total Return. Unrealised gains and losses comprise changes in the fair value of investments for the year and from reversal of prior year's unrealised gains and losses for investments which were realised in the accounting year. Realised gains and losses represent the difference between an instrument's initial carrying amount and disposal amount.

Where a substantial proportion of the Company's assets are invested in other collective investment schemes, the maximum level of management fees that may be charged to the Company, and to the other collective investment scheme, should not exceed 2.5% per annum plus VAT (if applicable) based on the charges applicable to the Ordinary share class. It is envisaged that charges at this level would only be incurred in exceptional cases.

Over-the-counter derivative contracts shall be valued on the basis of unrealised gain or loss on the contract using current settlement price.

d) Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Pounds Sterling at the rates of exchange ruling as at 12 noon on the last working day of the accounting year.

e) Revenue

Revenue from quoted equity and non-equity shares is recognised when the security is quoted ex-dividend as a gross amount of any withholding taxes but excludes any other taxes such as attributable tax credits. Bank interest and other revenue are recognised on an accruals basis.

Distributions from collective investment schemes are recognised in the property when the security is quoted ex-dividend. Management fee rebates from underlying collective investment schemes are accounted for on an accruals basis. Management fee rebates, where applicable, are included in revenue or net capital gains dependent upon the original treatment of management fees in the underlying collective investment scheme.

TM Cerno Investment Funds

TM Cerno Investment Funds

Statement of Accounting Policies, Distribution Policies and Risk Management Policies

for the year ended 31st December 2022 (continued)

2. Summary of Significant Accounting Policies (continued)

e) Revenue (continued)

Ordinary stock dividends are recognised wholly as revenue and are based on the market value of the shares on the date they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash dividend is taken to capital.

Special dividends are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Where there is evidence to treat all or some of such receipts as revenue, such amounts are recognised as dividend revenue of the Company. Any tax treatment would follow the accounting treatment of the principal amount.

Income distributions from UK Real Estate Investment Trusts ("UK REITs") is split into two parts, a Property Income Distribution ("PID") made up of rental revenue and a non-PID element, consisting of non-rental revenue. The PID element is subject to corporation tax as Schedule A revenue, while the non-PID element is treated as franked revenue.

Revenue from offshore funds is recognised when it is reported. Any reported revenue from an offshore fund with reporting status from HMRC, in excess of any distribution received in the reporting period, is recognised as revenue no later than the date on which the reporting fund makes this information available.

Returns from derivative securities are taken to capital and/or revenue depending on the motive and circumstances surrounding the particular transaction.

f) Expenses

For accounting purposes, expenses of Class E GBP Income of TM Cerno Pacific Fund and Class D Income of TM Cerno Global Leaders Fund, are charged against capital.

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments) are charged against revenue for the year on an accruals basis in respect of all other share classes of the sub-funds.

g) Taxation

Corporation tax is provided at the rate of 20% of taxable revenue after the deduction of allowable expenses. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the ACD considers that it will be more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

3. Distribution Policies

a) Basis of Distribution

When appropriate, the Company will allocate any surplus net revenue as a dividend distribution. Distributions of income of the Company are made on or before the annual income allocation date and on or before the interim income allocation date, where applicable, in each year. The income available for distribution is determined in accordance with COLL. It comprises all revenue received or receivable for the account of the Company in respect of the accounting year concerned, after deducting net charges and expenses paid or payable out of such revenue.

For distribution purposes, expenses of Class E GBP Income of TM Cerno Pacific Fund and Class D Income of TM Cerno Global Leaders Fund, are charged against capital. This will increase the amount of revenue for distribution; this will however erode capital and may constrain capital growth.

Marginal tax relief is not taken into account in determining the distribution where a transfer is made between the revenue and capital of the same share class.

b) Distribution from Collective Investment Schemes

The first 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 shares. The equalisation is treated as a return of capital for taxation purposes and does not carry a tax credit.

c) Equalisation

Equalisation received from the underlying investments has been treated as a reduction in the book cost of the investments and not distributed.

TM Cerno Investment Funds

TM Cerno Investment Funds

Statement of Accounting Policies, Distribution Policies and Risk Management Policies

for the year ended 31st December 2022 (continued)

3. Distribution Policies (continued)

d) Unclaimed distributions

All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the capital of the Company in accordance with COLL.

4. Risk Management Policies

Market price risk

Market risk is the risk that the fair value or future cash flows from financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates or underlying investment prices. The Company can be exposed to market risk by virtue of its investment into equities and other financial instruments. The Company may also from time to time utilise derivatives for efficient portfolio management (including hedging) or investment purposes. These instruments may be volatile, involve certain special risks and can expose investors to a risk of loss. When used for hedging purposes there may be an imperfect correlation between these instruments and the investment or market sectors being hedged, although this basis of risk will be monitored and any material breakdown in correlation can generally be corrected by delta hedging the position or liquidation.

Market price risk is managed through active portfolio management.

Foreign currency risk

Foreign currency risk is the risk that the value of the Company's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

A proportion of the Company's investment portfolio is invested in overseas securities and collective investment schemes, which may have holdings in overseas securities and consequently the balance sheet, can be affected by movements in foreign exchange rates. At times, the Investment Manager seeks to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies.

Interest rate risk

Interest rate risk is the risk that the value of the Company's investment holdings will fluctuate as a result of changes in interest rates.

The Company may invest in fixed rate securities. The revenue of the Company may be affected by changes to interest rates relevant to particular securities or as a result of the Investment Manager being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed rate securities may be affected by interest rate movements or the expectation of such movements in the future. The Company did not invest in fixed interest rate securities as at 31st December 2022. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

The Company invests in collective investment schemes which do not pay interest. However, some of the underlying collective investment scheme investments may be directly or indirectly exposed to interest rate risk.

In general, if interest rates rise, the income potential of the Company also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Company). A decline in interest rates will in general have the opposite effect.

Due to the nature of the investments held, the risk to the Company is insignificant and is therefore not actively managed.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations as they fall due. The main liability of the Company is the redemption of any shares that investors wish to sell.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Company. To the extent that a counterparty defaults on its obligation and the Company is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. The Company's maximum exposure to credit risk (not taking account of the value of any collateral or other securities held) in the event that counterparties fail to perform their obligations as of 31st December 2022 in relation to each class of recognised financial assets including derivatives, is the carrying amount of those assets in the balance sheet.

TM Cerno Investment Funds

TM Cerno Investment Funds

Statement of Accounting Policies, Distribution Policies and Risk Management Policies

for the year ended 31st December 2022 (continued)

4. Risk Management Policies (continued)

Exposure

Exposure to market risk is calculated using the “commitment approach” methodology. In relation to Position Risk (issuer concentration), this approach involves converting derivative positions into the equivalent positions of the underlying assets. The commitment approach is a simplistic way of identifying the level of exposure that a Company has through derivatives to the underlying equities, bonds, commodities, currencies etc. However, it does have its limitations and therefore is only used as long as the use of derivatives by the Company is “non-sophisticated”.

Objectives, policies and processes for managing risks

The risks identified above are subject to management and monitoring through the ACD's Risk Management Programme. The principal objectives of the programme are:

- To ensure that all risks are identified and monitored, and that preventive or mitigating actions are implemented
- To assess, review and challenge current and emerging risks
- To minimise the risk of loss to investors
- To administer the Company in a manner which complies with COLL and the SORP

The ACD has built a Funds Oversight Programme which comprises a range of rolling independent checks including the specific use of derivatives. The results of the programme are reported to the Investment Committee with escalation through to the Operating Committee and the ACD Board. Results of the Funds Oversight Programme are made available to the Depositary as part of their audit programme on the ACD and are also collated into a pack for review and analysis by the Investment Committee on a monthly basis.

There have not been any changes from the prior year.

Methods used to measure risks

Market price risk

The following checks are also performed as part of the Funds Oversight Programme on a daily basis as follows: limit breaches or positions approaching limits; leverage; eligibility; global exposure; counterparty exposure; collateral cover; OTC pricing check; fair value pricing.

Liquidity risk

Liquidity risk is controlled through monitoring the liquidity of all instruments used in the context of the investment objectives and liquidity requirements of the Company. Cash positions are monitored and reported to ensure the Company has sufficient capacity to meet obligations arising from investment in financial derivative positions.

Procedures are in place to review the Company's weightings to ensure liquidity requirements will be met in the event of extreme market movements to meet the obligation at expiry/ maturity. The process involves at least daily assessment of any impending cash liability to ensure sufficient cash can be raised to cover such liability when it falls due.

The Company's liquidity is also monitored through a daily check, which assesses the Company's ability to liquidate the portfolio within 7 working days through to settlement. Any portfolio that has less than 80% liquidity is marked as a higher risk, and details are reported to the Fund Risk committee, and are then monitored for significant changes either to the Company's makeup, and/or shares being traded in the Company. These liquidity levels are stress tested on assumptions of reduced market liquidity and increased investor trading. The full process for this check is documented and is available upon request.

Credit risk

In order to manage credit risk, the ACD undertakes a cash management check on the Company, testing for any negative balances and balances in excess of £1m. Any balances highlighted are discussed with the Investment Manager to ensure that the Company does not take on any unnecessary counterparty risk with the relevant bank and that the strategy is being adhered to.

TM Cerno Investment Funds

TM Cerno Select Fund

Portfolio Statement

as at 31st December 2022

Holdings	Market value £	Percentage of total net assets %
EQUITIES 54.94% (51.70%)		
Denmark 0.91% (0.90%)		
29,139 Novozymes	1,223,179	0.91
France 2.48% (2.07%)		
7,542 Arkema	567,849	0.43
9,375 EssilorLuxottica	1,413,379	1.05
2,200 LVMH Moet Hennessy Louis Vuitton	1,344,836	1.00
	3,326,064	2.48
Germany 1.68% (0.45%)		
13,434 BASF	554,043	0.41
18,015 Covestro	585,207	0.43
32,835 Evonik Industries	521,375	0.39
17,900 Lanxess	600,044	0.45
	2,260,669	1.68
Guernsey 7.36% (7.24%)		
5,159,192 Hipgnosis Songs	4,467,860	3.32
6,206,982 Sequoia Economic Infrastructure Income	5,424,902	4.04
	9,892,762	7.36
Hong Kong 1.05% (0.41%)		
152,000 Techtronic Industries	1,410,911	1.05
Ireland 1.63% (1.83%)		
4,655 Accenture	1,037,718	0.77
4,195 Linde	1,149,330	0.86
	2,187,048	1.63
Japan 0.95% (1.88%)		
9,715 Shimano	1,281,031	0.95
Jersey 0.83% (0.86%)		
14,260 Aptiv	1,111,046	0.83
Netherlands 3.22% (2.73%)		
3,172 ASML	1,433,792	1.07
18,365 Heineken	1,435,498	1.07
115,863 Koninklijke Philips	1,454,328	1.08
	4,323,618	3.22

TM Cerno Investment Funds

TM Cerno Select Fund

Portfolio Statement

as at 31st December 2022 (continued)

Holdings	Market value £	Percentage of total net assets %
South Korea 0.98% (1.08%)		
1,440 Samsung Electronics	1,318,714	0.98
Sweden 1.90% (2.03%)		
74,602 Assa Abloy	1,350,872	1.00
121,200 Atlas Copco	1,206,770	0.90
	2,557,642	1.90
Switzerland 1.93% (1.88%)		
513 Givaudan	1,320,005	0.98
13,110 Nestlé ADR	1,273,540	0.95
	2,593,545	1.93
Taiwan 0.91% (1.01%)		
19,405 Taiwan Semiconductor Manufacturing Company ADR	1,224,680	0.91
United Kingdom 20.64% (21.77%)		
1,095,076 Baillie Gifford Edinburgh Worldwide Investment Trust	1,901,052	1.41
3,461,147 BB Healthcare Trust	5,295,555	3.94
5,824,972 Digital 9 Infrastructure	5,038,601	3.75
1,710,000 Ecofin US Renewables Infrastructure Trust	1,143,409	0.85
3,348,135 Gore Street Energy Storage Fund	3,723,126	2.77
2,642,127 HICL Infrastructure	4,333,088	3.22
29,618 Renishaw	1,088,758	0.81
4,572,215 SDCL Energy Efficiency Income Trust	4,403,043	3.28
1,837,000 Seraphim Space Investment Trust	815,628	0.61
	27,742,260	20.64
United States 8.47% (5.56%)		
4,200 Adobe	1,177,144	0.88
5,500 Ansys	1,111,924	0.83
9,300 Keysight Technologies	1,330,227	0.99
6,560 Microsoft Corp	1,312,981	0.98
13,220 PPG Industries	1,387,227	1.03
5,670 Rockwell Automation	1,222,777	0.91
2,600 Thermo Fisher Scientific	1,203,010	0.89
6,694 Visa	1,156,701	0.86
13,885 Zimmer Biomet	1,474,193	1.10
	11,376,184	8.47
TOTAL EQUITIES	73,829,353	54.94

TM Cerno Investment Funds

TM Cerno Select Fund

Portfolio Statement

as at 31st December 2022 (continued)

