

# IFSL RC Brown OEIC

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

## **IFSL RC BROWN OEIC**

### **CONTACT INFORMATION**

#### **Registered Office**

Marlborough House  
59 Chorley New Road  
Bolton  
BL1 4QP

#### **Authorised Corporate Director and Registrar**

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

Investor Support: (0808) 178 9321 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

#### **Directors of IFSL**

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

#### **Depository**

HSBC Bank plc  
8 Canada Square  
London  
E14 5HQ

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

#### **Investment Manager**

RC Brown Investment Management PLC  
1 The Square  
Temple Quay  
Bristol  
BS1 6DG

Authorised and regulated by the Financial Conduct Authority.

#### **Auditor**

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

**IFSL RC BROWN OEIC**

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## **IFSL RC BROWN OEIC**

### **AUTHORISED STATUS**

IFSL RC Brown OEIC (the Company) is an investment company with variable capital incorporated with limited liability, registered in England and Wales under number IC54 and authorised by the Financial Conduct Authority (FCA) on 21 December 1999 with the Product Reference Number (PRN) 190625. The Company is a UCITS Scheme and is also an umbrella company for the purposes of the Open Ended Investment Company (OEIC) Regulations 2001. The operation of the Company is governed by the FCA Regulations, the Company's Instrument of Incorporation and the Prospectus.

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

The Company currently has two sub-funds: IFSL RC Brown UK Primary Opportunities Fund; and IFSL Meon Adaptive Growth Fund.

### **GENERAL INFORMATION**

#### **IFSL RC Brown UK Primary Opportunities Fund**

##### Investment objective

The investment objective of the sub-fund is to outperform the FTSE All Share Index over any 5 year period, after any charges have been taken out of the sub-fund. However, there is no certainty this will be achieved.

##### Investment policy

At least 80% of the sub-fund will be invested in the shares of companies and investment trusts listed on UK stock markets. These will be incorporated/domiciled in the UK or will have significant business operations in the UK.

This may include through Exchange Traded Funds (ETFs) which themselves offer access to these companies, although this is not expected to exceed 10% of the sub-fund.

The sub-fund is actively managed, which means the investment manager decides which investments to buy or sell and when. The investment manager will maintain a concentrated portfolio, typically between 60-80 holdings, including small, medium and large companies operating in a range of different sectors.

The investment manager seeks to buy good quality companies at a discount to the prevailing market price. The sub-fund aims to take advantage of the discounts typically offered when companies are raising money or when large positions are being sold by existing investors.

The sub-fund will also invest in companies on the secondary market to take advantage of depressed prices during periods of market weakness and to ensure the sub-fund's assets are invested.

The sub-fund may also invest in other securities whose returns are linked to the performance of the company, such as preference shares and bonds which can be converted into shares (known as convertible bonds).

The sub-fund will typically hold cash to enable the ready settlement of liabilities and for the efficient management of the sub-fund and in pursuit of the sub-fund's objectives. In volatile market conditions this may be as high as 20% of the sub-fund's value although this is expected to be rare.

##### Investment strategy

The Investment Manager reviews financial publications, broker opinions and talks to the directors of the companies that are within the scope of the investment policy, to form views on which companies are suitable for buying and selling. The Investment Manager will assess the appropriate weightings for each sector and company based on their view of the market and outlook for the future.

##### Assessing performance

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

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

## **IFSL RC BROWN OEIC**

### **GENERAL INFORMATION**

#### IFSL RC Brown UK Primary Opportunities Fund (continued)

##### Performance target

The sub-fund aims to grow investments, net of fees, greater than the average of the constituents of the FTSE All-Share Index over any 5 year period. The FTSE All-Share Index represents all UK companies traded on the London Stock Exchange.

#### **IFSL Meon Adaptive Growth Fund**

##### Investment objective

The investment objective of the sub-fund is to grow the value of your investment over a minimum of 5 years.

The sub-fund will do this through a combination of capital growth, which is profit on investments held, with the potential for income received by the sub-fund, which is money paid out of investments, such as dividends from shares.

##### Investment policy

In normal market conditions, at least 80% of the sub-fund will be invested in the shares of large-cap companies listed on any UK, USA and European stock markets.

The Investment Manager defines large-cap companies as those with a value over £1bn in the UK, \$4bn in the USA and €2.5bn in Europe.

The sub-fund may also invest in Exchange Traded Products (ETPs), such as Exchange Traded Funds (ETFs), which can give exposure to company shares, bonds (which are loans typically issued by companies and governments) and/or commodities (such as precious metals). Exposure to ETPs is not expected to be a significant part of the sub-fund in normal market conditions, less than 20%, and they may not always be held.

The sub-fund is actively managed, which means the Investment Manager decides which investments to buy or sell and when. The sub-fund's adaptive nature allows it to react to changes in stock market conditions with the aim of achieving the growth objective. The sub-fund will have no minimum or maximum exposure to any geographic location.

In normal market conditions, the sub-fund may hold up to 20% in cash to enable the ready settlement of liabilities (including redemptions), for the efficient management of the sub-fund and in pursuit of the sub-fund's objectives.

In extreme market conditions, such as a stock market crash, the Investment Manager may reduce the sub-fund's investment in company shares to below 80%. When this occurs, the sub-fund may increase the holding in ETPs above 20% and may also have exposure to money market instruments (short term loans), money market funds, cash and near cash instruments. In the most extreme situations, the sub-fund may reduce exposure to company shares to 0%, although this is considered very unlikely.

The sub-fund itself will not invest in derivatives (instruments whose returns are linked to another asset or other variable factor such as exchange rates or stock markets). The underlying ETPs purchased may have the ability to use derivatives to varying degrees, including for investment purposes.

##### Investment strategy

The Investment Manager utilises computer modelling to assess numerous financial measures of the companies within the scope of the sub-fund's investment policy. Companies which meet the majority of these measures, along with large and highly liquid ETPs, are then subjected to additional computer modelling to identify trends in company / ETP share prices in order to automatically identify opportunities for buying and selling.

Where the computer model identifies a company or ETP for inclusion within the sub-fund, its initial weighting is determined by its market risk: higher risk companies are given a lower weighting whilst lower risk companies are given a higher weighting. Where the computer model identifies more companies than the sub-fund can accommodate, the companies are ranked based upon their financial metrics with the highest ranked companies being added to the sub-fund. The Investment Manager reserves the right to use their judgement to override the output of the computer model, should the Investment Manager believe there are considerations outside of the measures considered by the model, that should influence investment decisions. However, instances of this are expected to be infrequent.

Where the computer model does not identify enough companies or ETPs for inclusion in the sub-fund, the Investment Manager will invest in cash-based products until enough companies or ETPs are identified for inclusion.

**GENERAL INFORMATION**

IFSL Meon Adaptive Growth Fund (continued)

Assessing performance

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

In normal market conditions, the sub-fund is closely aligned with the IA Global sector. You may want to assess the sub-fund's performance compared to the performance of this sector.

**Rights and terms attaching to each share class**

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

**Assessment of value**

The ACD is required to carry out an assessment of value at least annually and publish its findings in a report to investors. The sub-funds of the Company are assessed and reported on, in a report which the ACD publishes on the website [www.ifslfunds.com](http://www.ifslfunds.com). The next report is expected to be published by 31 May 2023.

**Changes in prospectus**

On 4 April 2022: the Company was restructured as an umbrella company; the annual report and accounts publication date was changed from 31 March (2 months) to 31 May (4 months); IFSL RC Brown UK Primary Opportunities Fund became a sub-fund; and IFSL Meon Adaptive Growth Fund was launched.

On 1 August 2022, the annual management charge for IFSL RC Brown UK Primary Opportunities Fund, A Income and A Accumulation shares, was reduced from 1.50% to 1.25%.

Effective from the 31 March 2023 Class A shares for IFSL RC Brown UK Primary Opportunities Fund were converted into Class P shares. The annual management charge of Class A shares was 1.25% and Class P, 0.75%. Converting from Class A to Class P reduces the cost of investing.