Holdings	Market value £	Percentage of total net assets %
COLLECTIVE INVESTMENT SCHEMES 27.36% (31.08%)		
Ireland 17.03% (19.59%)		
10,600,000	BlackRock ICS Sterling Liquidity Select Dist	10,600,000 7.89
189,970	SPDR Bloomberg 0-5 Year Sterling Corporate Bond UCITS ETF Dist	5,332,458 3.97
92,235	SPDR MSCI Japan UCITS ETF	3,493,933 2.60
148,316	Xtrackers IE Physical Gold ETC	3,458,119 2.57
		22,884,510 17.03
Jersey 2.58% (3.45%)		
23,903	WisdomTree Physical Swiss Gold USD	3,468,803 2.58
Liechtenstein 2.09% (1.78%)		
15,433	B&I Asian Real Estate Securities Acc	2,809,706 2.09
Luxembourg 4.27% (4.22%)		
67,568	The Independent UCITS Platform - Zennor Japan 'I' JPY Acc	5,731,249 4.27
United Kingdom 1.39% (2.04%)		
138,117	Baillie Gifford Global Discovery 'B' Acc	1,872,868 1.39
	TOTAL COLLECTIVE INVESTMENT SCHEMES	36,767,136 27.36
REAL ESTATE INVESTMENT TRUSTS 10.19% (12.42%)		
United Kingdom 10.19% (12.42%)		
7,600,000	Life Science REIT	5,472,000 4.07
3,824,166	LXI REIT	4,351,901 3.24
3,648,994	Warehouse REIT	3,867,934 2.88
		13,691,835 10.19
	TOTAL REAL ESTATE INVESTMENT TRUSTS	13,691,835 10.19
FINANCIAL DERIVATIVE INSTRUMENTS 0.94% (0.64%)		
Options 0.68% (0.42%)		
Germany 0.03% (0.42%)		
165	Euro Stoxx 50 Price Put Option 3200 17/03/2023	24,290 0.02
76	Euro Stoxx 50 Price Put Option 3300 17/03/2023	15,637 0.01
		39,927 0.03
United States 0.65% (0.00%)		
34	NASDAQ 100 E-Mini Put Option 10000 17/03/2023	126,098 0.09
31	NASDAQ 100 E-Mini Put Option 10500 17/03/2023	186,685 0.14

TM Cerno Investment Funds

TM Cerno Select Fund

Portfolio Statement

as at 31st December 2022 (continued)

Holdings	Market value £	Percentage of total net assets %
United States (continued)		
36 S&P 500 E-Mini Put Option 3550 17/03/2023	87,466	0.07
15 S&P 500 E-Mini Put Option 3650 17/03/2023	51,551	0.04
96 S&P500 E-Mini Put Option 3300 15/09/2023	421,630	0.31
	873,430	0.65
Forward Currency Contracts 0.26% (0.22%)		
EUR (7,500,000) Sold EUR, Bought USD 8,016,975 for settlement on 15/03/2023	(24,338)	(0.02)
EUR 7,426,473 Bought EUR, Sold GBP (6,521,000) for settlement on 15/03/2023	85,398	0.07
USD 11,491,545 Bought USD, Sold GBP (9,300,000) for settlement on 15/03/2023	228,492	0.17
USD 7,934,518 Bought USD, Sold GBP (6,521,000) for settlement on 15/03/2023	58,097	0.04
	347,649	0.26
TOTAL FINANCIAL DERIVATIVE INSTRUMENTS	1,261,006	0.94
Net investments 93.43% (95.84%)*	125,549,330	93.43
Net other assets	8,835,451	6.57
Total net assets	134,384,781	100.00

Note: Comparative figures shown in brackets relate to 31st December 2021.

All securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.

* including investment liabilities

TM Cerno Investment Funds

TM Cerno Select Fund

Sub-fund Information

The Comparative Tables on pages 30 to 35 give the performance of each active share class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the sub-fund's performance disclosed in the ACD's report, which is calculated based on the year-end published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Assessment of Value *(unaudited)*

A statement on the Assessment of Value is available for all applicable funds managed by Thesis Unit Trust Management Limited. This report will be published at www.tutman.co.uk within four months of the annual accounting reference date.

TM Cerno Investment Funds

TM Cerno Select Fund

Sub-fund Information *(continued)*

Comparative Tables

Class B GBP Income

For the year to	<i>31/12/2022</i> <i>(pence per share)</i>	<i>31/12/2021</i> <i>(pence per share)</i>	<i>01/06/2020- 31/12/2020¹</i> <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	1,676.90	1,566.00	1,387.65
Return before operating charges*	(213.99)	156.22	198.49
Operating charges	(25.19)	(25.86)	(11.57)
Return after operating charges*	(239.18)	130.36	186.92
Distributions on income shares	(23.16)	(19.46)	(8.57)
Closing net asset value per share	1,414.56	1,676.90	1,566.00
 *After direct transaction costs of:	 0.16	 0.54	 0.62
Performance			
Return after charges	(14.26)%	8.32%	13.47%
Other Information			
Closing net asset value (£'000)	2,286	1,602	1,268
Closing number of shares	161,626	95,538	80,950
Operating charges ²	1.66%	1.57%	1.33%
Direct transaction costs	0.01%	0.03%	0.04%
Prices			
Highest share price	1,693.00	1,718.00	1,584.00
Lowest share price	1,416.00	1,557.00	1,373.00

¹ Class B GBP Income became active on 1st June 2020.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion, when a sub-fund has invested 10% or more in other Collective Investment Schemes.

TM Cerno Investment Funds

TM Cerno Select Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class B GBP Accumulation

For the year to	31/12/2022 <i>(pence per share)</i>	31/12/2021 <i>(pence per share)</i>	31/12/2020 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	1,705.46	1,574.45	1,330.16
Return before operating charges*	(217.97)	157.03	263.05
Operating charges	(25.87)	(26.02)	(18.76)
Return after operating charges*	(243.84)	131.01	244.29
Distributions	(23.58)	(19.61)	(10.13)
Retained distributions on accumulation shares	23.58	19.61	10.13
Closing net asset value per share	1,461.62	1,705.46	1,574.45

*After direct transaction costs of:	0.17	0.54	0.59
-------------------------------------	------	------	------

Performance

Return after charges	(14.30)%	8.32%	18.37%
----------------------	----------	-------	--------

Other Information

Closing net asset value (£'000)	42,085	50,614	40,771
Closing number of shares	2,879,361	2,967,778	2,589,547
Operating charges ¹	1.66%	1.57%	1.33%
Direct transaction costs	0.01%	0.03%	0.04%

Prices

Highest share price	1,721.00	1,732.00	1,585.00
Lowest share price	1,447.00	1,566.00	1,164.00

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion, when a sub-fund has invested 10% or more in other Collective Investment Schemes.

TM Cerno Investment Funds

TM Cerno Select Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class B EUR Accumulation

For the year to	31/12/2022 <i>(€ cents per share)</i>	31/12/2021 <i>(€ cents per share)</i>	31/12/2020 <i>(€ cents per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	1,357.81	1,170.86	1,046.07
Return before operating charges*	(236.22)	207.62	138.71
Operating charges	(19.53)	(20.67)	(13.92)
Return after operating charges*	(255.75)	186.95	124.79
Distributions	(18.26)	(16.02)	(7.64)
Retained distributions on accumulation shares	18.26	16.02	7.64
Closing net asset value per share	1,102.06	1,357.81	1,170.86
 *After direct transaction costs of:	 0.13	 0.43	 0.44
Performance			
Return after charges	(18.84)%	15.97%	11.93%
Other Information			
Closing net asset value (€'000)	253	368	398
Closing number of shares	22,955	27,123	34,010
Operating charges ¹	1.66%	1.57%	1.33%
Direct transaction costs	0.01%	0.03%	0.04%
Prices			
Highest share price	1,378.00	1,370.00	1,173.00
Lowest share price	1,100.00	1,178.00	835.29

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion, when a sub-fund has invested 10% or more in other Collective Investment Schemes.

TM Cerno Investment Funds

TM Cerno Select Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class B USD Accumulation

*20/10/2022-
31/12/2022¹*

For the year to

*(US\$ cents per
share)*

Change in Net Asset Value per Share

Opening net asset value per share	1,000.00
Return before operating charges*	75.50
Operating charges ¹	(3.54)
Return after operating charges*	71.96
Distributions	(8.20)
Retained distributions on accumulation shares	8.20
Closing net asset value per share	1,071.96

*After direct transaction costs of : 0.12

Performance

Return after charges 7.20%

Other Information

Closing net asset value (US\$'000)	117
Closing number of shares	10,950
Operating charges ²	1.66%
Direct transaction costs	0.01%

Prices

Highest share price	1,104.00
Lowest share price	983.30

¹ Class B USD Accumulation became active on 20th October 2022.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion, when a sub-fund has invested 10% or more in other Collective Investment Schemes.

TM Cerno Investment Funds

TM Cerno Select Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class C GBP Income

For the year to	31/12/2022 <i>(pence per share)</i>	31/12/2021 <i>(pence per share)</i>	31/12/2020 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	1,662.12	1,552.06	1,319.69
Return before operating charges*	(212.18)	155.79	261.28
Operating charges	(21.39)	(21.58)	(15.18)
Return after operating charges*	(233.57)	134.21	246.10
Distributions on income shares	(26.73)	(24.15)	(13.73)
Closing net asset value per share	1,401.82	1,662.12	1,552.06
 *After direct transaction costs of:	 0.16	 0.53	 0.59
Performance			
Return after charges	(14.05)%	8.65%	18.65%
Other Information			
Closing net asset value (£'000)	5,801	7,100	3,814
Closing number of shares	413,845	427,166	245,749
Operating charges ¹	1.41%	1.32%	1.08%
Direct transaction costs	0.01%	0.03%	0.04%
Prices			
Highest share price	1,678.00	1,704.00	1,572.00
Lowest share price	1,404.00	1,545.00	1,157.00

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion, when a sub-fund has invested 10% or more in other Collective Investment Schemes.

TM Cerno Investment Funds

TM Cerno Select Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class C GBP Accumulation

For the year to	31/12/2022 <i>(pence per share)</i>	31/12/2021 <i>(pence per share)</i>	31/12/2020 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	1,740.37	1,602.66	1,350.37
Return before operating charges*	(222.62)	160.01	267.83
Operating charges	(22.44)	(22.30)	(15.54)
Return after operating charges*	(245.06)	137.71	252.29
Distributions	(28.10)	(24.27)	(14.19)
Retained distributions on accumulation shares	28.10	24.27	14.19
Closing net asset value per share	1,495.31	1,740.37	1,602.66
*After direct transaction costs of:	0.17	0.55	0.60
Performance			
Return after charges	(14.08)%	8.59%	18.68%
Other Information			
Closing net asset value (£'000)	83,890	92,499	73,452
Closing number of shares	5,610,188	5,314,896	4,583,125
Operating charges ¹	1.41%	1.32%	1.08%
Direct transaction costs	0.01%	0.03%	0.04%
Prices			
Highest share price	1,757.00	1,767.00	1,614.00
Lowest share price	1,480.00	1,594.00	1,183.00

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion, when a sub-fund has invested 10% or more in other Collective Investment Schemes.

TM Cerno Investment Funds

TM Cerno Select Fund

Sub-fund Information *(continued)*

Synthetic Risk and Reward Indicator (“SRRI”)

Lower Risk

Typically lower rewards

Higher Risk

Typically higher rewards



The SRRI table demonstrates where a sub-fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the sub-fund. The shaded area on the table above shows the sub-fund's ranking on the synthetic risk and reward indicator, based on Class C GBP Accumulation.

TM Cerno Investment Funds

TM Cerno Select Fund

Statement of Total Return

for the year ended 31st December 2022

	Notes	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	5		(23,971)		9,205
Revenue	7	3,825		3,413	
Expenses	8	(1,409)		(1,400)	
Interest payable and similar charges		(2)		(5)	
Net revenue before taxation		2,414		2,008	
Taxation	9	(36)		(78)	
Net revenue after taxation for the year			2,378		1,930
Total return before distributions			(21,593)		11,135
Distributions	10		(2,378)		(1,930)
Change in net assets attributable to shareholders from investment activities			(23,971)		9,205

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31st December 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders			152,125		119,663
Amounts receivable on issue of shares		17,765		33,148	
Amounts payable on cancellation of shares		(13,791)		(11,738)	
			3,974		21,410
Change in net assets attributable to shareholders from investment activities			(23,971)		9,205
Retained distribution on accumulation shares	10		2,257		1,847
Closing net assets attributable to shareholders			134,385		152,125

TM Cerno Investment Funds

TM Cerno Select Fund

Balance Sheet

as at 31st December 2022

	Notes	2022 £'000	2021 £'000
Assets			
Fixed assets:			
Investments		125,573	145,795
Current assets:			
Debtors	11	350	251
Cash and bank balances		7,814	6,351
Cash held at clearing houses		957	86
		134,694	152,483
Total assets			
Liabilities			
Investment liabilities		(24)	–
Creditors:			
Bank overdrafts		(1)	–
Distribution payable	10	(93)	(82)
Other creditors	12	(191)	(276)
		(309)	(358)
Total liabilities			
Net assets attributable to shareholders		134,385	152,125

TM Cerno Investment Funds

TM Cerno Select Fund

Notes to the Financial Statements

for the year ended 31st December 2022

1. Accounting Policies

The accounting, distribution and risk management policies for notes 1 to 4 are provided on pages 21 to 24.

5. Net Capital (Losses)/Gains

Net capital (losses)/gains comprise:

	2022 £'000	2021 £'000
Non-derivative securities	(26,640)	11,973
Derivative securities	881	(2,265)
Forward currency contracts	1,955	(399)
Currency losses	(164)	(101)
Transaction charges	(2)	(3)
CSDR Penalty	(1)	–
Net capital (losses)/gains	<u>(23,971)</u>	<u>9,205</u>

6. Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs, please refer to the additional portfolio transaction cost information on page 29.

Analysis of direct transaction costs for the year ended 31st December 2022:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Collective Investment Schemes	30,009	–	–	30,009	–	–
Equities	22,768	1	8	22,777	–	0.04
	<u>52,777</u>	<u>1</u>	<u>8</u>	<u>52,786</u>		
Sales						
Collective Investment Schemes	37,002	–	–	37,002	–	–
Equities	10,306	(1)	(5)	10,300	0.01	0.05
	<u>47,308</u>	<u>(1)</u>	<u>(5)</u>	<u>47,302</u>		
<hr/>						
Derivative purchases and sales		–	–			
<hr/>						
Total cost as percentage of average net asset value		0.00%	0.01%			

TM Cerno Investment Funds

TM Cerno Select Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

6. Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 31st December 2021:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Collective Investment Schemes	9,619	–	–	9,619	–	–
Equities	36,636	9	23	36,668	0.02	0.07
	46,255	9	23	46,287		
Sales						
Collective Investment Schemes	6,453	–	–	6,453	–	–
Equities	20,263	(13)	–	20,250	0.06	–
	26,716	(13)	–	26,703		
Derivative purchases and sales						
		–	–			
Total cost as percentage of average net asset value		0.02%	0.02%			

The sub-fund utilises derivative instruments, including forward currency contracts and options. The settlement values for opening and closing derivative positions are not comparable to principal values for transactions in direct holding investments. Therefore, purchase and sale amounts for derivative transactions are not quantified in the above analysis. Transaction costs for derivatives positions will be either suffered as direct costs or form part of the dealing spread for the instrument.

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.37% (31st December 2021: 0.25%), based on close of business prices. 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.

7. Revenue

	2022 £'000	2021 £'000
Bank interest	33	–
Franked PID revenue	76	–
Franked UK dividends	977	778
Franked stock dividends	–	22
Offshore CIS dividend revenue	845	979
Offshore CIS interest revenue	2	–
Overseas dividends	1,437	1,161
Unfranked PID revenue	455	473
	3,825	3,413

TM Cerno Investment Funds

TM Cerno Select Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

8. Expenses

	2022 £'000	2021 £'000
Payable to the ACD or associates of the ACD:		
ACD's periodic charge	72	72
Investment Manager's fees	1,177	1,161
	1,249	1,233
Payable to the Depositary or associates of the Depositary:		
Depositary's fee	41	41
Safe custody charges	20	24
	61	65
Other expenses:		
Administration fees	72	72
Audit fees ¹	12	10
Calastone fees	3	4
Euroclear fees	2	2
Legal fees	2	8
Printing fees	5	3
Registration fees	3	3
	99	102
Total expenses	1,409	1,400

¹ Total audit fees of £9,960 (31st December 2021: £8,586) exclusive of VAT.

TM Cerno Investment Funds

TM Cerno Select Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

9. Taxation

	2022 £'000	2021 £'000
a) Analysis of charge for the year:		
Overseas withholding tax	36	78
Total current taxation	36	78
Deferred tax charge	–	–
Total taxation	36	78
b) Factors affecting taxation charge for the year:		
Net revenue before taxation	2,414	2,008
Net revenue multiplied by the standard rate of corporation tax of 20% (2021: 20%)	483	402
Effects of:		
Excess management expenses not utilised	152	185
Excess non-trade loan relationship unutilised	–	1
Franked UK dividends	(195)	(156)
FX loss non-taxable	(1)	–
Non-taxable overseas dividends	(287)	(232)
Offshore CIS dividend revenue	(169)	(196)
Overseas withholding tax	36	78
Franked PID revenue	(15)	–
Stock Dividends	–	(4)
Tax due to timing differences	(12)	–
Tax effect on non-reporting offshore fund	44	–
Total tax charge (note 9a)	36	78
c) Deferred tax		
Deferred tax charge (note 9a)	–	–
Provision at start of year	–	–
Provision at end of year	–	–

The sub-fund has not recognised a deferred tax asset of £1,022,503 (31st December 2021: £870,378) arising as a result of having unutilised management expenses of £5,106,964 (31st December 2021: £4,346,339) and non-trade loan relationship deficit of £5,552 (31st December 2021: £5,552). The unutilised management expenses and non-trade loan relationship deficit will only be recovered to the extent that the sub-fund has sufficient future taxable revenue.

TM Cerno Investment Funds

TM Cerno Select Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

10. Distributions

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

	2022 £'000	2021 £'000
Interim distribution	54	33
Interim accumulation	824	533
Final distribution	93	82
Final accumulation	1,433	1,314
	<u>2,404</u>	<u>1,962</u>
Add: Revenue deducted on shares cancelled	26	15
Deduct: Revenue received on shares created	(52)	(47)
Net distribution for the year	<u>2,378</u>	<u>1,930</u>

11. Debtors

	2022 £'000	2021 £'000
Accrued revenue	229	63
Amount receivable for issue of shares	82	161
Overseas tax recoverable	39	27
	<u>350</u>	<u>251</u>

12. Other creditors

	2022 £'000	2021 £'000
Accrued expenses	136	206
Amount payable for cancellation of shares	55	70
	<u>191</u>	<u>276</u>

13. Related Parties

Thesis Unit Trust Management Limited is regarded as a related party by virtue of having the ability to act in respect of the operations of the sub-fund in its capacity as the ACD.

Thesis Unit Trust Management Limited acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to/from Thesis Unit Trust Management Limited in respect of share transactions at the year end are disclosed within notes 11 and 12 as applicable.

Amounts paid to Thesis Unit Trust Management Limited in respect of the ACD's periodic charges and, if any, rebates received are disclosed in Note 8. The amount payable at year end is £100,336 (31st December 2021: £113,552).

Thesis Unit Trust Management Limited did not enter into any other transactions with the sub-fund during the year.

14. Equalisation

Equalisation is accrued income included in the price of shares purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution, resulting in the same rate of distribution on all shares. As a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

15. Contingent Assets, Liabilities and Outstanding Commitments

There are no contingent assets, liabilities and outstanding commitments as at 31st December 2022 (31st December 2021: £Nil).

TM Cerno Investment Funds

TM Cerno Select Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

16. Share Classes

The sub-fund currently has six share classes: Class B GBP Income, Class B GBP Accumulation, Class B EUR Accumulation, Class B USD Accumulation, Class C GBP Income and Class C GBP Accumulation. The distribution per share is given in the distribution tables on pages 50 and 52. All shares have the same rights on winding up.

The ACD's periodic charge and Investment Manager's fee of each share class is as follows:

	ACD's periodic charge*	Investment Manager's fee
Class B GBP Income	0.051%	1.00%
Class B GBP Accumulation	0.051%	1.00%
Class B EUR Accumulation	0.051%	1.00%
Class B USD Accumulation	0.051%	1.00%
Class C GBP Income	0.051%	0.75%
Class C GBP Accumulation	0.051%	0.75%

*ACD is charged on a sliding scale as per latest Prospectus.

The following table shows the shares in issue during the year:

Share Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class B GBP Income	95,538	–	(430)	66,518	161,626
Class B GBP Accumulation	2,967,778	46,851	(70,216)	(65,052)	2,879,361
Class B EUR Accumulation	27,123	–	(4,168)	–	22,955
Class B USD Accumulation ¹	–	10,950	–	–	10,950
Class C GBP Income	427,166	55,723	(69,044)	–	413,845
Class C GBP Accumulation	5,314,896	1,015,825	(720,533)	–	5,610,188

¹ Class B USD Accumulation became active on 20th October 2022.

TM Cerno Investment Funds

TM Cerno Select Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

17. Financial Instruments

In pursuing its investment objective set out on pages 4 to 6, the sub-fund holds a number of financial instruments. These may comprise:

- equity shares, non-equity shares, shares in collective investment vehicles, fixed and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the sub-fund investment activities (and related financing); and
- derivatives and other financial instruments in the form of options. Options are utilised for two purposes under Efficient Portfolio Management (EPM). They are used to adjust market exposure from cash flows to ensure asset allocation views can be maintained without adjusting underlying holdings too frequently. They are also used to adjust the tactical asset allocation of the sub-fund.

18. Risks Disclosures

- *Market price risk* - risk management policies surrounding this risk are discussed in note 4 on pages 23 to 24.

At 31st December 2022, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders would increase or decrease by approximately £6,260,084 (31st December 2021: £7,272,598).

- *Foreign currency risk* - risk management policies surrounding this risk are discussed in note 4 on pages 23 to 24.

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

Foreign currency exposure as at 31st December 2022:

Currency	Forward	Monetary	Non	Total
	Contracts	Exposures	Monetary	
	2022	2022	2022	2022
	£'000	£'000	£'000	£'000
Danish kroner	–	4	1,223	1,227
Euro	(66)	711	13,404	14,049
Hong Kong dollar	–	–	1,411	1,411
Japanese yen	–	6	7,012	7,018
Pounds sterling	(22,342)	7,008	71,458	56,124
Swedish krona	–	5	2,558	2,563
Swiss franc	–	26	1,320	1,346
US dollar	22,755	1,990	25,902	50,647
	347	9,750	124,288	134,385

TM Cerno Investment Funds

TM Cerno Select Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

18. Risks Disclosures (continued)

Foreign currency exposure as at 31st December 2021:

	Forward Contracts 2021 £'000	Monetary Exposures 2021 £'000	Non Monetary Exposures 2021 £'000	Total 2021 £'000
Currency				
Danish kroner	–	5	1,362	1,367
Euro	(6,316)	776	19,225	13,685
Hong Kong dollar	–	–	620	620
Japanese yen	–	–	2,858	2,858
Pounds sterling	22,915	5,166	87,558	115,639
Swedish krona	–	4	3,087	3,091
Swiss franc	–	19	1,496	1,515
US dollar	(16,256)	995	28,611	13,350
	343	6,965	144,817	152,125

At 31st December 2022, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to shareholders would increase or decrease by approximately £559,216 (31st December 2021: £364,850).

- *Interest rate risk* - risk management policies surrounding this risk are discussed in note 4 on pages 23 to 24.

Interest rate risk profile of financial assets as at 31st December 2022:

	Floating Rate Financial Assets 2022 £'000	Fixed Rate Financial Assets 2022 £'000	Financial Assets Not Carrying Interest 2022 £'000	Total 2022 £'000
Currency				
Danish kroner	–	–	1,223	1,223
Euro	63	–	13,529	13,592
Hong Kong dollar	–	–	1,411	1,411
Japanese yen	–	–	7,012	7,012
Pounds sterling	6,992	–	71,458	78,450
Swedish krona	1	–	2,558	2,559
Swiss franc	16	–	1,320	1,336
US dollar	742	–	27,062	27,804
	7,814	–	125,573	133,387

TM Cerno Investment Funds

TM Cerno Select Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

18. Risks Disclosures (continued)

Interest rate risk profile of financial assets as at 31st December 2021:

	Floating Rate Financial Assets 2021 £'000	Fixed Rate Financial Assets 2021 £'000	Financial Assets Not Carrying Interest 2021 £'000	Total 2021 £'000
Currency				
Danish kroner	–	–	1,362	1,362
Euro	101	–	19,860	19,961
Hong Kong dollar	–	–	620	620
Japanese yen	–	–	2,858	2,858
Pounds sterling	5,252	–	87,901	93,153
Swedish krona	–	–	3,087	3,087
Swiss franc	14	–	1,496	1,510
US dollar	984	–	28,611	29,595
	<u>6,351</u>	<u>–</u>	<u>145,795</u>	<u>152,146</u>

Interest rate risk profile of financial liabilities as at 31st December 2022:

	Floating Rate Financial Liabilities 2022 £'000	Financial Liabilities Not Carrying Interest 2022 £'000	Total 2022 £'000
Currency			
Euro	–	(24)	(24)
Swedish krona	(1)	–	(1)
	<u>(1)</u>	<u>(24)</u>	<u>(25)</u>

There are no interest rate risk profile of financial liabilities as at 31st December 2021.

Short term debtors and creditors are excluded in the interest rate risk tables above. Forward currency contracts are quoted net and are included in the financial assets and/or liabilities not carrying interest category as applicable.

The sub-fund's net cash holdings of £7,812,569 (31st December 2021: £6,351,373) are held in floating rate deposit accounts, whose rates are determined by reference to BOE for GBP or other respective central bank rates for other currencies.

TM Cerno Investment Funds

TM Cerno Select Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

18. Risks Disclosures (continued)

- *Credit risk* - risk management policies surrounding this risk are discussed in note 4 on pages 23 to 24.
- *Counterparty exposure risk* - The types of derivatives held at the balance sheet date were options and forward foreign exchange contracts. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet is as follows:

Counterparty Name ¹	2022 £'000	2021 £'000
Options		
Marex (formerly ED&F Man Capital Markets Limited)	913	635
Forward Currency Contracts		
Northern Trust	372	343
Total	1,285	978

¹ Net exposure represents the mark to market value of derivative contracts less any cash collateral held. Positive exposure represents the sub-fund's exposure to that counterparty.

- *Derivative risks* – the ACD has entered into forward currency contract and options positions during the year for the purpose of both investment purposes and Efficient Portfolio Management.
- *Fair value* - in the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation technique as at 31st December 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equities	87,522	–	–	87,522
Collective Investment Schemes	15,753	21,013	–	36,766
Options	913	–	–	913
Forward Currency Contracts	–	372	–	372
	104,188	21,385	–	125,573
Liabilities				
Forward Currency Contracts	–	(24)	–	(24)

TM Cerno Investment Funds

TM Cerno Select Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

18. Risks Disclosures (continued)

Valuation technique as at 31st December 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equities	97,547	–	–	97,547
Collective Investment Schemes	35,038	12,232	–	47,270
Options	635	–	–	635
Forward Currency Contracts	–	343	–	343
	<u>133,220</u>	<u>12,575</u>	<u>–</u>	<u>145,795</u>

Level 1: The unadjusted quoted price in an active market for an identical instrument that the entity can access at the measurement date.

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3: Valuation techniques using unobservable inputs (i.e., for which market data is unavailable).

19. Leverage

There are two ways in which the ACD can introduce leverage to the sub-fund. These are by borrowing money using its Portfolio Management. There are no collateral, asset re-use or guarantee arrangements involved in the ACD's current approach to leverage.

The maximum leverage calculated on the commitment method permitted is 100%. It is expected that the ACD will operate the sub-fund well within these limits. The 'commitment' method is the sum of the absolute value of all positions and each derivative position (excluding forward currency positions) will be converted into the equivalent position in the underlying assets. The ACD sets maximum leverage levels and operates the sub-fund within these levels at all times.