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

**Cross holdings**

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

**GENERAL INFORMATION**

**Remuneration policy**

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

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

	<b>Number of identified staff</b>	<b>Total remuneration paid</b>	<b>Fixed remuneration paid</b>	<b>Variable remuneration paid</b>
		£	£	£
<b>Remuneration paid to staff of the UCITS Manager who have a material impact on the risk profile of the Company</b>				
Senior management	7	757,911	667,666	90,245
Risk takers and other identified staff	2	245,763	203,403	42,360
<b>Allocation of total remuneration of the employees of the UCITS Manager to the Company</b>				
Senior management	0.03	2,889	2,545	344
Risk takers and other identified staff	0.01	936	775	161

The total number of staff employed by the AFM was 236 as at 30 September 2022. The total remuneration paid to those staff was £14,048,823 of which £5,197,123 is attributable to the AFM.

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

**AUTHORISED CORPORATE DIRECTORS' STATEMENT**

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



Allan Hamer  
Director



Helen Redmond  
Director

Investment Fund Services Limited  
03 May 2023

**STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES**

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

In preparing those financial statements the ACD is required to:

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

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

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



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

**Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the IFSL RC Brown OEIC ("the Company") for the Period Ended 31st January 2023.**

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

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

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

The Depositary must ensure that:

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

**HSBC BANK PLC**

**LONDON**

03 May 2023

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL RC BROWN OEIC

### Opinion

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

In our opinion, the financial statements:

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

### Basis for opinion

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

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

### Conclusions relating to going concern

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

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

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

### Other information

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

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

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

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL RC BROWN OEIC**

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

In our opinion:

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

**Matters on which we are required to report by exception**

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

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

**Responsibilities of the Authorised Corporate Director (the "ACD")**

As explained more fully in the ACDs responsibilities statement set out on page 6, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL RC BROWN OEIC

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

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

Our approach was as follows:

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

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

### Use of our report

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

Ernst & Young LLP  
Statutory Auditor  
Edinburgh

03 May 2023

Notes:

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

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

for the year ended 31 January 2023

**1.1 ACCOUNTING POLICIES**

During the year under review IFSL RC Brown OEIC consisted of two sub-funds: IFSL RC Brown UK Primary Opportunities Fund; and IFSL Meon Adaptive Growth Fund.

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

**Basis of preparation**

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

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

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

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

**Revenue**

Dividends from quoted ordinary securities are recognised when the security is quoted ex-dividend.

Dividends from non-quoted securities are recognised when the right to receive payment is established.

Bank interest is accounted for on an accruals basis.

**Allocation of revenue**

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

**Expenses**

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

**Valuation**

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

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

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

**Taxation**

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

**Exchange rates**

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

**1.2 DISTRIBUTION POLICIES**

The distribution policy of the sub-funds is to distribute or accumulate all available revenue, after deduction of expenses properly chargeable against revenue. Gains and losses on non-derivative instruments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution.

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

for the year ended 31 January 2023

### DISTRIBUTION POLICIES

#### Equalisation

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

#### Stock and special dividends

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue of the sub-funds. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of any distribution.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue of the sub-funds. Amounts recognised as capital are deducted from the cost of the investment. The tax accounting treatment follows the treatment of the principal amount.

### 1.3 RISK MANAGEMENT POLICIES

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

The main risks arising from the sub-fund's financial instruments and the ACD's policies for managing these risks are summarised below. These policies have been applied throughout the year.

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

#### Market price risk

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

Investment limits set out in the Instrument of Incorporation, the Prospectus and in the Collective Investment Schemes Sourcebook mitigate the risk of excessive exposure to any particular security or issuer.

#### Foreign currency risk

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

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

#### Credit and counterparty risk

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

#### Interest rate risk

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The sub-fund's cash holdings are held in deposit accounts, whose rates are determined by the banks concerned on a daily basis.

#### Liquidity risk

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

**IFSL RC BROWN OEIC**  
**IFSL RC BROWN UK PRIMARY OPPORTUNITIES FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 31 January 2023

**Performance to 31 January 2023**

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL RC Brown UK Primary Opportunities Fund	0.48%	(9.69%)	2.32%	10.60%
FTSE All-Share TR Index	5.29%	5.20%	15.64%	23.08%
IA UK All Companies	2.87%	(1.56%)	6.79%	14.30%

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

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

**Investment commentary**

The period proved a difficult one for global equity markets as Russia's invasion of Ukraine resulted in higher energy prices and exacerbated supply chains that were still recovering from the effects of Covid. Inflation soared globally and in the UK to levels not seen for forty years. Interest rates are rising as a result. The performance of the fund in the year was extremely disappointing as many of our growth and small cap companies suffered sharp share price falls. With extreme market volatility, we also saw significantly lower equity issuance. As some stability has returned to the market, equity issuance has begun to pick up which is likely to be beneficial to fund performance.

Purchases

Whilst it was a quieter period than normal, we still participated in several primary opportunities with the emphasis being on stable earners and dividend payers, rather than high growth companies.

Duke Royalty

Duke Royalty provides mortgage type length loans to smaller, often family-owned businesses. We added to our holding as part of an equity raise which will allow the company to expand its portfolio further. The shares offer good value and a dividend yield in excess of 8%.

FRP Advisory

FRP is a professional services company offering restructuring and debt advisory. We acquired the shares as part of a placing and consider the company well positioned for further growth in the tougher economic environment ahead.

Dechra Pharmaceuticals

Dechra is a FTSE 100 drug company focused on the veterinary market and has been a major beneficiary of pet ownership. We added to our holding as part of placing to fund two acquisitions.

BT

BT is the incumbent telecoms operator in the UK, owner of Openreach – the largest fixed line network in the UK and owner of mobile operator EE. We viewed the share price weakness as overdone and took the opportunity to add the company to the portfolio given its low valuation and a dividend yield of 6%.

St James' Place

A provider of financial advice and wealth management services. We acquired the shares in the secondary market at a time of severe market distress. The holding has already appreciated over 10% since the purchase.

**IFSL RC BROWN OEIC**  
**IFSL RC BROWN UK PRIMARY OPPORTUNITIES FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 31 January 2023

**Investment commentary (continued)**

Investment Outlook

Whilst there is plenty to be gloomy about – no end in sight to Russia's invasion of Ukraine, a recession looming, interest rates set to rise further, high inflation that may prove to be more persistent than first thought – these are nevertheless known knowns which we believe the market is digesting. Hence, assuming the economic outlook does not deteriorate significantly more than expectations, then we believe the market will see a pathway through, with the expectation that inflation has peaked, and will continue to fall, with interest rates peaking, we may see cuts later in the year. The more highly valued growth companies have suffered in 2022 and whilst more value orientated stocks may remain in favour, we will continue to invest in good quality companies with growth prospects which due to the market sell off offer attractive valuations. Those companies that offer sustainable and growing dividends will prove particularly valuable long term investments. We anticipate equity fundraisings to recover, albeit from a low base in 2022, though not to the frantic levels of 2020 and 2021. As the economic outlook becomes clearer, good quality companies will be emboldened and will see opportunities for expansion.

RC Brown Investment Management PLC

February 2023

**Distributions (pence per share)**

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>A Income (pence per share)</u>				
Income paid 31 March	4.0184	1.4761	0.6388	4.0552
Income paid 30 September		2.8294	1.6122	2.3343
<u>A Accumulation (pence per share)</u>				
Accumulation paid 31 March	5.8721	2.1084	0.9171	5.7221
Accumulation paid 30 September		4.1166	2.3039	3.3482
<u>P Income (pence per share)</u>				
Income paid 31 March	5.0789	3.3847	2.1193	5.6733
Income paid 30 September		4.5527	3.3865	3.7532
<u>P Accumulation (pence per share)</u>				
Accumulation paid 31 March	6.2343	4.0701	2.5309	6.6239
Accumulation paid 30 September		5.5402	4.1318	4.4395



**IFSL RC BROWN OEIC**  
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**AUTHORISED INVESTMENT MANAGER'S REPORT**  
for the year ended 31 January 2023

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
iShares Core FTSE 100 UCITS ETF GBP	642,823
Supermarket Income REIT	475,832
Bluefield Solar Income Fund	351,532
Duke Royalty	332,177
HICL Infrastructure	331,810
Digital 9 Infrastructure	325,600
FRP Advisory Group	295,051
Home REIT	292,541
Aviva	277,611
LXi REIT	268,435
Other purchases	3,902,379
Total purchases for the year	7,495,791
<u>Largest sales</u>	<u>Proceeds (£)</u>
Supermarket Income REIT	501,460
Kape Technologies	388,437
iShares Core FTSE 100 UCITS ETF GBP	379,444
Bluefield Solar Income Fund	362,465
HICL Infrastructure	344,954
Agronomics	342,334
Unilever	338,987
Shell	311,118
Home REIT	302,419
LXi REIT	278,504
Other sales	7,753,769
Total sales for the year	11,303,891