As at year end 31st December 2022, the total leverage in the sub-fund, using the commitment approach, did exceed 100% (gross 136.69%, commitment 104.71%). Given that the exposure of the sub-fund is 104.71% of NAV, this means that some leverage was employed by the sub-fund.

20. Post Balance Sheet Events

The latest NAV per Class C GBP Accumulation of 1,485.66p as at the close of business on 19th April 2023 had decreased on average across the share classes by 0.65% compared to the NAV at the year end of 1,495.31p.

TM Cerno Investment Funds

TM Cerno Select Fund

Distribution Tables

for the year ended 31st December 2022

Interim Distribution Class B GBP Income (in pence per share)*

Group 1: Shares purchased prior to 1st January 2022

Group 2: Shares purchased from 1st January 2022 to 30th June 2022

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	8.1294	–	8.1294	5.2664
2	8.1294	–	8.1294	5.2664

Interim Accumulation Class B GBP Accumulation (in pence per share)

Group 1: Shares purchased prior to 1st January 2022

Group 2: Shares purchased from 1st January 2022 to 30th June 2022

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	8.2632	–	8.2632	5.3478
2	3.5610	4.7022	8.2632	5.3478

Interim Accumulation Class B EUR Accumulation (in € cents per share)*

Group 1: Shares purchased prior to 1st January 2022

Group 2: Shares purchased from 1st January 2022 to 30th June 2022

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	6.4568	–	6.4568	4.4633
2	6.4568	–	6.4568	4.4633

Interim Distribution Class C GBP Income (in pence per share)

Group 1: Shares purchased prior to 1st January 2022

Group 2: Shares purchased from 1st January 2022 to 30th June 2022

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	10.0185	–	10.0185	8.0076
2	7.1815	2.8370	10.0185	8.0076

Interim Accumulation Class C GBP Accumulation (in pence per share)

Group 1: Shares purchased prior to 1st January 2022

Group 2: Shares purchased from 1st January 2022 to 30th June 2022

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	10.4692	–	10.4692	7.5572
2	5.8629	4.6063	10.4692	7.5572

TM Cerno Investment Funds

TM Cerno Select Fund

Distribution Tables

for the year ended 31st December 2022 (continued)

Final Distribution Class B GBP Income (in pence per share)*

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased from 1st July 2022 to 31st December 2022

Group	Net Income	Equalisation (note 14)	2023 Net Distribution Payable	2022 Net Distribution Paid
1	15.0273	–	15.0273	14.1898
2	15.0273	–	15.0273	14.1898

Final Accumulation Class B GBP Accumulation (in pence per share)

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased from 1st July 2022 to 31st December 2022

Group	Net Accumulation	Equalisation (note 14)	2023 Net Accumulation	2022 Net Accumulation
1	15.3136	–	15.3136	14.2629
2	10.6364	4.6772	15.3136	14.2629

Final Accumulation Class B EUR Accumulation (in € cents per share)*

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased from 1st July 2022 to 31st December 2022

Group	Net Accumulation	Equalisation (note 14)	2023 Net Accumulation	2022 Net Accumulation
1	11.8070	–	11.8070	11.5614
2	11.8070	–	11.8070	11.5614

Final Distribution Class B USD Accumulation (in US\$ cents per share)*,**

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased from 1st July 2022 to 31st December 2022

Group	Net Income	Equalisation (note 14)	2023 Net Distribution Payable	2022 Net Distribution Paid
1	8.2000	–	8.2000	–
2	8.2000	–	8.2000	–

Final Distribution Class C GBP Income (in pence per share)

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased from 1st July 2022 to 31st December 2022

Group	Net Income	Equalisation (note 14)	2023 Net Distribution Payable	2022 Net Distribution Paid
1	16.7074	–	16.7074	16.1440
2	14.0852	2.6222	16.7074	16.1440

TM Cerno Investment Funds

TM Cerno Select Fund

Distribution Tables

for the year ended 31st December 2022 (continued)

Final Accumulation Class C GBP Accumulation (in pence per share)

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased from 1st July 2022 to 31st December 2022

Group	Net Accumulation	Equalisation (note 14)	2023 Net Accumulation	2022 Net Accumulation
1	17.6306	–	17.6306	16.7130
2	12.5919	5.0387	17.6306	16.7130

* There were no group 2 shares for this period.

** There were no comparative figures shown as Class B USD Accumulation launched and became active on 20th October 2022.

TM Cerno Investment Funds

TM Cerno Pacific Fund

Portfolio Statement

as at 31st December 2022

Holdings	Market value £	Percentage of total net assets %
EQUITIES 96.12% (97.74%)		
Australia 6.15% (3.04%)		
25,860 CSL	4,202,719	6.15
Cayman Islands 13.39% (25.16%)		
1,647,040 Kingdee International Software	2,934,799	4.30
39,867 Sea ADR	1,748,465	2.56
112,000 Silergy	1,319,696	1.93
131,555 Sunny Optical Technology	1,301,749	1.90
63,300 Trip.com Group	1,844,337	2.70
	9,149,046	13.39
Hong Kong 3.18% (4.09%)		
234,000 Techtronic Industries	2,172,061	3.18
Japan 34.09% (24.86%)		
60,500 Denso	2,488,446	3.64
8,446 Disco	2,007,481	2.94
27,400 GMO Payment Gateway	1,886,393	2.76
83,600 Hamamatsu Photonics	3,331,059	4.88
98,080 Harmonic Drive Systems	2,297,197	3.36
53,867 Murata Manufacturing	2,235,659	3.27
109,500 Nabtesco	2,323,048	3.40
212,300 Nihon M&A Center	2,179,030	3.19
45,800 Sysmex	2,307,125	3.38
9,120 Tokyo Electron	2,234,377	3.27
	23,289,815	34.09
Luxembourg 2.93% (3.63%)		
14,295 Globant	2,001,941	2.93
People's Republic of China 17.50% (19.85%)		
18,960 Beijing Kingsoft Office Software	602,291	0.88
285,110 Centre Testing International	764,196	1.12
224,700 Glodon	1,618,583	2.37
127,050 Hangzhou Tigermed Consulting	1,600,381	2.34
197,600 Jiangsu Hengli Hydraulic	1,499,850	2.20
402,000 Midea	2,502,899	3.66
50,133 Shenzhen Mindray Bio-Medical Electronics	1,903,896	2.79
166,783 Wuxi AppTec	1,463,705	2.14
	11,955,801	17.50

TM Cerno Investment Funds

TM Cerno Pacific Fund

Portfolio Statement

as at 31st December 2022 (continued)

Holdings	Market value £	Percentage of total net assets %
Republic of South Korea 4.74% (4.46%)		
3,534 Samsung Electronics	3,236,344	4.74
Singapore 0.77% (0.72%)		
611,550 Nanofilm Technologies International	526,830	0.77
Taiwan 9.09% (11.93%)		
293,906 Advantech	2,629,092	3.85
56,657 Taiwan Semiconductor Manufacturing Company ADR	3,575,711	5.24
	6,204,803	9.09
United States 4.28% (0.00%)		
16,800 ResMed	2,921,684	4.28
TOTAL EQUITIES	65,661,044	96.12
FINANCIAL DERIVATIVE INSTRUMENTS 1.06% (-0.05%)		
Forward Currency Contracts 1.06% (-0.05%)		
CNH (34,183,647) Sold CNH, Bought GBP 4,175,000 for settlement on 15/02/2023	56,992	0.09
CNH 35,962,501 Bought CNH, Sold GBP (4,175,000) for settlement on 15/02/2023	157,301	0.23
HKD 36,088,038 Bought HKD, Sold GBP (3,780,000) for settlement on 10/01/2023	65,817	0.10
USD 2,000,380 Bought USD, Sold GBP (1,830,000) for settlement on 15/02/2023	(170,282)	(0.25)
USD 6,767,354 Bought USD, Sold GBP (5,560,000) for settlement on 14/04/2023	47,608	0.07
HKD (15,468,298) Sold HKD, Bought GBP 1,780,000 for settlement on 10/01/2023	131,580	0.19
HKD (8,811,370) Sold HKD, Bought GBP 1,000,000 for settlement on 10/01/2023	60,993	0.09
HKD (8,857,291) Sold HKD, Bought GBP 1,000,000 for settlement on 10/01/2023	56,099	0.08
USD (2,055,365) Sold USD, Bought GBP 1,830,000 for settlement on 15/02/2023	124,662	0.18
USD (1,503,499) Sold USD, Bought GBP 1,330,000 for settlement on 14/04/2023	84,162	0.12
USD (1,588,535) Sold USD, Bought GBP 1,400,000 for settlement on 14/04/2023	83,698	0.12
USD (1,131,651) Sold USD, Bought GBP 1,000,000 for settlement on 14/04/2023	62,284	0.09
USD (2,252,300) Sold USD, Bought GBP 1,830,000 for settlement on 14/04/2023	(36,315)	(0.05)
	724,599	1.06
TOTAL FINANCIAL DERIVATIVE INSTRUMENTS	724,599	1.06

TM Cerno Investment Funds

TM Cerno Pacific Fund

Portfolio Statement

as at 31st December 2022 (continued)

	Market value £	Percentage of total net assets %
Net investments 97.18% (97.69%)*	66,385,643	97.18
Net other assets	1,928,958	2.82
Total net assets	68,314,601	100.00

Note: Comparative figures shown in brackets relate to 31st December 2021.

All securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.

* including investment liabilities

TM Cerno Investment Funds

TM Cerno Pacific Fund

Sub-fund Information

The Comparative Tables on pages 57 to 62 give the performance of each active share class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the sub-fund's performance disclosed in the ACD's report, which is calculated based on the year-end published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Assessment of Value (*unaudited*)

A statement on the Assessment of Value is available for all applicable funds managed by Thesis Unit Trust Management Limited. This report will be published at www.tutman.co.uk within four months of the annual accounting reference date.

TM Cerno Investment Funds

TM Cerno Pacific Fund

Sub-fund Information *(continued)*

Comparative Tables

Class A GBP Accumulation

For the year to	<i>31/12/2022</i> <i>(pence per share)</i>	<i>31/12/2021</i> <i>(pence per share)</i>	<i>31/12/2020</i> <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	2,026.13	2,125.92	1,300.00
Return before operating charges*	(596.37)	(73.70)	849.17
Operating charges	(18.91)	(26.09)	(23.25)
Return after operating charges*	(615.28)	(99.79)	825.92
Distributions	(0.13)	–	–
Retained distributions on accumulation shares	0.13	–	–
Closing net asset value per share	1,410.85	2,026.13	2,125.92
*After direct transaction costs of ¹ :	1.52	1.78	0.53
Performance			
Return after charges	(30.37)%	(4.69)%	63.53%
Other Information			
Closing net asset value (£'000)	1,271	1,851	504
Closing number of shares	90,072	91,334	23,701
Operating charges ²	1.24%	1.24%	1.29%
Direct transaction costs	0.10%	0.08%	0.03%
Prices			
Highest share price	2,004.00	2,427.00	2,128.00
Lowest share price	1,307.00	1,965.00	1,167.00

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Cerno Investment Funds

TM Cerno Pacific Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class B GBP Income

For the year to	<i>31/12/2022</i>	<i>31/12/2021</i>	<i>08/07/2020- 31/12/2020¹</i>
	<i>(pence per share)</i>	<i>(pence per share)</i>	<i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	2,050.77	2,146.98	1,649.00
Return before operating charges*	(603.78)	(75.01)	507.72
Operating charges	(15.29)	(21.20)	(9.74)
Return after operating charges*	(619.07)	(96.21)	497.98
Distributions on income shares	(2.48)	–	–
Closing net asset value per share	1,429.22	2,050.77	2,146.98
*After direct transaction costs of ² :	1.54	1.81	0.57
Performance			
Return after charges	(30.19)%	(4.48)%	30.20%
Other Information			
Closing net asset value (£'000)	629	873	657
Closing number of shares	44,012	42,553	30,600
Operating charges ³	0.99%	0.99%	1.04%
Direct transaction costs	0.10%	0.08%	0.03%
Prices			
Highest share price	2,029.00	2,451.00	2,149.00
Lowest share price	1,324.00	1,985.00	1,639.00

¹ Class B GBP Income became active on 8th July 2020.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Cerno Investment Funds

TM Cerno Pacific Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class B GBP Accumulation

For the year to	31/12/2022 <i>(pence per share)</i>	31/12/2021 <i>(pence per share)</i>	31/12/2020 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	2,048.84	2,144.85	1,286.82
Return before operating charges*	(603.39)	(74.91)	875.48
Operating charges	(15.29)	(21.10)	(17.45)
Return after operating charges*	(618.68)	(96.01)	858.03
Distributions	(2.48)	–	(0.34)
Retained distributions on accumulation shares	2.48	–	0.34
Closing net asset value per share	1,430.16	2,048.84	2,144.85
*After direct transaction costs of ¹ :	1.54	1.81	0.49
Performance			
Return after charges	(30.20)%	(4.48)%	66.68%
Other Information			
Closing net asset value (£'000)	50,489	76,722	45,402
Closing number of shares	3,530,278	3,744,658	2,116,800
Operating charges ²	0.99%	0.99%	1.04%
Direct transaction costs	0.10%	0.08%	0.03%
Prices			
Highest share price	2,027.00	2,448.00	2,147.00
Lowest share price	1,325.00	1,984.00	1,177.00

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Cerno Investment Funds

TM Cerno Pacific Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class B USD Accumulation

	31/12/2022 <i>(US\$ cents per share)</i>	15/01/2021- 31/12/2021 ¹ <i>(US\$ cents per share)</i>
For the year to		
Change in Net Asset Value per Share		
Opening net asset value per share	903.56	1,002.00
Return before operating charges*	(334.14)	(89.56)
Operating charges	(5.94)	(8.88)
Return after operating charges*	(340.08)	(98.44)
Distributions	(1.33)	(0.17)
Retained distributions on accumulation shares	1.33	0.17
Closing net asset value per share	563.48	903.56
*After direct transaction costs of ² :	0.60	0.79
Performance		
Return after charges	(37.64)%	(9.82)%
Other Information		
Closing net asset value (US\$'000)	7,631	3,464
Closing number of shares	1,354,328	383,408
Operating charges ³	0.99%	0.99%
Direct transaction costs	0.10%	0.08%
Prices		
Highest share price	894.90	1,111.00
Lowest share price	489.50	866.20