IFSL RC BROWN OEIC  
IFSL RC BROWN UK PRIMARY OPPORTUNITIES FUND

COMPARATIVE TABLE

<b><u>A Income shares</u></b>	<b>Year to 31.01.2023</b>	<b>Year to 31.01.2022</b>	<b>Year to 31.01.2021</b>
<b>Change in net assets per share</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	479.46	425.95	437.08
Return before operating charges*	(40.72)	64.61	(2.01)
Operating charges	(6.18)	(8.01)	(6.14)
Return after operating charges*	(46.90)	56.60	(8.15)
Distributions on income shares	(6.85)	(3.09)	(2.98)
Closing net asset value per share	425.71	479.46	425.95
* after direct transaction costs of:	0.47	0.87	0.71
<b>Performance</b>			
Return after charges <sup>A</sup>	(9.78)%	13.29%	(1.86)%
<b>Other information</b>			
Closing net asset value (£)	161,925	520,365	453,424
Closing number of shares	38,037 <sup>D</sup>	108,532	106,451
Operating charges	1.39% <sup>B C</sup>	1.64% <sup>B</sup>	1.62%
Direct transaction costs	0.11%	0.18%	0.19%
<b>Prices (pence per share)</b>			
Highest share price	489.97	513.47	450.28
Lowest share price	391.12	431.05	299.12
<b><u>A Accumulation shares</u></b>	<b>Year to 31.01.2023</b>	<b>Year to 31.01.2022</b>	<b>Year to 31.01.2021</b>
<b>Change in net assets per share</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	692.36	611.25	622.46
Return before operating charges*	(58.84)	92.61	(2.42)
Operating charges	(8.97)	(11.50)	(8.79)
Return after operating charges*	(67.81)	81.11	(11.21)
Distributions on accumulation shares	(9.99)	(4.41)	(4.27)
Retained distributions on accumulation shares	9.99	4.41	4.27
Closing net asset value per share	624.55	692.36	611.25
* after direct transaction costs of:	0.68	1.25	1.02
<b>Performance</b>			
Return after charges <sup>A</sup>	(9.79)%	13.27%	(1.80)%
<b>Other information</b>			
Closing net asset value (£)	331,983	1,806,958	1,633,438
Closing number of shares	53,155 <sup>D</sup>	260,985	267,229
Operating charges	1.39% <sup>B C</sup>	1.64% <sup>B</sup>	1.62%
Direct transaction costs	0.11%	0.18%	0.19%
<b>Prices (pence per share)</b>			
Highest share price	707.52	739.21	645.20
Lowest share price	568.46	618.21	426.41

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

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

<sup>C</sup> On 01 August 2022, the annual management charge for the class A shares was reduced from 1.50% to 1.25%.

<sup>D</sup> Effective from the 31 March 2023 Class A shares were converted into Class P shares. The annual management charge of Class A shares was 1.25% and Class P, 0.75%. Converting from Class A to Class P reduces the cost of investing.

IFSL RC BROWN OEIC  
IFSL RC BROWN UK PRIMARY OPPORTUNITIES FUND

COMPARATIVE TABLE

<b><u>P Income shares</u></b>	<b>Year to 31.01.2023</b>	<b>Year to 31.01.2022</b>	<b>Year to 31.01.2021</b>
<b>Change in net assets per share</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	480.04	426.46	437.47
Return before operating charges*	(40.32)	64.72	(1.80)
Operating charges	(3.88)	(4.37)	(3.34)
Return after operating charges*	(44.20)	60.35	(5.14)
Distributions on income shares	(9.63)	(6.77)	(5.87)
Closing net asset value per share	426.21	480.04	426.46
* after direct transaction costs of:	0.46	0.88	0.72
<b>Performance</b>			
Return after charges <sup>A</sup>	(9.21)%	14.15%	(1.17)%
<b>Other information</b>			
Closing net asset value (£)	3,871,682	4,333,803	3,431,778
Closing number of shares	908,395 <sup>C</sup>	902,797	804,719
Operating charges	0.89% <sup>B</sup>	0.89% <sup>B</sup>	0.87%
Direct transaction costs	0.11%	0.18%	0.19%
<b>Prices (pence per share)</b>			
Highest share price	490.63	515.85	452.28
Lowest share price	391.95	431.59	299.69
<b><u>P Accumulation shares</u></b>	<b>Year to 31.01.2023</b>	<b>Year to 31.01.2022</b>	<b>Year to 31.01.2021</b>
<b>Change in net assets per share</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	584.37	512.06	517.57
Return before operating charges*	(49.16)	77.58	(1.56)
Operating charges	(4.76)	(5.27)	(3.95)
Return after operating charges*	(53.92)	72.31	(5.51)
Distributions on accumulation shares	(11.77)	(8.20)	(6.97)
Retained distributions on accumulation shares	11.77	8.20	6.97
Closing net asset value per share	530.45	584.37	512.06
* after direct transaction costs of:	0.57	1.05	0.85
<b>Performance</b>			
Return after charges <sup>A</sup>	(9.23)%	14.12%	(1.06)%
<b>Other information</b>			
Closing net asset value (£)	15,861,002	19,789,065	13,680,842
Closing number of shares	2,990,083 <sup>C</sup>	3,386,407	2,671,751
Operating charges	0.89% <sup>B</sup>	0.89% <sup>B</sup>	0.87%
Direct transaction costs	0.11%	0.18%	0.19%
<b>Prices (pence per share)</b>			
Highest share price	597.20	623.56	540.38
Lowest share price	482.07	517.89	354.91

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

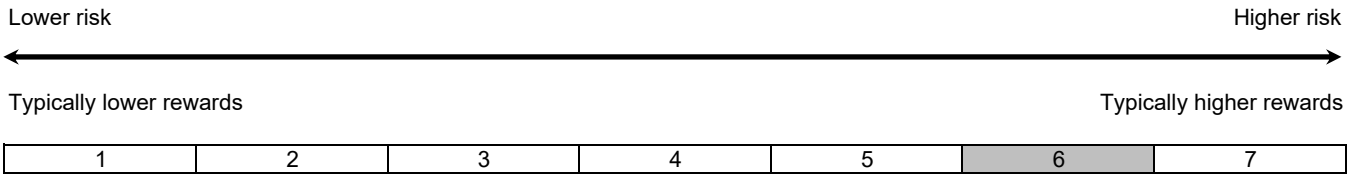
<sup>B</sup> From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

<sup>C</sup> Effective from the 31 March 2023 Class A shares were converted into Class P shares. The annual management charge of Class A shares was 1.25% and Class P, 0.75%. Converting from Class A to Class P reduces the cost of investing.

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

**IFSL RC BROWN OEIC**  
**IFSL RC BROWN UK PRIMARY OPPORTUNITIES FUND**

**SYNTHETIC RISK AND REWARD INDICATOR** (all share classes)



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

The sub-fund has been measured as 6 because its investments have experienced high volatility in the past. During the year the synthetic risk and reward indicator has changed from 5 to 6.