¹ Class B USD Accumulation launched on 14th January 2021 and became active on 15th January 2021.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Cerno Investment Funds

TM Cerno Pacific Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class E GBP Income

For the year to	<i>31/12/2022</i>	<i>31/12/2021</i>	<i>19/06/2020- 31/12/2020¹</i>
	<i>(pence per share)</i>	<i>(pence per share)</i>	<i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	2,035.16	2,144.83	1,558.00
Return before operating charges*	(599.03)	(74.59)	597.17
Operating charges	(15.33)	(21.15)	(9.94)
Return after operating charges*	(614.36)	(95.74)	587.23
Distributions on income shares	(15.37)	(13.93)	(0.40)
Closing net asset value per share	1,405.43	2,035.16	2,144.83
*After direct transaction costs of ² :	1.54	1.81	0.53
Performance			
Return after charges	(30.19)%	(4.46)%	37.69%
Other Information			
Closing net asset value (£'000)	32	80	85
Closing number of shares	2,269	3,950	3,950
Operating charges ³	0.99%	0.99%	1.04%
Direct transaction costs	0.10%	0.08%	0.03%
Prices			
Highest share price	2,013.00	2,448.00	2,147.00
Lowest share price	1,308.00	1,983.00	1,556.00

¹ Class E GBP Income became active on 19th June 2020.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Cerno Investment Funds

TM Cerno Pacific Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class M GBP Accumulation

For the year to	31/12/2022 <i>(pence per share)</i>	31/12/2021 <i>(pence per share)</i>	31/12/2020 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	2,067.21	2,148.42	1,279.77
Return before operating charges*	(609.67)	(76.04)	873.23
Operating charges	(3.75)	(5.17)	(4.58)
Return after operating charges*	(613.42)	(81.21)	868.65
Distributions	(14.28)	(11.09)	(8.88)
Retained distributions on accumulation shares	14.28	11.09	8.88
Closing net asset value per share	1,453.79	2,067.21	2,148.42
*After direct transaction costs of ¹ :	1.56	1.83	0.46
Performance			
Return after charges	(29.67)%	(3.78)%	67.88%
Other Information			
Closing net asset value (£'000)	9,555	13,933	15,232
Closing number of shares	657,266	673,977	709,004
Operating charges ²	0.24%	0.24%	0.29%
Direct transaction costs	0.10%	0.08%	0.03%
Prices			
Highest share price	2,045.00	2,455.00	2,151.00
Lowest share price	1,345.00	1,992.00	1,172.00

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Cerno Investment Funds

TM Cerno Pacific Fund

Sub-fund Information *(continued)*

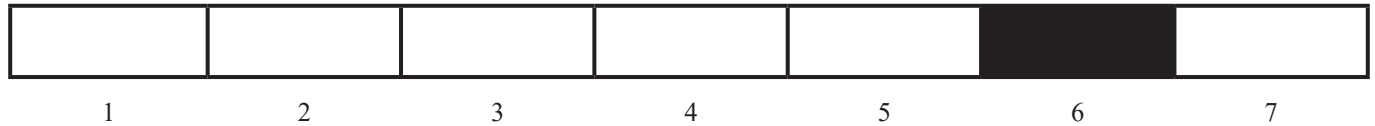
Risk and Reward Indicator (“RRI”)

Lower Risk

Typically lower rewards

Higher Risk

Typically higher rewards



The RRI table demonstrates where a sub-fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the sub-fund. The shaded area on the table above shows the sub-fund's ranking on the risk and reward indicator.

TM Cerno Investment Funds

TM Cerno Pacific Fund

Statement of Total Return

for the year ended 31st December 2022

	Notes	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital losses	5		(30,724)		(4,936)
Revenue	7	1,025		787	
Expenses	8	(693)		(768)	
Net revenue before taxation		332		19	
Taxation	9	(120)		(111)	
Net revenue/(expense) after taxation for the year			<u>212</u>		<u>(92)</u>
Total return before distributions			(30,512)		(5,028)
Distributions	10		(213)		(81)
Change in net assets attributable to shareholders from investment activities			<u>(30,725)</u>		<u>(5,109)</u>

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31st December 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders			96,029		61,880
Amounts receivable on issue of shares		20,033		57,436	
Amounts payable on cancellation of shares		(17,229)		(18,263)	
			2,804		39,173
Change in net assets attributable to shareholders from investment activities			(30,725)		(5,109)
Retained distribution on accumulation shares	10		207		85
Closing net assets attributable to shareholders			<u>68,315</u>		<u>96,029</u>

TM Cerno Investment Funds

TM Cerno Pacific Fund

Balance Sheet

as at 31st December 2022

	Notes	2022 £'000	2021 £'000
Assets			
Fixed assets:			
Investments		66,592	93,879
Current assets:			
Debtors	11	75	380
Cash and bank balances		2,042	2,044
Total assets		68,709	96,303
Liabilities			
Investment liabilities		(206)	(68)
Creditors:			
Bank overdrafts		(16)	(41)
Distribution payable	10	(1)	–
Other creditors	12	(171)	(165)
Total liabilities		(394)	(274)
Net assets attributable to shareholders		68,315	96,029

TM Cerno Investment Funds

TM Cerno Pacific Fund

Notes to the Financial Statements

for the year ended 31st December 2022

1. Accounting Policies

The accounting, distribution and risk management policies for notes 1 to 4 are provided on pages 21 to 24.

5. Net Capital Losses

Net capital losses comprise:

	2022 £'000	2021 £'000
Non-derivative securities	(30,513)	(4,504)
Forward currency contracts	3	(359)
Currency losses	(208)	(60)
Transaction charges	(6)	(13)
Net capital losses	<u>(30,724)</u>	<u>(4,936)</u>

6. Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs, please refer to the additional portfolio transaction cost information on page 56.

Analysis of direct transaction costs for the year ended 31st December 2022:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Equities	53,155	1	31	53,187	–	0.06
	<u>53,155</u>	<u>1</u>	<u>31</u>	<u>53,187</u>		
Sales						
Equities	50,901	–	(46)	50,855	–	0.09
	<u>50,901</u>	<u>–</u>	<u>(46)</u>	<u>50,855</u>		
Derivative purchases and sales		–	–			
Total cost as percentage of average net asset value		0.00%	0.10%			

Analysis of direct transaction costs for the year ended 31st December 2021:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Equities	64,993	29	22	65,044	0.04	0.03
	<u>64,993</u>	<u>29</u>	<u>22</u>	<u>65,044</u>		
Sales						
Equities	24,947	(9)	(17)	24,921	0.04	0.07
	<u>24,947</u>	<u>(9)</u>	<u>(17)</u>	<u>24,921</u>		
Derivative purchases and sales		–	–			
Total cost as percentage of average net asset value		0.04%	0.04%			

TM Cerno Investment Funds

TM Cerno Pacific Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

6. Purchases, Sales and Transaction Costs (continued)

The sub-fund utilises derivative instruments, including forward currency contracts. The settlement values for opening and closing derivative positions are not comparable to principal values for transactions in direct holding investments. Therefore, purchase and sale amounts for derivative transactions are not quantified in the above analysis. Transaction costs for derivatives positions will be either suffered as direct costs or form part of the dealing spread for the instrument.

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.17% (31st December 2021: 0.14%), based on close of business prices. 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.

7. Revenue

	2022 £'000	2021 £'000
Bank interest	23	–
Overseas dividends	1,002	787
	<u>1,025</u>	<u>787</u>

8. Expenses

	2022 £'000	2021 £'000
Payable to the ACD or associates of the ACD:		
ACD's periodic charge	49	55
Investment Manager's fees	513	562
	<u>562</u>	<u>617</u>
Payable to the Depositary or associates of the Depositary:		
Depositary's fee	25	29
Safe custody charges	31	28
	<u>56</u>	<u>57</u>
Other expenses:		
Administration fees	48	55
Advisory fees	–	2
Audit fees ¹	12	10
Calastone fees	3	7
Euroclear fees	1	2
Legal fees	2	10
Printing fees	6	5
Registration fees	3	3
	<u>75</u>	<u>94</u>
Total expenses	<u><u>693</u></u>	<u><u>768</u></u>

¹ Total audit fees of £9,960 (31st December 2021: £8,586) exclusive of VAT.

TM Cerno Investment Funds

TM Cerno Pacific Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

9. Taxation

	2022 £'000	2021 £'000
a) Analysis of charge for the year:		
Overseas withholding tax	120	111
Total current taxation	120	111
Deferred tax charge	–	–
Total taxation	120	111
b) Factors affecting taxation charge for the year:		
Net revenue before taxation	332	19
Net revenue multiplied by the standard rate of corporation tax of 20% (2021: 20%)	66	4
Effects of:		
Excess management expenses not utilised	134	154
Non-taxable overseas dividends	(200)	(158)
Overseas withholding tax	120	111
Total tax charge (note 9a)	120	111
c) Deferred tax		
Deferred tax charge (note 9a)	–	–
Provision at start of year	–	–
Provision at end of year	–	–

The sub-fund has not recognised a deferred tax asset of £398,572 (31st December 2021: £264,635) arising as a result of having unutilised management expenses of £1,992,436 (31st December 2021: £1,322,751) and non-trade loan relationship deficit of £426 (31st December 2021: £426). The unutilised management expenses and non-trade loan relationship deficit will only be recovered to the extent that the sub-fund has sufficient future taxable revenue.

TM Cerno Investment Funds

TM Cerno Pacific Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

10. Distributions

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

	2022 £'000	2021 £'000
Interim distribution	–	–
Interim accumulation	141	55
Final distribution	1	–
Final accumulation	66	30
	<u>208</u>	<u>85</u>
Add: Revenue deducted on shares cancelled	7	–
Deduct: Revenue received on shares created	(2)	(4)
Net distribution for the year	<u>213</u>	<u>81</u>

Reconciliation between net revenue and distribution

	2022 £'000	2021 £'000
Net revenue/(expense) after taxation	212	(92)
Deficit transferred to capital	1	175
Equalisation uplift on conversions	–	(2)
	<u>213</u>	<u>81</u>

11. Debtors

	2022 £'000	2021 £'000
Accrued revenue	63	32
Amount receivable for issue of shares	12	348
	<u>75</u>	<u>380</u>

12. Other creditors

	2022 £'000	2021 £'000
Accrued expenses	74	137
Amount payable for cancellation of shares	97	28
	<u>171</u>	<u>165</u>

13. Related Parties

Thesis Unit Trust Management Limited is regarded as a related party by virtue of having the ability to act in respect of the operations of the sub-fund in its capacity as the ACD.

Thesis Unit Trust Management Limited acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to/from Thesis Unit Trust Management Limited in respect of share transactions at the year end are disclosed within notes 11 and 12 as applicable.

Amounts paid to Thesis Unit Trust Management Limited in respect of the ACD's periodic charges and, if any, rebates received are disclosed in Note 8. The amount payable at year end is £42,513 (31st December 2021: £53,160).

Thesis Unit Trust Management Limited did not enter into any other transactions with the sub-fund during the year.

TM Cerno Investment Funds

TM Cerno Pacific Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

14. Equalisation

Equalisation is accrued income included in the price of shares purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution, resulting in the same rate of distribution on all shares. As a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

15. Contingent Assets, Liabilities and Outstanding Commitments

There are no contingent assets, liabilities and outstanding commitments as at 31st December 2022 (31st December 2021: £Nil).

16. Share Classes

The sub-fund currently has six share classes: Class A GBP Accumulation, Class B GBP Income, Class B GBP Accumulation, Class B USD Accumulation, Class E GBP Income and Class M GBP Accumulation. The distribution per share is given in the distribution tables on pages 76 to 78. All classes have the same rights on winding up.

The ACD's periodic charge and Investment Manager's fee of each share class is as follows:

	ACD's periodic charge*	Investment Manager's fee
Class A GBP Accumulation	0.063%	1.00%
Class B GBP Income	0.063%	0.75%
Class B GBP Accumulation	0.063%	0.75%
Class B USD Accumulation	0.063%	0.75%
Class E GBP Income	0.063%	0.75%
Class M GBP Accumulation	0.063%	0.00%

*ACD is charged on a sliding scale as per latest Prospectus.

The following table shows the shares in issue during the year:

Share Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A GBP Accumulation	91,334	7,811	(18,126)	9,053	90,072
Class B GBP Income	42,553	7,103	(5,644)	–	44,012
Class B GBP Accumulation	3,744,658	877,514	(1,082,944)	(8,950)	3,530,278
Class B USD Accumulation	383,408	970,920	–	–	1,354,328
Class E GBP Income	3,950	–	(1,681)	–	2,269
Class M GBP Accumulation	673,977	9,279	(25,990)	–	657,266

TM Cerno Investment Funds

TM Cerno Pacific Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

17. Financial Instruments

In pursuing its investment objective set out on pages 4 to 6, the sub-fund holds a number of financial instruments. These may comprise:

- equity shares, non-equity shares, shares in collective investment vehicles, fixed and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity; and
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the sub-fund's investment activities (and related financing).

18. Risks Disclosures

- *Market price risk* - risk management policies surrounding this risk are discussed in note 4 on pages 23 to 24.

At 31st December 2022, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders would increase or decrease by approximately £3,283,052 (31st December 2021: £4,692,971).

- *Foreign currency risk* - risk management policies surrounding this risk are discussed in note 4 on pages 23 to 24.