**IFSL RC BROWN OEIC**  
**IFSL RC BROWN UK PRIMARY OPPORTUNITIES FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>ALTERNATIVE ENERGY</b> (31 January 2022 - 0.55%)		
<b>AUTOMOBILES AND PARTS</b> (31 January 2022 - 0.83%)		
215,618 Saietta Group	103,497	0.51
Total Automobiles and Parts	<u>103,497</u>	<u>0.51</u>
<b>BANKS</b> (31 January 2022 - 6.93%)		
212,408 Barclays	391,468	1.94
149,372 HSBC Holdings	886,373	4.38
1,258,080 Lloyds Banking Group	657,473	3.25
128,486 NatWest Group	393,681	1.95
Total Banks	<u>2,328,995</u>	<u>11.52</u>
<b>BEVERAGES</b> (31 January 2022 - 2.84%)		
15,929 Diageo	556,719	2.75
Total Beverages	<u>556,719</u>	<u>2.75</u>
<b>CLOSED END INVESTMENTS</b> (31 January 2022 - 1.04%)		
150,000 Digital 9 Infrastructure	128,550	0.64
Total Closed End Investments	<u>128,550</u>	<u>0.64</u>
<b>CONSTRUCTION AND MATERIALS</b> (31 January 2022 - 3.21%)		
60,342 Lords Group Trading	48,274	0.24
80,218 Stelrad Group	88,240	0.44
Total Construction and Materials	<u>136,514</u>	<u>0.68</u>
<b>ELECTRONIC AND ELECTRICAL EQUIPMENT</b> (31 January 2022 - 0.93%)		
115,699 Strix Group	112,228	0.55
Total Electronic and Electrical Equipment	<u>112,228</u>	<u>0.55</u>
<b>FINANCE AND CREDIT SERVICES</b> (31 January 2022 - 1.51%)		
5,701 London Stock Exchange Group	421,304	2.08
Total Finance and Credit Services	<u>421,304</u>	<u>2.08</u>
<b>FOOD PRODUCERS</b> (31 January 2022 - 0.77%)		
<b>GAS, WATER AND MULTI-UTILITIES</b> (31 January 2022 - 1.58%)		
44,128 National Grid	452,753	2.24
Total Gas, Water and Multi-utilities	<u>452,753</u>	<u>2.24</u>
<b>GENERAL INDUSTRIALS</b> (31 January 2022 - 0.53%)		
155,697 Melrose Industries	223,814	1.11
Total General Industrials	<u>223,814</u>	<u>1.11</u>
<b>HEALTH CARE PROVIDERS</b> (31 January 2022 - 0.89%)		
<b>HOUSEHOLD GOODS AND HOME CONSTRUCTION</b> (31 January 2022 - 2.36%)		
<b>INDUSTRIAL METALS AND MINING</b> (31 January 2022 - 3.18%)		
9,837 Anglo American	334,556	1.65
9,890 Rio Tinto	613,971	3.04
Total Industrial Metals and Mining	<u>948,527</u>	<u>4.69</u>
<b>INDUSTRIAL SUPPORT SERVICES</b> (31 January 2022 - 7.35%)		
59,865 Elixirr International	299,325	1.48
16,004 Experian	469,077	2.32
140,424 FRP Advisory Group	207,828	1.03
43,979 Marlowe	219,015	1.08
178,493 Public Policy Holding Company	237,396	1.17
Total Industrial Support Services	<u>1,432,641</u>	<u>7.08</u>

**IFSL RC BROWN OEIC**  
**IFSL RC BROWN UK PRIMARY OPPORTUNITIES FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>INVESTMENT BANKING AND BROKERAGE SERVICES</b> (31 January 2022 - 5.02%)		
39,826 Bridgepoint Group	95,662	0.47
1,195,993 Duke Royalty	400,658	1.98
58,818 IntegraFin Holdings	185,277	0.92
25,000 JTC	178,750	0.88
130,012 M&G	262,754	1.30
21,838 St. James's Place	264,240	1.31
Total Investment Banking and Brokerage Services	<u>1,387,341</u>	<u>6.86</u>
<b>LEISURE GOODS</b> (31 January 2022 - 2.60%)		
<b>LIFE INSURANCE</b> (31 January 2022 - 1.04%)		
58,369 Aviva	265,170	1.31
101,057 Legal & General Group	255,775	1.26
29,263 Prudential	388,759	1.92
Total Life Insurance	<u>909,704</u>	<u>4.49</u>
<b>MEDIA</b> (31 January 2022 - 1.54%)		
18,048 RELX	430,084	2.13
Total Media	<u>430,084</u>	<u>2.13</u>
<b>MEDICAL EQUIPMENT AND SERVICES</b> (31 January 2022 - 0.93%)		
<b>OIL, GAS AND COAL</b> (31 January 2022 - 6.15%)		
128,167 BP	618,598	3.06
35,722 Shell	837,681	4.14
Total Oil, Gas and Coal	<u>1,456,279</u>	<u>7.20</u>
<b>PERSONAL CARE, DRUG AND GROCERY STORES</b> (31 January 2022 - 5.13%)		
6,533 Reckitt Benckiser Group	373,426	1.85
12,854 Unilever	523,094	2.59
Total Personal Care, Drug and Grocery Stores	<u>896,520</u>	<u>4.44</u>
<b>PERSONAL GOODS</b> (31 January 2022 - 2.85%)		
18,294 Watches of Switzerland Group	170,957	0.85
Total Personal Goods	<u>170,957</u>	<u>0.85</u>
<b>PHARMACEUTICALS AND BIOTECHNOLOGY</b> (31 January 2022 - 7.29%)		
7,269 AstraZeneca	768,479	3.80
11,389 Dechra Pharmaceuticals	324,359	1.60
21,312 GSK	302,502	1.50
54,740 Haleon	173,580	0.86
Total Pharmaceuticals and Biotechnology	<u>1,568,920</u>	<u>7.76</u>
<b>REAL ESTATE INVESTMENT TRUSTS</b> (31 January 2022 - 2.01%)		
131,289 LondonMetric Property	249,580	1.23
Total Real Estate Investment Trusts	<u>249,580</u>	<u>1.23</u>
<b>RETAILERS</b> (31 January 2022 - 3.72%)		
15,992 Dunelm Group	185,027	0.91
180,395 JD Sports Fashion	289,354	1.43
11,858 WHSmith	189,194	0.94
Total Retailers	<u>663,575</u>	<u>3.28</u>
<b>SOFTWARE AND COMPUTER SERVICES</b> (31 January 2022 - 10.22%)		
72,308 Big Technologies	180,770	0.89
52,050 Bytes Technology Group	200,601	0.99
88,742 Kape Technologies	214,756	1.06
Total Software and Computer Services	<u>596,127</u>	<u>2.94</u>

**IFSL RC BROWN OEIC**  
**IFSL RC BROWN UK PRIMARY OPPORTUNITIES FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>TELECOMMUNICATIONS SERVICE PROVIDERS</b> (31 January 2022 - 2.39%)		
162,896 BT Group	204,679	1.01
13,435 Gamma Communications	156,652	0.77
351,628 Vodafone Group	327,647	1.62
Total Telecommunications Service Providers	<u>688,978</u>	<u>3.40</u>
<b>TOBACCO</b> (31 January 2022 - 2.26%)		
18,902 British American Tobacco	582,560	2.88
Total Tobacco	<u>582,560</u>	<u>2.88</u>
<b>TRAVEL AND LEISURE</b> (31 January 2022 - 2.21%)		
59,301 Hollywood Bowl Group	153,886	0.76
9,373 Whitbread	285,502	1.41
Total Travel and Leisure	<u>439,388</u>	<u>2.17</u>
<b>EXCHANGE TRADED FUNDS</b> (31 January 2022 - 1.24%)		
42,633 iShares Core FTSE 100 UCITS ETF GBP	320,899	1.59
24,776 iShares FTSE 250 UCITS ETF GBP	459,644	2.27
6,747 Vanguard FTSE 250 UCITS ETF GBP	205,851	1.02
Total Exchange Traded Funds	<u>986,394</u>	<u>4.88</u>
<b>OVERSEAS SECURITIES</b> (31 January 2022 - 2.95%)		
16,146 BHP Group	449,101	2.22
Total Overseas Securities	<u>449,101</u>	<u>2.22</u>
<b>UNQUOTED SECURITIES</b> (31 January 2022 - Nil)		
1,200,000 Agronomics Warrants (£0.285) 11.05.23 <sup>A</sup>	-	-
1,493,916 Agronomics Warrants (£0.30) 08.12.23 <sup>A</sup>	-	-
81,059 Invinity Energy Systems Warrants (£2.25) 16.12.24 <sup>A</sup>	81	-
Total Unquoted Securities	<u>81</u>	<u>-</u>
<b>Portfolio of investments</b>	18,321,131	90.58
<b>Net other assets</b>	<u>1,905,461</u>	<u>9.42</u>
<b>Total net assets</b>	<u>20,226,592</u>	<u>100.00</u>

<sup>A</sup> All holdings of warrants have been valued at the exercise price less the price of the underlying ordinary shares.