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

Foreign currency exposure as at 31st December 2022:

Currency	Forward	Monetary	Non	Total
	Contracts	Exposures	Monetary	
	2022	2022	2022	2022
	£'000	£'000	£'000	£'000
Australian dollar	–	–	4,203	4,203
Chinese yuan	214	–	10,492	10,706
Hong Kong dollar	314	–	9,717	10,031
Japanese yen	–	24	23,290	23,314
Pounds sterling	–	1,872	–	1,872
Singapore dollar	–	–	527	527
South Korean won	–	16	–	16
Taiwan dollar	–	17	3,949	3,966
US dollar	196	–	13,484	13,680
	724	1,929	65,662	68,315

TM Cerno Investment Funds

TM Cerno Pacific Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

18. Risks Disclosures (continued)

Foreign currency exposure as at 31st December 2021:

	Forward Contracts 2021 £'000	Monetary Exposures 2021 £'000	Non Monetary Exposures 2021 £'000	Total 2021 £'000
Australian dollar	–	–	2,916	2,916
Chinese yuan	–	–	14,907	14,907
Hong Kong dollar	–	–	25,754	25,754
Japanese yen	4,757	–	23,875	28,632
Pounds sterling	–	1,923	–	1,923
Singapore dollar	–	–	690	690
South Korean won	(4,806)	–	–	(4,806)
Taiwan dollar	–	–	9,377	9,377
US dollar	–	295	16,341	16,636
	(49)	2,218	93,860	96,029

At 31st December 2022, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to shareholders would increase or decrease by approximately £664,430 (31st December 2021: £941,056).

- *Interest rate risk* - risk management policies surrounding this risk are discussed in note 4 on pages 23 to 24.

Interest rate risk profile of financial assets as at 31st December 2022:

	Floating Rate Financial Assets 2022 £'000	Fixed Rate Financial Assets 2022 £'000	Financial Assets Not Carrying Interest 2022 £'000	Total 2022 £'000
Australian dollar	–	–	4,203	4,203
Chinese yuan	–	–	10,706	10,706
Hong Kong dollar	–	–	10,032	10,032
Japanese yen	–	–	23,289	23,289
Pounds sterling	2,025	–	–	2,025
Singapore dollar	–	–	527	527
Taiwan dollar	1	–	3,949	3,950
US dollar	16	–	13,886	13,902
	2,042	–	66,592	68,634

TM Cerno Investment Funds

TM Cerno Pacific Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

18. Risks Disclosures (continued)

Interest rate risk profile of financial assets as at 31st December 2021:

	Floating Rate Financial Assets 2021 £'000	Fixed Rate Financial Assets 2021 £'000	Financial Assets Not Carrying Interest 2021 £'000	Total 2021 £'000
Currency				
Australian dollar	–	–	2,916	2,916
Chinese yuan	–	–	14,907	14,907
Hong Kong dollar	–	–	25,754	25,754
Japanese yen	–	–	23,874	23,874
Pounds sterling	1,742	–	–	1,742
Singapore dollar	–	–	690	690
Taiwan dollar	–	–	9,377	9,377
US dollar	302	–	16,361	16,663
	2,044	–	93,879	95,923

Interest rate risk profile of financial liabilities as at 31st December 2022:

	Floating Rate Financial Liabilities 2022 £'000	Financial Liabilities Not Carrying Interest 2022 £'000	Total 2022 £'000
Currency			
Taiwan dollar	(1)	–	(1)
US dollar	(15)	(206)	(221)
	(16)	(206)	(222)

Interest rate risk profile of financial liabilities as at 31st December 2021:

	Floating Rate Financial Liabilities 2021 £'000	Financial Liabilities Not Carrying Interest 2021 £'000	Total 2021 £'000
Currency			
Pounds sterling	(33)	–	(33)
US dollar	(8)	(68)	(76)
	(41)	(68)	(109)

Short term debtors and creditors are excluded in the interest rate risk tables above. Forward currency contracts are quoted net and are included in the financial assets and/or liabilities not carrying interest category as applicable.

TM Cerno Investment Funds

TM Cerno Pacific Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

18. Risks Disclosures (continued)

The sub-fund's net cash holdings of £2,025,129 (31st December 2021: £2,003,282) are held in floating rate deposit accounts, whose rates are determined by reference to BOE for GBP or other respective central bank rates for other currencies.

- *Credit risk* - risk management policies surrounding this risk are discussed in note 4 on pages 23 to 24.
- *Counterparty exposure risk* - The type of derivative held at the balance sheet date were forward foreign exchange contracts. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet is as follows:

Counterparty Name ¹	2022 £'000	2021 £'000
Forward Currency Contracts		
Northern Trust	931	19
Total	<u>931</u>	<u>19</u>

¹ Net exposure represents the mark to market value of derivative contracts less any cash collateral held. Positive exposure represents the sub-fund's exposure to that counterparty.

- *Derivative risks* - the ACD has entered into forward currency positions during the year for the purpose of both investment purposes and Efficient Portfolio Management.
- *Fair value* - in the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation technique as at 31st December 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equities	65,661	–	–	65,661
Forward Currency Contracts	–	931	–	931
	<u>65,661</u>	<u>931</u>	<u>–</u>	<u>66,592</u>
Liabilities				
Forward Currency Contracts	–	(206)	–	(206)

TM Cerno Investment Funds

TM Cerno Pacific Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

18. Risks Disclosures (continued)

Valuation technique as at 31st December 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equities	93,860	–	–	93,860
Forward Currency Contracts	–	19	–	19
	<u>93,860</u>	<u>19</u>	<u>–</u>	<u>93,879</u>
Liabilities				
Forward Currency Contracts	–	(68)	–	(68)

Level 1: The unadjusted quoted price in an active market for an identical instrument that the entity can access at the measurement date.

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3: Valuation techniques using unobservable inputs (i.e., for which market data is unavailable).

19. Leverage

There are two ways in which the ACD can introduce leverage to the sub-fund. These are by borrowing money using its Portfolio Management. There are no collateral, asset re-use or guarantee arrangements involved in the ACD's current approach to leverage.

The maximum leverage calculated on the commitment method permitted is 100%. It is expected that the ACD will operate the Company well within these limits. The 'commitment' method is the sum of the absolute value of all positions and each derivative position (excluding forward currency positions) will be converted into the equivalent position in the underlying assets. The ACD sets maximum leverage levels and operates the sub-fund within these levels at all times.

The sub-fund has not employed significant leverage in the current year while prior year has employed some leverage.

20. Post Balance Sheet Events

The latest NAV per Class B GBP Accumulation of 1,467.65p as at the close of business on 19th April 2023 had increased on average across the share classes by 2.62% compared to the NAV at the year end of 1,430.16p.

TM Cerno Investment Funds

TM Cerno Pacific Fund

Distribution Tables

for the year ended 31st December 2022

Interim Accumulation Class A GBP Accumulation (in pence per share)*

Group 1: Shares purchased prior to 1st January 2022

Group 2: Shares purchased from 1st January 2022 to 30th June 2022

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	0.1296	–	0.1296	–
2	0.1296	–	0.1296	–

Interim Distribution Class B GBP Income (in pence per share)

Group 1: Shares purchased prior to 1st January 2022

Group 2: Shares purchased from 1st January 2022 to 30th June 2022

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	1.8435	–	1.8435	–
2	1.7576	0.0859	1.8435	–

Interim Accumulation Class B GBP Accumulation (in pence per share)

Group 1: Shares purchased prior to 1st January 2022

Group 2: Shares purchased from 1st January 2022 to 30th June 2022

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	1.8714	–	1.8714	–
2	1.6875	0.1839	1.8714	–

Interim Accumulation Class B USD Accumulation (in US\$ cents per share)*

Group 1: Shares purchased prior to 1st January 2022

Group 2: Shares purchased from 1st January 2022 to 30th June 2022

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	1.0727	–	1.0727	0.1730
2	1.0727	–	1.0727	0.1730

Interim Distribution Class E GBP Income (in pence per share)*

Group 1: Shares purchased prior to 1st January 2022

Group 2: Shares purchased from 1st January 2022 to 30th June 2022

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	8.5844	–	8.5844	7.9215
2	8.5844	–	8.5844	7.9215

TM Cerno Investment Funds

TM Cerno Pacific Fund

Distribution Tables

for the year ended 31st December 2022 (continued)

Interim Accumulation Class M GBP Accumulation (in pence per share)

Group 1: Shares purchased prior to 1st January 2022

Group 2: Shares purchased from 1st January 2022 to 30th June 2022

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	7.9992	–	7.9992	6.6849
2	2.5649	5.4343	7.9992	6.6849

Final Accumulation Class A GBP Accumulation (in pence per share)**

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased from 1st July 2022 to 31st December 2022

Group	Net Accumulation	Equalisation (note 14)	2023 Net Accumulation	2022 Net Accumulation
1	–	–	–	–
2	–	–	–	–

Final Distribution Class B GBP Income (in pence per share)

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased from 1st July 2022 to 31st December 2022

Group	Net Income	Equalisation (note 14)	2023 Net Distribution Paid	2022 Net Distribution Paid
1	0.6394	–	0.6394	–
2	–	0.6394	0.6394	–

Final Accumulation Class B GBP Accumulation (in pence per share)

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased from 1st July 2022 to 31st December 2022

Group	Net Accumulation	Equalisation (note 14)	2023 Net Accumulation	2022 Net Accumulation
1	0.6107	–	0.6107	–
2	0.1000	0.5107	0.6107	–

Final Accumulation Class B USD Accumulation (in US\$ cents per share)*

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased from 1st July 2022 to 31st December 2022

Group	Net Accumulation	Equalisation (note 14)	2023 Net Accumulation	2022 Net Accumulation
1	0.2528	–	0.2528	–
2	0.2528	–	0.2528	–

TM Cerno Investment Funds

TM Cerno Pacific Fund

Distribution Tables

for the year ended 31st December 2022 (continued)

Final Distribution Class E GBP Income (in pence per share)*

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased from 1st July 2022 to 31st December 2022

Group	Net Income	Equalisation (note 14)	2023 Net Distribution Paid	2022 Net Distribution Paid
1	6.7816	–	6.7816	6.0081
2	6.7816	–	6.7816	6.0081

Final Accumulation Class M GBP Accumulation (in pence per share)*

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased from 1st July 2022 to 31st December 2022

Group	Net Accumulation	Equalisation (note 14)	2023 Net Accumulation	2022 Net Accumulation
1	6.2829	–	6.2829	4.4091
2	6.2829	–	6.2829	4.4091

* There were no group 2 shares for this period.

** Expenses exceeded revenue during the period, as a result no distribution was allocated.

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Portfolio Statement

as at 31st December 2022

Holdings	Market value £	Percentage of total net assets %
EQUITIES 99.61% (98.22%)		
Denmark 3.05% (4.38%)		
94,087 Novozymes	3,942,795	3.05
France 7.82% (8.39%)		
33,093 EssilorLuxottica	4,958,300	3.84
8,522 LVMH Moet Hennessy Louis Vuitton	5,138,366	3.98
	10,096,666	7.82
Germany 0.00% (1.87%)		
Hong Kong 3.69% (1.67%)		
512,500 Techtronic Industries	4,757,185	3.69
Ireland 7.38% (7.89%)		
20,162 Accenture	4,467,995	3.46
18,670 Linde	5,058,377	3.92
	9,526,372	7.38
Japan 3.14% (7.83%)		
30,755 Shimano	4,055,389	3.14
Jersey 3.41% (4.10%)		
56,908 Aptiv	4,400,809	3.41
Netherlands 11.38% (11.68%)		
10,680 ASML	4,771,643	3.69
60,341 Heineken	4,702,632	3.64
420,689 Koninklijke Philips	5,224,584	4.05
	14,698,859	11.38
South Korea 3.42% (4.21%)		
4,807 Samsung Electronics	4,410,110	3.42
Sweden 7.48% (8.04%)		
273,445 Assa Abloy	4,903,309	3.80
483,629 Atlas Copco	4,759,669	3.68
	9,662,978	7.48
Switzerland 7.22% (8.45%)		
1,782 Givaudan	4,545,173	3.52

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Portfolio Statement

as at 31st December 2022 (continued)

Holdings	Market value £	Percentage of total net assets %
Switzerland (continued)		
49,925 Nestlé ADR	4,780,591	3.70
	9,325,764	7.22
Taiwan 3.41% (3.87%)		
71,125 Taiwan Semiconductor Manufacturing Company ADR	4,400,781	3.41
United Kingdom 3.83% (3.80%)		
134,928 Renishaw	4,949,159	3.83
United States 34.38% (22.04%)		
18,620 Adobe	5,204,443	4.03
22,900 Ansys	4,593,505	3.56
35,900 Keysight Technologies	5,100,966	3.95
21,985 Microsoft	4,379,469	3.39
47,130 PPG Industries	4,922,049	3.81
22,200 Rockwell Automation	4,749,239	3.68
10,200 Thermo Fisher Scientific	4,665,701	3.62
29,380 Visa	5,072,131	3.93
53,814 Zimmer Biomet	5,698,321	4.41
	44,385,824	34.38
Net investments 99.61% (98.22%)	128,612,691	99.61
Net other assets	509,634	0.39
Total net assets	129,122,325	100.00

Note: Comparative figures shown in brackets relate to 31st December 2021.

All securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Sub-fund Information

The Comparative Tables on pages 82 to 88 give the performance of each active share class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the sub-fund's performance disclosed in the ACD's report, which is calculated based on the year-end published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Assessment of Value *(unaudited)*

A statement on the Assessment of Value is available for all applicable funds managed by Thesis Unit Trust Management Limited. This report will be published at www.tutman.co.uk within four months of the annual accounting reference date.