**IFSL RC BROWN OEIC**  
**IFSL RC BROWN UK PRIMARY OPPORTUNITIES FUND**

**STATEMENT OF TOTAL RETURN**  
for the year ended 31 January 2023

	Notes	31 January 2023		31 January 2022	
		£	£	£	£
Income:					
Net capital (losses)/gains	2		(2,747,885)		2,670,466
Revenue	4	676,794		587,751	
Expenses	5	(198,479)		(241,942)	
Net revenue before taxation		<u>478,315</u>		<u>345,809</u>	
Taxation	6	(2,097)		(2,567)	
Net revenue after taxation			<u>476,218</u>		<u>343,242</u>
Total return before distributions			(2,271,667)		3,013,708
Distributions	7		(476,218)		(343,242)
Change in net assets attributable to shareholders from investment activities			<u>(2,747,885)</u>		<u>2,670,466</u>

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

	31 January 2023		31 January 2022	
	£	£	£	£
Opening net assets attributable to shareholders		26,450,191		19,924,756
Amounts receivable on issue of shares	850,943		6,257,560	
Amounts payable on cancellation of shares	(4,714,274)		(2,699,581)	
Amounts payable on share class conversions	(334)		(181)	
		<u>(3,863,665)</u>		<u>3,557,798</u>
Dilution adjustment		17,774		10,812
Change in net assets attributable to shareholders from investment activities		(2,747,885)		2,670,466
Retained distributions on accumulation shares		370,177		286,359
Closing net assets attributable to shareholders		<u>20,226,592</u>		<u>26,450,191</u>



**IFSL RC BROWN OEIC**  
**IFSL RC BROWN UK PRIMARY OPPORTUNITIES FUND**

**BALANCE SHEET**  
as at 31 January 2023

	Notes	31 January 2023 £	31 January 2022 £
<b>Assets:</b>			
<b>Fixed Assets:</b>			
Investments	15	18,321,131	24,875,867
<b>Current Assets:</b>			
Debtors	8	32,835	178,213
Cash and bank balances		1,993,941	1,481,543
Total assets		<u>20,347,907</u>	<u>26,535,623</u>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Distributions payable on income shares		47,665	32,160
Other creditors	9	73,650	53,272
Total liabilities		<u>121,315</u>	<u>85,432</u>
<b>Net assets attributable to shareholders</b>		<u><u>20,226,592</u></u>	<u><u>26,450,191</u></u>

**IFSL RC BROWN OEIC**  
**IFSL RC BROWN UK PRIMARY OPPORTUNITIES FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2023

**1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES**

Please refer to the notes applicable to the Company on pages 10 to 12.

**2 NET CAPITAL (LOSSES)/GAINS**

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

	31 January 2023 £	31 January 2022 £
Non-derivative securities (losses)/gains	(2,746,633)	2,674,169
Other currency gains	82	-
Transaction charges	(1,334)	(3,703)
<b>Net capital (losses)/gains</b>	<b>(2,747,885)</b>	<b>2,670,466</b>

**3 PURCHASES, SALES AND TRANSACTION COSTS**

(All purchases and sales are in the equity asset class)

	31 January 2023 £	31 January 2022 £
Purchases excluding transaction costs	3,807,045	8,207,925
Corporate actions	3,674,043	16,143,565
	7,481,088	24,351,490
Commissions	1,724	5,364
Taxes and other charges	12,979	24,644
Total purchase transaction costs	14,703	30,008
<b>Purchases including transaction costs</b>	<b>7,495,791</b>	<b>24,381,498</b>

Purchase transaction costs expressed as a percentage of the principal amount:

Commissions	0.05%	0.07%
Taxes and other charges	0.34%	0.30%

Sales excluding transaction costs	11,312,305	21,579,350
Corporate actions	3	15,470
	11,312,308	21,594,820
Commissions	(8,286)	(17,417)
Taxes and other charges	(131)	(199)
Total sale transaction costs	(8,417)	(17,616)
<b>Sales net of transaction costs</b>	<b>11,303,891</b>	<b>21,577,204</b>

Sale transaction costs expressed as a percentage of the principal amount:

Commissions	0.07%	0.08%
Taxes and other charges	0.00%	0.00%

Total purchases and sales transaction costs expressed as a percentage of the average net asset value over the year:

Commissions	0.05%	0.09%
Taxes and other charges	0.06%	0.09%
	0.11%	0.18%

**Transaction handling charges**

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

	£1,334	£3,703
--	--------	--------

**Average portfolio dealing spread**

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

Average portfolio dealing spread at the balance sheet date	0.45%	1.49%
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**4 REVENUE**

	31 January 2023 £	31 January 2022 £
UK dividends	540,204	551,057
UK dividends (unfranked)	10,175	2,727
Overseas dividends	116,811	33,854
Underwriting commission	-	110
Bank interest	9,604	3
<b>Total revenue</b>	<b>676,794</b>	<b>587,751</b>

**IFSL RC BROWN OEIC**  
**IFSL RC BROWN UK PRIMARY OPPORTUNITIES FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2023

**5 EXPENSES**

	<b>31 January 2023</b>	<b>31 January 2022</b>
	£	£
Payable to the ACD or associate:		
ACD's periodic charge	173,845	216,001
Registration fees	2,334	2,429
	<u>176,179</u>	<u>218,430</u>
Other expenses:		
Depository's fees	7,527	9,478
Safe custody fees	1,137	1,349
Financial Conduct Authority fee	(5)	124
FTSE license fee	5,201	5,201
Audit fee	8,440	7,360
	<u>22,300</u>	<u>23,512</u>
<b>Total expenses</b>	<u><u>198,479</u></u>	<u><u>241,942</u></u>

**6 TAXATION**

	<b>31 January 2023</b>	<b>31 January 2022</b>
	£	£
a Analysis of the tax charge for the year		
Overseas tax	2,097	2,567
<b>Total tax charge</b> (see note 6(b))	<u><u>2,097</u></u>	<u><u>2,567</u></u>

b Factors affecting the tax charge for the year

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

Net revenue before taxation	478,315	345,809
Corporation tax at 20% (2022: 20%)	95,663	69,162
Effects of:		
Revenue not subject to taxation	(131,403)	(116,982)
Unrelieved excess management expenses	35,740	47,820
Overseas tax	2,097	2,567
<b>Total tax charge</b> (see note 6(a))	<u><u>2,097</u></u>	<u><u>2,567</u></u>

At 31 January 2023 the sub-fund has deferred tax assets of £964,268 (2022: £928,528) arising from surplus management expenses, which have not been recognised due to uncertainty over the availability of future taxable profits.

**7 DISTRIBUTIONS**

	<b>31 January 2023</b>	<b>31 January 2022</b>
	£	£
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim	222,758	174,307
Final	237,198	175,496
Amounts deducted on cancellation of shares	22,347	15,291
Amounts added on issue of shares	(5,748)	(21,670)
Equalisation on conversions	(333)	(181)
Revenue brought forward	(4)	(1)
<b>Distributions</b>	<u><u>476,218</u></u>	<u><u>343,242</u></u>

**8 DEBTORS**

	<b>31 January 2023</b>	<b>31 January 2022</b>
	£	£
Amounts receivable for issue of shares	194	155,766
Accrued income	30,674	21,634
Taxation recoverable	1,967	813
<b>Total debtors</b>	<u><u>32,835</u></u>	<u><u>178,213</u></u>

**IFSL RC BROWN OEIC**  
**IFSL RC BROWN UK PRIMARY OPPORTUNITIES FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2023

**9 OTHER CREDITORS**

	<b>31 January 2023</b>	<b>31 January 2022</b>
	£	£
Amounts payable for cancellation of shares	47,691	1,153
ACD's periodic charge and registration fees	13,331	38,527
Accrued expenses	12,628	13,592
<b>Total other creditors</b>	<u>73,650</u>	<u>53,272</u>

**10 CONTINGENT ASSETS AND LIABILITIES**

There were no contingent assets or liabilities as at 31 January 2023 (2022: nil).

**11 RELATED PARTIES**

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

	<b>31 January 2023</b>	<b>31 January 2022</b>
	£	£
Investment Fund Services Limited	60,828	(116,086)

**12 SHARE CLASSES**

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

A Income	1.25%
A Accumulation	1.25%
P Income	0.75%
P Accumulation	0.75%

On 01 August 2022, the annual management charge for the class A shares was reduced from 1.50% to 1.25%.

**13 SHAREHOLDERS' FUNDS RECONCILIATION**

During the year the ACD has issued, cancelled and converted shares from one share class to another as set out below:

	<u>A Income</u>	<u>A Accumulation</u>
Opening shares in issue at 1 February 2022	108,532	260,985
Share issues	177	5,168
Share cancellations	(41,436)	(15,950)
Share conversions	(29,236)	(197,048)
Closing shares in issue at 31 January 2023	<u>38,037</u>	<u>53,155</u>
	<u>P Income</u>	<u>P Accumulation</u>
Opening shares in issue at 1 February 2022	902,797	3,386,407
Share issues	16,156	139,775
Share cancellations	(39,743)	(768,656)
Share conversions	29,185	232,557
Closing shares in issue at 31 January 2023	<u>908,395</u>	<u>2,990,083</u>

**IFSL RC BROWN OEIC**  
**IFSL RC BROWN UK PRIMARY OPPORTUNITIES FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2023

**14 RISK DISCLOSURES**

**Market price risk sensitivity**

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £916,057 (2022: £1,243,793). A five per cent decrease would have an equal and opposite effect.

**Foreign currency risk**

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.

Foreign currency exposure at 31 January 2023:

	Investments £	Net current assets £	Total £
Euro	-	14,796	14,796
US dollar	-	2,207	2,207
	-	17,003	17,003

Foreign currency exposure at 31 January 2022:

	Investments £	Net current assets £	Total £
Euro	-	9,862	9,862
US dollar	196,505	1,543	198,048
Australian dollar	584,690	-	584,690
	781,195	11,405	792,600

**Foreign currency risk sensitivity**

A five per cent decrease in the value of sterling relative to the foreign currencies above would have the effect of increasing the return and net assets by £850 (2022: £39,630). A five per cent increase would have an equal and opposite effect.

**Interest rate risk**

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

	31 January 2023 £	31 January 2022 £
Financial assets floating rate	1,993,941	1,481,543
Financial assets non-interest bearing instruments	18,353,966	25,054,080
Financial liabilities non-interest bearing instruments	(121,315)	(85,432)
	20,226,592	26,450,191

As most of the sub-fund's financial assets are non-interest bearing, an interest rate sensitivity analysis has not been included.

**Liquidity risk**

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

	31 January 2023 £	31 January 2022 £
Within one year:		
Distribution payable on income shares	47,665	32,160
Other creditors	73,650	53,272
	121,315	85,432

**IFSL RC BROWN OEIC**  
**IFSL RC BROWN UK PRIMARY OPPORTUNITIES FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2023

**15 FAIR VALUE HIERARCHY FOR INVESTMENTS**

Basis of valuation	31 January 2023		31 January 2022	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	18,321,131	-	24,875,867	-
Level 2 - Observable market data	-	-	-	-
Level 3 - Unobservable data	-	-	-	-
	<u>18,321,131</u>	<u>-</u>	<u>24,875,867</u>	<u>-</u>

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

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

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

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

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

Level 3 - Valuation techniques using unobservable inputs.

**16 POST BALANCE SHEET EVENTS**

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

	Net Asset Value per share (pence)		
	31 January 2023 <sup>A</sup>	24 April 2023	Movement (%)
A Income <sup>B</sup>	430.59	416.11	-3.36%
A Accumulation <sup>B</sup>	652.84	610.45	-6.49%
P Income	432.16	430.69	-0.34%
P Accumulation	531.52	535.97	0.84%

<sup>A</sup> These Net Asset Values differ from those in the Comparative Table as they are the quoted Net Asset Values.

<sup>B</sup> Effective from the 31 March 2023 Class A shares were converted into Class P shares. The annual management charge of Class A shares was 1.25% and Class P, 0.75%. Converting from Class A to Class P reduces the cost of investing.

**IFSL RC BROWN OEIC**  
**IFSL RC BROWN UK PRIMARY OPPORTUNITIES FUND**

**DISTRIBUTION TABLE**

**Interim distribution for the period from 1 February 2022 to 31 July 2022**

Group 1: shares purchased prior to 1 February 2022

Group 2: shares purchased on or after 1 February 2022

		Net revenue 31 July 2022	Equalisation 31 July 2022	Distribution paid 30 September 2022	Distribution paid 30 September 2021
		pence per share	pence per share	pence per share	pence per share
A Income	Group 1	2.8294p	-	2.8294p	1.6122p
	Group 2	0.6173p	2.2121p	2.8294p	1.6122p
A Accumulation	Group 1	4.1166p	-	4.1166p	2.3039p
	Group 2	0.8485p	3.2681p	4.1166p	2.3039p
P Income	Group 1	4.5527p	-	4.5527p	3.3865p
	Group 2	3.3973p	1.1554p	4.5527p	3.3865p
P Accumulation	Group 1	5.5402p	-	5.5402p	4.1318p
	Group 2	2.2811p	3.2591p	5.5402p	4.1318p

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

Group 1: shares purchased prior to 1 August 2022

Group 2: shares purchased on or after 1 August 2022

		Net revenue 31 January 2023	Equalisation 31 January 2023	Distribution paid 31 March 2023	Distribution paid 31 March 2022
		pence per share	pence per share	pence per share	pence per share
A Income	Group 1	4.0184p	-	4.0184p	1.4761p
	Group 2	0.5181p	3.5003p	4.0184p	1.4761p
A Accumulation	Group 1	5.8721p	-	5.8721p	2.1084p
	Group 2	2.4662p	3.4059p	5.8721p	2.1084p
P Income	Group 1	5.0789p	-	5.0789p	3.3847p
	Group 2	1.1638p	3.9151p	5.0789p	3.3847p
P Accumulation	Group 1	6.2343p	-	6.2343p	4.0701p
	Group 2	2.1305p	4.1038p	6.2343p	4.0701p

**IFSL RC BROWN OEIC**  
**IFSL MEON ADAPTIVE GROWTH FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the period from 4 April 2022 to 31 January 2023

**Performance to 31 January 2023**

The sub-fund was launched on 4 April 2022, and first valued on 27 April 2022. As the sub-fund has been in existence for less than one complete year, there is insufficient data to provide a useful indication of past performance.

**Investment commentary**

The Fund continues to produce performance that is broadly in line with its IA Global sector benchmark. In accordance with the Meon Capital investment process, marginally favourable global equity market conditions during the period have resulted in lower levels of cash holdings being held, as the portfolio has been largely fully invested in equity positions. Exposure within European markets has increased, and US exposure slightly reduced. Overall, market volatility has decreased during the period.

We maintain that the path ahead for equity markets remain unclear and we are steadfast in our belief that “sticking to the knitting” will provide our investors with the right outcome. Moves higher within the technology sector (where we currently maintain an underweight position) throughout January were observed from the sidelines, but ignoring short-term noise in the past has served the Fund well and we continue with this assertion. In line with our process, compounding returns by concentrating upon key fundamental values and strength of trend remain the order of the day. Conflicting and at times difficult to read global economic data, paints an unpredictable picture for the months ahead, so it's not a time for heroics, discipline remains key.