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Sub-fund Information *(continued)*

Comparative Tables

Class A GBP Income

For the year to	<i>31/12/2022</i> <i>(pence per share)</i>	<i>31/12/2021</i> <i>(pence per share)</i>	<i>31/12/2020</i> <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	1,754.35	1,508.31	1,186.63
Return before operating charges*	(309.71)	265.94	337.32
Operating charges	(12.18)	(13.92)	(11.21)
Return after operating charges*	(321.89)	252.02	326.11
Distributions on income shares	(6.64)	(5.98)	(4.43)
Closing net asset value per share	1,425.82	1,754.35	1,508.31
 *After direct transaction costs of :	 0.13	 0.40	 0.58
Performance			
Return after charges	(18.35)%	16.71%	27.48%
Other Information			
Closing net asset value (£'000)	5,914	6,474	291
Closing number of shares	414,745	369,050	19,279
Operating charges ¹	0.83%	0.83%	0.85%
Direct transaction costs	0.01%	0.02%	0.04%
Prices			
Highest share price	1,764.00	1,764.00	1,520.00
Lowest share price	1,319.00	1,479.00	989.00

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class A GBP Accumulation

For the year to	31/12/2022 <i>(pence per share)</i>	31/12/2021 <i>(pence per share)</i>	31/12/2020 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	1,774.92	1,521.19	1,192.74
Return before operating charges*	(313.13)	267.53	339.66
Operating charges	(12.36)	(13.80)	(11.21)
Return after operating charges*	(325.49)	253.73	328.45
Distributions	(6.64)	(5.91)	(4.71)
Retained distributions on accumulation shares	6.64	5.91	4.71
Closing net asset value per share	1,449.43	1,774.92	1,521.19
*After direct transaction costs of :	0.13	0.40	0.58
Performance			
Return after charges	(18.34)%	16.68%	27.54%
Other Information			
Closing net asset value (£'000)	55,488	70,684	40,415
Closing number of shares	3,828,242	3,982,373	2,656,783
Operating charges ¹	0.83%	0.83%	0.85%
Direct transaction costs	0.01%	0.02%	0.04%
Prices			
Highest share price	1,784.00	1,785.00	1,533.00
Lowest share price	1,334.00	1,492.00	994.30

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class A USD Accumulation

For the year to	<i>31/12/2022</i> <i>(US\$ cents per share)</i>	<i>14/01/2021 -</i> <i>31/12/2021¹</i> <i>(US\$ cents per share)</i>
Change in Net Asset Value per Share		
Opening net asset value per share	1,122.40	990.00
Return before operating charges*	(296.63)	140.78
Operating charges	(6.92)	(8.38)
Return after operating charges*	(303.55)	132.40
Distributions	(4.18)	(4.06)
Retained distributions on accumulation shares	4.18	4.06
Closing net asset value per share	818.85	1,122.40
*After direct transaction costs of :	0.07	0.25
Performance		
Return after charges	(27.04)%	13.37%
Other Information		
Closing net asset value (US\$'000)	2,405	452
Closing number of shares	293,712	40,282
Operating charges ²	0.83%	0.83%
Direct transaction costs	0.01%	0.02%
Prices		
Highest share price	1,186.78	1,131.00
Lowest share price	710.20	966.80

¹ Class A USD Accumulation became active on 14th January 2021.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class B Income

For the year to	<i>31/12/2022</i> <i>(pence per share)</i>	<i>31/12/2021</i> <i>(pence per share)</i>	<i>31/12/2020</i> <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	1,761.83	1,514.18	1,191.11
Return before operating charges*	(311.15)	266.45	338.44
Operating charges	(10.77)	(12.17)	(9.81)
Return after operating charges*	(321.92)	254.28	328.63
Distributions on income shares	(8.10)	(6.63)	(5.56)
Closing net asset value per share	1,431.81	1,761.83	1,514.18
 *After direct transaction costs of :	 0.13	 0.40	 0.57
Performance			
Return after charges	(18.27)%	16.79%	27.59%
Other Information			
Closing net asset value (£'000)	5,538	6,800	2,180
Closing number of shares	386,815	385,981	143,970
Operating charges ¹	0.73%	0.73%	0.75%
Direct transaction costs	0.01%	0.02%	0.04%
Prices			
Highest share price	1,771.00	1,771.00	1,526.00
Lowest share price	1,325.00	1,485.00	993.20

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class B Accumulation

For the year to	31/12/2022 <i>(pence per share)</i>	31/12/2021 <i>(pence per share)</i>	31/12/2020 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	1,776.47	1,521.24	1,191.93
Return before operating charges*	(313.39)	267.31	339.06
Operating charges	(10.88)	(12.08)	(9.75)
Return after operating charges*	(324.27)	255.23	329.31
Distributions	(8.17)	(6.66)	(5.20)
Retained distributions on accumulation shares	8.17	6.66	5.20
Closing net asset value per share	1,452.20	1,776.47	1,521.24
 *After direct transaction costs of :	 0.13	 0.39	 0.57
Performance			
Return after charges	(18.25)%	16.78%	27.63%
Other Information			
Closing net asset value (£'000)	12,077	14,550	12,296
Closing number of shares	831,663	819,049	808,295
Operating charges ¹	0.73%	0.73%	0.75%
Direct transaction costs	0.01%	0.02%	0.04%
Prices			
Highest share price	1,786.00	1,786.00	1,533.00
Lowest share price	1,336.00	1,492.00	993.70

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class D Income

For the year to	<i>31/12/2022</i> <i>(pence per share)</i>	<i>31/12/2021</i> <i>(pence per share)</i>	<i>19/06/2020 -</i> <i>31/12/2020¹</i> <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	1,723.96	1,511.96	1,288.00
Return before operating charges*	(304.88)	264.08	231.80
Operating charges	(12.02)	(13.52)	(6.32)
Return after operating charges*	(316.90)	250.56	225.48
Distributions on income shares	(17.02)	(38.56)	(1.52)
Closing net asset value per share	1,390.04	1,723.96	1,511.96
 *After direct transaction costs of :	 0.13	 0.39	 0.61
Performance			
Return after charges	(18.38)%	16.57%	17.51%
Other Information			
Closing net asset value (£'000)	27	54	47
Closing number of shares	1,955	3,137	3,137
Operating charges ²	0.83%	0.83%	0.85%
Direct transaction costs	0.01%	0.02%	0.04%
Prices			
Highest share price	1,730.00	1,733.00	1,524.00
Lowest share price	1,300.00	1,482.00	1,266.00

¹ Class D Income became active on 19th June 2020.

² Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class M Accumulation

For the year to	<i>31/12/2022</i> <i>(pence per share)</i>	<i>31/12/2021</i> <i>(pence per share)</i>	<i>31/12/2020</i> <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	1,819.12	1,549.18	1,207.22
Return before operating charges*	(321.12)	272.99	344.58
Operating charges	(2.76)	(3.05)	(2.62)
Return after operating charges*	(323.88)	269.94	341.96
Distributions	(16.83)	(15.40)	(12.50)
Retained distributions on accumulation shares	16.83	15.40	12.50
Closing net asset value per share	1,495.24	1,819.12	1,549.18
*After direct transaction costs of :	0.13	0.40	0.57
Performance			
Return after charges	(17.80)%	17.42%	28.33%
Other Information			
Closing net asset value (£'000)	48,080	68,960	54,741
Closing number of shares	3,215,545	3,790,825	3,533,560
Operating charges ¹	0.18%	0.18%	0.20%
Direct transaction costs	0.01%	0.02%	0.04%
Prices			
Highest share price	1,829.00	1,829.00	1,561.00
Lowest share price	1,372.00	1,521.00	1,008.00

¹ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures.

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Sub-fund Information *(continued)*

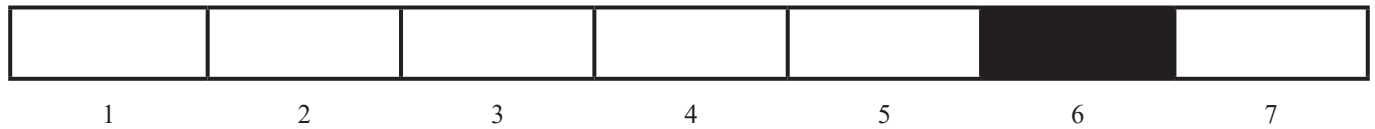
Risk and Reward Indicator (“RRI”)

Lower Risk

Typically lower rewards

Higher Risk

Typically higher rewards



The RRI table demonstrates where a sub-fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the sub-fund. The shaded area on the table above shows the sub-fund's ranking on the risk and reward indicator.

The prior year RRI rating was 5 and it has increased due to increased volatility within the sub-fund. The risk rating is calculated using historical data and a prescribed standard deviation methodology.

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Statement of Total Return

for the year ended 31st December 2022

	Notes	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	5		(31,002)		20,626
Revenue	7	1,951		1,812	
Expenses	8	(782)		(745)	
Net revenue before taxation		1,169		1,067	
Taxation	9	(182)		(336)	
Net revenue after taxation for the year			987		731
Total return before distributions			(30,015)		21,357
Distributions	10		(988)		(801)
Change in net assets attributable to shareholders from investment activities			(31,003)		20,556

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31st December 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders			167,858		109,970
Amounts receivable on issue of shares		13,086		56,314	
Amounts payable on cancellation of shares		(21,741)		(19,806)	
			(8,655)		36,508
Change in net assets attributable to shareholders from investment activities			(31,003)		20,556
Retained distribution on accumulation shares	10		922		824
Closing net assets attributable to shareholders			129,122		167,858

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Balance Sheet

as at 31st December 2022

	Notes	2022 £'000	2021 £'000
Assets			
Fixed assets:			
Investments		128,613	164,873
Current assets:			
Debtors	11	253	248
Cash and bank balances		479	3,063
		129,345	168,184
Total assets			
 Liabilities			
Creditors:			
Bank overdrafts		(112)	(117)
Distribution payable	10	(11)	–
Other creditors	12	(100)	(209)
		(223)	(326)
Total liabilities			
Net assets attributable to shareholders		129,122	167,858

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Notes to the Financial Statements

for the year ended 31st December 2022

1. Accounting Policies

The accounting, distribution and risk management policies for notes 1 to 4 are provided on pages 21 to 24.

5. Net Capital (Losses)/Gains

Net capital (losses)/gains comprise:

	2022 £'000	2021 £'000
Non-derivative securities	(30,922)	20,634
Currency losses	(77)	(5)
Transaction charges	(3)	(3)
Net capital (losses)/gains	<u>(31,002)</u>	<u>20,626</u>

6. Purchases, Sales and Transaction Costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs, please refer to the additional portfolio transaction cost information on page 81.

Analysis of direct transaction costs for the year ended 31st December 2022:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Equities	30,282	1	6	30,289	–	0.02
	<u>30,282</u>	<u>1</u>	<u>6</u>	<u>30,289</u>		
Sales						
Equities	35,632	(2)	(3)	35,627	0.01	0.01
	<u>35,632</u>	<u>(2)</u>	<u>(3)</u>	<u>35,627</u>		
Derivative purchases and sales		–	–			
Total cost as percentage of average net asset value		0.00%	0.01%			

Analysis of direct transaction costs for the year ended 31st December 2021:

	Principal £'000	Commissions £'000	Taxes £'000	Total Cost £'000	Commissions % of principal	Taxes % of principal
Purchases						
Equities	57,026	9	22	57,057	0.02	0.04
	<u>57,026</u>	<u>9</u>	<u>22</u>	<u>57,057</u>		
Sales						
Collective Investment Schemes	19,809	(2)	–	19,807	0.01	–
	<u>19,809</u>	<u>(2)</u>	<u>–</u>	<u>19,807</u>		
Derivative purchases and sales		–	–			
Total cost as percentage of average net asset value		0.00%	0.02%			

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

6. Purchases, Sales and Transaction Costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.06% (31st December 2021: 0.06%), based on close of business prices. 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.

7. Revenue

	2022 £'000	2021 £'000
Bank interest	10	–
Franked UK dividends	100	80
Franked stock dividends	–	95
Overseas dividends	1,841	1,637
	<u>1,951</u>	<u>1,812</u>

8. Expenses

	2022 £'000	2021 £'000
Payable to the ACD or associates of the ACD:		
ACD's periodic charge	72	56
Investment Manager's fees	536	515
	<u>608</u>	<u>571</u>
Payable to the Depository or associates of the Depository:		
Depository's fee	41	41
Safe custody charges	34	30
	<u>75</u>	<u>71</u>
Other expenses:		
Administration fees	72	72
Audit fees ¹	12	10
Calastone fees	4	8
Euroclear fees	2	2
Legal fees	1	5
Printing fees	5	3
Registration fees	3	3
	<u>99</u>	<u>103</u>
Total expenses	<u>782</u>	<u>745</u>

¹ Total audit fees of £9,960 (31st December 2021: £7,950) exclusive of VAT.

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

9. Taxation

	2022 £'000	2021 £'000
a) Analysis of charge for the year:		
Overseas withholding tax	185	336
Prior year adjustment	(3)	–
Total current taxation	182	336
Deferred tax charge	–	–
Total taxation	182	336
b) Factors affecting taxation charge for the year:		
Net revenue before taxation	1,169	1,067
Net revenue multiplied by the standard rate of corporation tax of 20% (2021: 20%)	234	214
Effects of:		
Excess management expenses not utilised	154	149
Franked UK dividends	(20)	(16)
FX loss non-taxable	(1)	–
Non-taxable overseas dividends	(367)	(328)
Overseas withholding tax	185	336
Prior year adjustment	(3)	–
Stock Dividends	–	(19)
Total tax charge (note 9a)	182	336
c) Deferred tax		
Deferred tax charge (note 9a)	–	–
Provision at start of year	–	–
Provision at end of year	–	–

The sub-fund has not recognised a deferred tax asset of £471,526 (31st December 2021: £317,073) arising as a result of having unutilised management expenses of £2,352,952 (31st December 2021: £1,580,574) and non-trade loan relationship deficit of £4,679 (31st December 2021: £4,789). The unutilised management expenses and non-trade loan relationship deficit will only be recovered to the extent that the sub-fund has sufficient future taxable revenue.