RC Brown Investment Management PLC

February 2023

**Distributions**

	<u>Year 2023</u>	<u>Year 2022</u>
<u>P Income (pence per share)</u>		
Net Income paid 31 March	0.1211	n/a
Net income paid 30 September		0.3743
<u>P Accumulation (pence per share)</u>		
Net Accumulation paid 31 March	0.1208	n/a
Net accumulation paid 30 September		0.3747



**IFSL RC BROWN OEIC**  
**IFSL MEON ADAPTIVE GROWTH FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**  
for the period from 4 April 2022 to 31 January 2023

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
Wolters Kluwer	1,425,915
JPM Global Research Enhanced Index Equity UCITS ETF USD	821,773
iShares MSCI Target UK Real Estate UCITS ETF GBP	801,388
Procter & Gamble	735,022
Roche Holding	720,400
Xtrackers Physical Gold GBP Hedged ETC	719,929
Jerónimo Martins	715,653
Air Liquide	702,304
Novo Nordisk 'B'	694,527
Bristol Myers Squibb	679,122
Other purchases	26,984,480
Total purchases for the period	35,000,513
<u>Largest sales</u>	<u>Proceeds (£)</u>
Novo Nordisk 'B'	919,315
Deutsche Telekom	789,657
JPM Global Research Enhanced Index Equity UCITS ETF USD	776,156
Wolters Kluwer	742,600
iShares MSCI Target UK Real Estate UCITS ETF GBP	713,256
Procter & Gamble	699,475
Xtrackers Physical Gold GBP Hedged ETC	653,366
Air Liquide	620,985
Roche Holding	608,823
Arthur J. Gallagher & Co	581,778
Other sales	9,109,386
Total sales for the period	16,214,797

**IFSL RC BROWN OEIC  
IFSL MEON ADAPTIVE GROWTH FUND**

**COMPARATIVE TABLE**

<b><u>P Income shares</u></b>	<b>Period to 31.01.2023</b>
<b>Change in net assets per share</b>	<b>pence</b>
Opening net asset value per share	100.00 <sup>A</sup>
Return before operating charges*	(5.66)
Operating charges	(0.64)
Return after operating charges*	(6.30)
Distributions on income shares	(0.50)
Closing net asset value per share	93.21
* after direct transaction costs of:	0.19
<b>Performance</b>	
Return after charges <sup>B</sup>	(6.30)%
<b>Other information</b>	
Closing net asset value (£)	4,279,104
Closing number of shares	4,591,014
Operating charges	0.87% <sup>C</sup>
Direct transaction costs	0.26% <sup>C</sup>
<b>Prices (pence per share)</b>	
Highest share price	100.00
Lowest share price	88.97
<b><u>P Accumulation shares</u></b>	<b>Period to 31.01.2023</b>
<b>Change in net assets per share</b>	<b>pence</b>
Opening net asset value per share	100.00 <sup>A</sup>
Return before operating charges*	(5.71)
Operating charges	(0.64)
Return after operating charges*	(6.35)
Distributions on accumulation shares	(0.50)
Retained distributions on accumulation shares	0.50
Closing net asset value per share	93.65
* after direct transaction costs of:	0.19
<b>Performance</b>	
Return after charges <sup>B</sup>	(6.35)%
<b>Other information</b>	
Closing net asset value (£)	13,639,176
Closing number of shares	14,563,999
Operating charges	0.87% <sup>C</sup>
Direct transaction costs	0.26% <sup>C</sup>
<b>Prices (pence per share)</b>	
Highest share price	100.00
Lowest share price	88.93

<sup>A</sup> Opening net asset value per share on 26 April 2022.

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

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

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

**IFSL RC BROWN OEIC**  
**IFSL MEON ADAPTIVE GROWTH FUND**

**SYNTHETIC RISK AND REWARD INDICATOR** (all share classes)



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

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

**IFSL RC BROWN OEIC**  
**IFSL MEON ADAPTIVE GROWTH FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>EQUITIES</b>		
<b>BELGIUM</b>		
2,884 D'leteren Group	434,094	2.42
4,189 Elia Group	476,573	2.66
Total Belgium	<u>910,667</u>	<u>5.08</u>
<b>FINLAND</b>		
16,772 Orion 'B'	722,841	4.03
Total Finland	<u>722,841</u>	<u>4.03</u>
<b>FRANCE</b>		
3,460 Dassault Aviation	473,337	2.64
Total France	<u>473,337</u>	<u>2.64</u>
<b>GERMANY</b>		
8,682 K+S	166,098	0.93
3,598 Krones	335,630	1.87
2,392 Rheinmetall	447,315	2.50
Total Germany	<u>949,043</u>	<u>5.30</u>
<b>NETHERLANDS</b>		
8,952 Wolters Kluwer	781,230	4.36
Total Netherlands	<u>781,230</u>	<u>4.36</u>
<b>NORWAY</b>		
16,175 Equinor	390,721	2.18
17,585 Kongsberg Gruppen	560,602	3.13
Total Norway	<u>951,323</u>	<u>5.31</u>
<b>PORTUGAL</b>		
37,662 Jerónimo Martins	662,906	3.70
Total Portugal	<u>662,906</u>	<u>3.70</u>
<b>SPAIN</b>		
22,875 Naturgy Energy Group	518,074	2.89
Total Spain	<u>518,074</u>	<u>2.89</u>
<b>UNITED KINGDOM</b>		
72,000 BAE Systems	616,320	3.44
18,898 Bunzl	560,893	3.13
55,256 Drax Group	354,191	1.98
1,094 Telecom Plus	21,935	0.12
Total United Kingdom	<u>1,553,339</u>	<u>8.67</u>
<b>UNITED STATES</b>		
8,255 Archer-Daniels-Midland Company	550,891	3.08
11,055 Bristol Myers Squibb	645,989	3.61
4,886 CF Industries Holdings	327,649	1.83
5,140 Devon Energy	260,023	1.45
2,235 Diamondback Energy	263,558	1.47
2,626 Dollar General	496,245	2.77
1,745 Eli Lilly and Company	482,172	2.69
1,705 Gartner	461,007	2.57
3,245 General Dynamics	600,555	3.35
3,375 Johnson & Johnson	443,583	2.48
1,598 Lockheed Martin	597,192	3.33
1,340 Northrop Grumman	477,671	2.67

**IFSL RC BROWN OEIC**  
**IFSL MEON ADAPTIVE GROWTH FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>UNITED STATES (continued)</b>		
4,292 PepsiCo	590,294	3.30
6,196 Progressive	680,781	3.80
5,415 Republic Services	545,366	3.04
3,532 The Hershey Company	639,772	3.57
1,148 UnitedHealth Group	452,522	2.53
7,939 W R Berkley	449,415	2.51
1,087 W W Grainger	507,402	2.83
4,550 Waste Management	565,308	3.15
Total United States	10,037,395	56.03
Total Equities	17,560,155	98.01
<b>EXCHANGE TRADED FUNDS</b>		
39,016 iShares S&P 500 Consumer Staples Sector UCITS ETF USD	242,680	1.35
Total Exchange Traded Funds	242,680	1.35
<b>Portfolio of investments</b>	17,802,835	99.36
<b>Net other assets</b>	115,445	0.64
<b>Total net assets</b>	17,918,280	100.00

**IFSL RC BROWN OEIC**  
**IFSL MEON ADAPTIVE GROWTH FUND**

**STATEMENT OF TOTAL RETURN**

for the period from 4 April 2022 to 31 January 2023

	Notes	31 January 2023	
		£	£
Income:			
Net capital losses	2		(1,068,234)
Revenue	4	216,548	
Expenses	5	<u>(110,309)</u>	
Net revenue before taxation		106,239	
Taxation	6	<u>(30,593)</u>	
Net revenue after taxation			<u>75,646</u>
Total return before distributions			(992,588)
Distributions	7		(75,646)
Change in net assets attributable to shareholders from investment activities			<u><u>(1,068,234)</u></u>

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

for the period from 4 April 2022 to 31 January 2023

	31 January 2023	
	£	£
Opening net assets attributable to shareholders		-
Amounts receivable on issue of shares	19,300,624	
Amounts payable on cancellation of shares	(386,210)	
Compensation to fund	<u>135</u>	
		18,914,549
Dilution adjustment		3,047
Change in net assets attributable to shareholders from investment activities		(1,068,234)
Retained distributions on accumulation shares		68,918
Closing net assets attributable to shareholders		<u><u>17,918,280</u></u>

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

**IFSL RC BROWN OEIC  
IFSL MEON ADAPTIVE GROWTH FUND**

**BALANCE SHEET**  
as at 31 January 2023

	Notes	31 January 2023 £
<b>Assets:</b>		
<b>Fixed Assets:</b>		
Investments	15	17,802,835
<b>Current Assets:</b>		
Debtors	8	11,844
Cash and bank balances		156,565
Total assets		<u>17,971,244</u>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distributions payable on income shares		5,560
Other creditors	9	47,404
Total liabilities		<u>52,964</u>
<b>Net assets attributable to shareholders</b>		<u><u>17,918,280</u></u>

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

**IFSL RC BROWN OEIC**  
**IFSL MEON ADAPTIVE GROWTH FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the period from 4 April 2022 to 31 January 2023

**1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES**

Please refer to the notes applicable to the Company on pages 10 to 12.

**2 NET CAPITAL LOSSES**

**31 January 2023**  
£

The net losses on investments during the period comprise:

Non-derivative securities losses	(983,697)
Other currency losses	(83,670)
Transaction charges	(867)
<b>Net capital losses</b>	<b>(1,068,234)</b>

**3 PURCHASES, SALES AND TRANSACTION COSTS**

(All purchases and sales are in the equity asset class)

**31 January 2023**  
£

Purchases excluding transaction costs	34,973,508
Corporate actions	-
	<u>34,973,508</u>
Commissions	12,144
Taxes and other charges	14,861
Total purchase transaction costs	<u>27,005</u>
<b>Purchases including transaction costs</b>	<b><u>35,000,513</u></b>

Purchase transaction costs expressed as a percentage of the principal amount:

Commissions	0.03%
Taxes and other charges	0.04%

Sales excluding transaction costs	16,220,071
Corporate actions	-
	<u>16,220,071</u>
Commissions	(5,210)
Taxes and other charges	(64)
Total sale transaction costs	<u>(5,274)</u>
<b>Sales net of transaction costs</b>	<b><u>16,214,797</u></b>

Sale transaction costs expressed as a percentage of the principal amount:

Commissions	0.03%
Taxes and other charges	0.00%

Total purchases and sales transaction costs expressed as a percentage of the average net asset value over the period:

Commissions	0.11%
Taxes and other charges	0.09%
	<u>0.20%</u>

**Transaction handling charges**

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

£867

**Average portfolio dealing spread**

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

Average portfolio dealing spread at the balance sheet date

0.05%

**4 REVENUE**

**31 January 2023**  
£

UK dividends	15,742
Overseas dividends	194,143
Bank interest	6,663
<b>Total revenue</b>	<b><u>216,548</u></b>



**IFSL RC BROWN OEIC**  
**IFSL MEON ADAPTIVE GROWTH FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the period from 4 April 2022 to 31 January 2023

**5 EXPENSES**

**31 January 2023**

£

Payable to the ACD or associate:	
ACD's periodic charge	95,044
Registration fees	343
KIID Fees	653
	<u>96,040</u>
Other expenses:	
Depositary's fees	4,562
Safe custody fees	641
Financial Conduct Authority fee	64
Bank debit interest	1,053
Audit fee	7,949
	<u>14,269</u>
<b>Total expenses</b>	<u><u>110,309</u></u>

**6 TAXATION**

**31 January 2023**

£

a Analysis of the tax charge for the period	
Overseas tax	30,593
<b>Total tax charge</b> (see note 6(b))	<u><u>30,593</u></u>

b Factors affecting the tax charge for the period

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

Net revenue before taxation	106,239
Corporation tax at 20%	<u>21,248</u>
Effects of:	
Revenue not subject to taxation	(41,977)
Unrelieved excess management expenses	20,729
Overseas tax	30,593
<b>Total tax charge</b> (see note 6(a))	<u><u>30,593</u></u>

**7 DISTRIBUTIONS**

**31 January 2023**

£

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

Interim	63,153
Final	23,165
Amounts deducted on cancellation of shares	323
Amounts added on issue of shares	<u>(10,995)</u>
<b>Distributions</b>	<u><u>75,646</u></u>

**8 DEBTORS**

**31 January 2023**

£

Accrued income	6,981
Taxation recoverable	4,863
<b>Total debtors</b>	<u><u>11,844</u></u>

**IFSL RC BROWN OEIC**  
**IFSL MEON ADAPTIVE GROWTH FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the period from 4 April 2022 to 31 January 2023

**9 OTHER CREDITORS**

**31 January 2023**  
**£**

Amounts payable for cancellation of shares	24,980
ACD's periodic charge and registration fees	12,226
Accrued expenses	9,833
Currency payable	365
<b>Total other creditors</b>	<b>47,404</b>

**10 CONTINGENT ASSETS AND LIABILITIES**

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

**11 RELATED PARTIES**

The ACD is involved in all transactions in the shares of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to shareholders and note 7. Amounts due to/from the ACD in respect of share transactions at the period end are disclosed in notes 8 and 9. Amounts paid to the ACD in respect of the ACD's periodic charge and registration fees are disclosed in note 5. Amounts due to the ACD at the period end are as follows:

**31 January 2023**  
**£**

Investment Fund Services Limited	37,206
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**12 SHARE CLASSES**

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

P Income	0.75%
P Accumulation	0.75%

**13 SHAREHOLDERS' FUNDS RECONCILIATION**

During the period the ACD has issued, cancelled and converted shares from one share class to another as set out below:

	P Income	P Accumulation
Opening shares in issue at 4 April 2022	-	-
Share issues	4,730,977	14,823,837
Share cancellations	(139,963)	(259,838)
Closing shares in issue at 31 January 2023	4,591,014	14,563,999

**IFSL RC BROWN OEIC**  
**IFSL MEON ADAPTIVE GROWTH FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the period from 4 April 2022 to 31 January 2023

**14 RISK DISCLOSURES**

**Market price risk sensitivity**

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £890,142. A five per cent decrease would have an equal and opposite effect.

**Foreign currency risk**

At the period end date a portion of the net assets of the sub-fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements.

Foreign currency exposure at 31 January 2023:

	Investments £	Net current assets £	Total £
Euro	5,018,100	1,121	5,019,221
US dollar	10,037,394	7,328	10,044,722
Danish Krone	-	480	480
Norwegian Krone	951,323	-	951,323
Swiss Franc	-	3,099	3,099
	<u>16,006,817</u>	<u>12,028</u>	<u>16,018,845</u>

**Foreign currency risk sensitivity**

A five per cent decrease in the value of sterling relative to the foreign currencies above would have the effect of increasing the return and net assets by £800,942. A five per cent increase would have an equal and opposite effect.

**Interest rate risk**

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

	<b>31 January 2023</b> £
Financial assets floating rate	156,565
Financial assets non-interest bearing instruments	17,814,679
Financial liabilities non-interest bearing instruments	(52,964)
	<u>17,918,280</u>

As most of the sub-fund's financial assets are non-interest bearing, an interest rate sensitivity analysis has not been included.

**Liquidity risk**

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

	<b>31 January 2023</b> £
Within one year:	
Distribution payable on income shares	5,560
Other creditors	47,404
	<u>52,964</u>

**IFSL RC BROWN OEIC**  
**IFSL MEON ADAPTIVE GROWTH FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the period from 4 April 2022 to 31 January 2023

**15 FAIR VALUE HIERARCHY FOR INVESTMENTS**

Basis of valuation	31 January 2023	
	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	17,802,835	-
Level 2 - Observable market data	-	-
Level 3 - Unobservable data	-	-
	<u>17,802,835</u>	<u>-</u>

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

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

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

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

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

Level 3 - Valuation techniques using unobservable inputs.

**16 POST BALANCE SHEET EVENTS**

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

	Net Asset Value per share (pence)		
	31 January 2023 <sup>A</sup>	24 April 2023	Movement (%)
P Income	93.35	97.49	4.43%
P Accumulation	93.67	97.96	4.58%

<sup>A</sup> These Net Asset Values differ from those in the Comparative Table as they are the quoted Net Asset Values.

**IFSL RC BROWN OEIC  
IFSL MEON ADAPTIVE GROWTH FUND**

**DISTRIBUTION TABLE**

**Interim distribution for the period from 4 April 2022 to 31 July 2022**

Group 1: shares purchased prior to 26 April 2022

Group 2: shares purchased on or after 26 April 2022

		Net revenue 31 July 2022	Equalisation 31 July 2022	Distribution paid 30 September 2022
P Income	Group 1	pence per share	pence per share	pence per share
		0.3743p	-	0.3743p
	Group 2	0.0519p	0.3224p	0.3743p
P Accumulation	Group 1	pence per share	pence per share	pence per share
		0.3747p	-	0.3747p
	Group 2	0.1106p	0.2641p	0.3747p

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

Group 1: shares purchased prior to 1 August 2022

Group 2: shares purchased on or after 1 August 2022

		Net revenue 31 January 2023	Equalisation 31 January 2023	Distribution paid 31 March 2023
P Income	Group 1	pence per share	pence per share	pence per share
		0.1211p	-	0.1211p
	Group 2	0.0545p	0.0666p	0.1211p
P Accumulation	Group 1	pence per share	pence per share	pence per share
		0.1208p	-	0.1208p
	Group 2	0.0528p	0.0680p	0.1208p

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