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

10. Distributions

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

	2022 £'000	2021 £'000
Interim distribution	49	24
Interim accumulation	671	665
Final distribution	11	–
Final accumulation	251	159
	982	848
Add: Revenue deducted on shares cancelled	15	19
Deduct: Revenue received on shares created	(9)	(66)
Net distribution for the year	988	801

Reconciliation between net revenue and distribution

	2022 £'000	2021 £'000
Net revenue after taxation	988	731
Deficit transferred to capital	–	70
	988	801

11. Debtors

	2022 £'000	2021 £'000
Accrued revenue	76	77
Amount receivable for issue of shares	36	78
Overseas tax recoverable	141	93
	253	248

12. Other creditors

	2022 £'000	2021 £'000
Accrued expenses	90	154
Amount payable for cancellation of shares	10	55
	100	209

13. Related Parties

Thesis Unit Trust Management Limited is regarded as a related party by virtue of having the ability to act in respect of the operations of the sub-fund in its capacity as the ACD.

Thesis Unit Trust Management Limited acts as principal on all the transactions of shares in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to/from Thesis Unit Trust Management Limited in respect of share transactions at the year end are disclosed within notes 11 and 12 as applicable.

Amounts paid to Thesis Unit Trust Management Limited in respect of the ACD's periodic charges and, if any, rebates received are disclosed in Note 8. The amount payable at year end is £51,045 (31st December 2021: £64,091).

Thesis Unit Trust Management Limited did not enter into any other transactions with the sub-fund during the year.

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

14. Equalisation

Equalisation is accrued income included in the price of shares purchased during the accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution, resulting in the same rate of distribution on all shares. As a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

15. Contingent Assets, Liabilities and Outstanding Commitments

There are no contingent assets, liabilities and outstanding commitments as at 31st December 2022 (31st December 2021: £Nil).

16. Share Classes

The sub-fund currently has seven share classes: Class A GBP Income, Class A GBP Accumulation, Class A USD Accumulation, Class B Income, Class B Accumulation, Class D Income and Class M Accumulation. The distribution per share is given in the distribution tables on pages 101 to 103. All shares have the same rights on winding up.

The ACD's periodic charge rate for the class of each share is as follows:

	ACD's periodic charge*	Investment Manager's fee
Class A GBP Income	0.052%	0.65%
Class A GBP Accumulation	0.052%	0.65%
Class A USD Accumulation	0.052%	0.65%
Class B Income	0.052%	0.55%
Class B Accumulation	0.052%	0.55%
Class D Income	0.052%	0.65%
Class M Accumulation	0.052%	0.00%

*ACD is charged on sliding scale as per latest Prospectus.

The following table shows the shares in issue during the year:

Share Class	Opening Shares	Shares Created	Shares Liquidated	Shares Converted	Closing Shares
Class A GBP Income	369,050	55,466	(9,771)	–	414,745
Class A GBP Accumulation	3,982,373	564,319	(718,450)	–	3,828,242
Class A USD Accumulation	40,282	253,430	–	–	293,712
Class B Income	385,981	40,680	(39,846)	–	386,815
Class B Accumulation	819,049	21,250	(8,636)	–	831,663
Class D Income	3,137	–	(1,182)	–	1,955
Class M Accumulation	3,790,825	58,798	(634,078)	–	3,215,545

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

17. Financial Instruments

In pursuing its investment objective set out on page 4, the sub-fund holds a number of financial instruments. These may comprise:

- equity shares, non-equity shares, shares in collective investment vehicles, fixed and floating rate securities. These are held in accordance with the sub-fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf; and
- borrowings used to finance investment activity.

18. Risks Disclosures

- *Market price risk* - risk management policies surrounding this risk are discussed in note 4 on pages 23 to 24.

At 31st December 2022, if the price of the investments held by the sub-fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders would increase or decrease by approximately £6,430,635 (31st December 2021: £8,243,640).

- *Foreign currency risk* - risk management policies surrounding this risk are discussed in note 4 on pages 23 to 24.

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

Foreign currency exposure as at 31st December 2022:

Currency	Monetary	Non	Total
	Exposures	Monetary	
	2022	Exposures	2022
	£'000	£'000	£'000
Danish kroner	18	3,943	3,961
Euro	34	24,796	24,830
Hong Kong dollar	–	4,757	4,757
Japanese yen	–	4,055	4,055
Pounds sterling	332	4,949	5,281
Swedish krona	20	9,663	9,683
Swiss franc	41	4,545	4,586
US dollar	64	71,905	71,969
	509	128,613	129,122

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

18. Risks Disclosures (continued)

Foreign currency exposure as at 31st December 2021:

Currency	Monetary	Non	Total
	Exposures	Monetary Exposures	
	2021	2021	2021
	£'000	£'000	£'000
Danish kroner	15	7,357	7,372
Euro	41	36,833	36,874
Hong Kong dollar	–	2,804	2,804
Japanese yen	21	13,137	13,158
Pounds sterling	2,815	6,375	9,190
Swedish krona	19	13,505	13,524
Swiss franc	18	6,940	6,958
US dollar	56	77,922	77,978
	2,985	164,873	167,858

At 31st December 2022, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to shareholders would increase or decrease by approximately £1,238,406 (31st December 2021: £1,586,684).

- *Interest rate risk* - risk management policies surrounding this risk are discussed in note 4 on pages 23 to 24.

Interest rate risk profile of financial assets as at 31st December 2022:

Currency	Floating Rate	Fixed Rate	Financial Assets	Total
	Financial	Financial	Not Carrying	
	Assets	Assets	Interest	
	2022	2022	2022	2022
	£'000	£'000	£'000	£'000
Danish kroner	–	–	3,943	3,943
Euro	98	–	24,796	24,894
Hong Kong dollar	–	–	4,757	4,757
Japanese yen	–	–	4,055	4,055
Pounds sterling	331	–	4,949	5,280
Swedish krona	4	–	9,663	9,667
Swiss franc	–	–	4,545	4,545
US dollar	46	–	71,905	71,951
	479	–	128,613	129,092

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

18. Risks Disclosures (continued)

Interest rate risk profile of financial assets as at 31st December 2021:

	Floating Rate Financial Assets 2021 £'000	Fixed Rate Financial Assets 2021 £'000	Financial Assets Not Carrying Interest 2021 £'000	Total 2021 £'000
Currency				
Danish kroner	–	–	7,357	7,357
Euro	92	–	36,833	36,925
Hong Kong dollar	–	–	2,804	2,804
Japanese yen	–	–	13,137	13,137
Pounds sterling	2,970	–	6,375	9,345
Swedish krona	–	–	13,505	13,505
Swiss franc	–	–	6,940	6,940
US dollar	1	–	77,922	77,923
	3,063	–	164,873	167,936

Interest rate risk profile of financial liabilities as at 31st December 2022:

	Floating Rate Financial Liabilities 2022 £'000	Fixed Rate Financial Liabilities 2022 £'000	Financial Liabilities Not Carrying Interest 2022 £'000	Total 2022 £'000
Currency				
Euro	(98)	–	–	(98)
Swedish krona	(4)	–	–	(4)
US dollar	(10)	–	–	(10)
	(112)	–	–	(112)

Interest rate risk profile of financial liabilities as at 31st December 2021:

	Floating Rate Financial Liabilities 2021 £'000	Fixed Rate Financial Liabilities 2021 £'000	Financial Liabilities Not Carrying Interest 2021 £'000	Total 2021 £'000
Currency				
Euro	(93)	–	–	(93)
Pounds sterling	(23)	–	–	(23)
US dollar	(1)	–	–	(1)
	(117)	–	–	(117)

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

Short term debtors and creditors are excluded in the interest rate risk tables above.

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Notes to the Financial Statements

for the year ended 31st December 2022 (continued)

18. Risks Disclosures (continued)

The sub-fund's net cash holdings of £367,364 (31st December 2021: £2,946,353) are held in floating rate deposit accounts, whose rates are determined by reference to BOE for GBP or other respective central bank rates for other currencies.

- *Fair value* - in the opinion of the ACD, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation technique as at 31st December 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equities	128,613	–	–	128,613
Valuation technique as at 31st December 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equities	164,873	–	–	164,873

Level 1: The unadjusted quoted price in an active market for an identical instrument that the entity can access at the measurement date.

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3: Valuation techniques using unobservable inputs (i.e., for which market data is unavailable).

19. Leverage

There are two ways in which the ACD can introduce leverage to the sub-fund. These are by borrowing money using its Portfolio Management. There are no collateral, asset re-use or guarantee arrangements involved in the ACD's current approach to leverage.

The maximum leverage calculated on the commitment method permitted is 100%. It is expected that the ACD will operate the sub-fund well within these limits. The 'commitment' method is the sum of the absolute value of all positions and each derivative position (excluding forward currency positions) will be converted into the equivalent position in the underlying assets. The ACD sets maximum leverage levels and operates the sub-fund within these levels at all times.

The sub-fund has not employed significant leverage in the current year or prior year.

20. Post Balance Sheet Events

The latest NAV per Class A GBP Accumulation of 1,566.51p as at the close of business on 19th April 2023 had increased on average across the share classes by 8.08% compared to the NAV at the year end of 1,449.43p.

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Distribution Tables

for the year ended 31st December 2022

Interim Distribution Class A GBP Income (in pence per share)

Group 1: Shares purchased prior to 1st January 2022

Group 2: Shares purchased from 1st January 2022 to 30th June 2022

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	5.5849	–	5.5849	5.9819
2	5.5684	0.0165	5.5849	5.9819

Interim Accumulation Class A GBP Accumulation (in pence per share)

Group 1: Shares purchased prior to 1st January 2022

Group 2: Shares purchased from 1st January 2022 to 30th June 2022

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	5.5846	–	5.5846	5.9103
2	3.8206	1.7640	5.5846	5.9103

Interim Accumulation Class A USD Accumulation (in US\$ cents per share)*

Group 1: Shares purchased prior to 1st January 2022

Group 2: Shares purchased from 1st January 2022 to 30th June 2022

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	3.5685	–	3.5685	4.0567
2	3.5685	–	3.5685	4.0567

Interim Distribution Class B Income (in pence per share)

Group 1: Shares purchased prior to 1st January 2022

Group 2: Shares purchased from 1st January 2022 to 30th June 2022

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	6.3147	–	6.3147	6.6254
2	5.8579	0.4568	6.3147	6.6254

Interim Accumulation Class B Accumulation (in pence per share)

Group 1: Shares purchased prior to 1st January 2022

Group 2: Shares purchased from 1st January 2022 to 30th June 2022

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	6.3486	–	6.3486	6.6556
2	5.2936	1.0550	6.3486	6.6556

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Distribution Tables

for the year ended 31st December 2022 (continued)

Interim Distribution Class D Income (in pence per share)*

Group 1: Shares purchased prior to 1st January 2022

Group 2: Shares purchased from 1st January 2022 to 30th June 2022

Group	Net Income	Equalisation (note 14)	2022 Net Distribution Paid	2021 Net Distribution Paid
1	10.7815	–	10.7815	38.5553
2	10.7815	–	10.7815	38.5553

Interim Accumulation Class M Accumulation (in pence per share)

Group 1: Shares purchased prior to 1st January 2022

Group 2: Shares purchased from 1st January 2022 to 30th June 2022

Group	Net Accumulation	Equalisation (note 14)	2022 Net Accumulation	2021 Net Accumulation
1	10.7823	–	10.7823	11.2118
2	0.5190	10.2633	10.7823	11.2118

Final Distribution Class A GBP Income (in pence per share)

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased from 1st July 2022 to 31st December 2022

Group	Net Income	Equalisation (note 14)	2023 Net Distribution Payable	2022 Net Distribution Paid
1	1.0569	–	1.0569	–
2	0.8478	0.2091	1.0569	–

Final Accumulation Class A GBP Accumulation (in pence per share)

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased from 1st July 2022 to 31st December 2022

Group	Net Accumulation	Equalisation (note 14)	2023 Net Accumulation	2022 Net Accumulation
1	1.0565	–	1.0565	–
2	0.9006	0.1559	1.0565	–

Final Accumulation Class A USD Accumulation (in US\$ cents per share)*

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased from 1st July 2022 to 31st December 2022

Group	Net Accumulation	Equalisation (note 14)	2023 Net Accumulation	2022 Net Accumulation
1	0.6086	–	0.6086	–
2	0.6086	–	0.6086	–

TM Cerno Investment Funds

TM Cerno Global Leaders Fund

Distribution Tables

for the year ended 31st December 2022 (continued)

Final Distribution Class B Income (in pence per share)

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased from 1st July 2022 to 31st December 2022

Group	Net Income	Equalisation (note 14)	2023 Net Distribution Payable	2022 Net Distribution Paid
1	1.7887	–	1.7887	–
2	1.6727	0.1160	1.7887	–

Final Accumulation Class B Accumulation (in pence per share)

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased from 1st July 2022 to 31st December 2022

Group	Net Accumulation	Equalisation (note 14)	2023 Net Accumulation	2022 Net Accumulation
1	1.8174	–	1.8174	–
2	1.7928	0.0246	1.8174	–

Final Distribution Class D Income (in pence per share)*

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased from 1st July 2022 to 31st December 2022

Group	Net Income	Equalisation (note 14)	2023 Net Distribution Payable	2022 Net Distribution Paid
1	6.2388	–	6.2388	–
2	6.2388	–	6.2388	–

Final Accumulation Class M Accumulation (in pence per share)

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased from 1st July 2022 to 31st December 2022

Group	Net Accumulation	Equalisation (note 14)	2023 Net Accumulation	2022 Net Accumulation
1	6.0455	–	6.0455	4.1930
2	2.3170	3.7285	6.0455	4.1930

* There were no group 2 units for this period.



Thesis Unit Trust Management Limited
Exchange Building
St. John's Street
Chichester
West Sussex PO19 1UP
www.tutman.co.uk