

# CERNO *Select* (Dublin)

Cerno Investment Funds ICAV (Class A)

APRIL 2024

## Monthly Report

The Fund rose by 0.5% in April.

Global equity indices declined with the principal driver being a 4% pull-back in the US indices as a little froth was taken out of the cohort of companies that correlate with progress in Artificial Intelligence applications. Developed economy Bond markets continue to wrestle with the job of pricing debt against a backdrop of economic data which does not indicate significant weakness which contrasts with a general clamour for lower rates. Developed market bond yields rose over the month which can act as a headwind for long term growth stocks.

The contribution of equity investments to the fund return was marginally positive; Global Leader holdings and Japan equities gave up some ground, the latter principally a currency effect as the Yen weakened by 4%. This was offset by our targeted allocations to pockets of opportunity, in particular UK equities where large and small cap stocks performed well and also to Global Value opportunities which are captured by the holdings in the Lansdowne Developed Markets Fund and the Schroder Global Recovery Fund.

The allocation to alternative assets was the most helpful in the month. Gold has performed strongly in 2024 and the allocation was tempered to 8% during the month. Within the group of alternative assets that generate income, the Hipgnosis Songs Fund was subject to a recommended takeover bid at a price higher than our target resulting in a sharp move up in share price. The holding has been sold.

During the month we have removed exposure to Chinese listed companies via the sale of the Matthews China Smaller Companies Fund, the MSCI Hong Kong ETF and two changes within the list of Global Leader holdings. This is a prudential measure as we believe the risk of mass migration of foreign portfolio assets out of China to be too high for comfort and have therefore reduced the risk to your capital presented by this possibility as far as practicable. Chinese equities carry a 23.5% weighting in the MSCI Emerging Markets Index. The Fund's allocation to the opportunity presented by emerging markets is taken via an Exchange Traded Fund which excludes Chinese stocks.

### Fund Data

NAV/Share (Class A Acc)	£10.15
Fund Size (£mn)	26.5
Currency Share Class	GBP (Base)
Investment Management Charge	1.00%
Ongoing Charges Figure	1.52%*
Dealing Frequency	Daily
Legal Structure	OEIC (UCITS)
Co-Managers	Fergus Shaw & Michael Flitton
Inception Date Fund	2009

\*OCF includes the Investment Management Charge and is calculated annually on figures to the 31st December

Within the Global Leader holdings, LVMH and Techtronics have been sold while SK Hynix, S&P Global and Diageo have been introduced to the portfolio. Both sales are captured in the removal of Chinese exposure and also a reassessment of the competitive landscape for handheld power-tools in the case of Techtronic and evolution in our assessment of aspirational demand for LVMH. The new holdings cover a broad range of product:- SK Hynix is a leading producer of semi-conductors with specific exposure to AI driven demand streams. S&P Global is the world's leading diversified information services business. S&P Global provides mission critical data, research and analytics to the financial, commodity and automotive industries. The company has built a strong competitive position over decades through continuous portfolio management with a comprehensive product suite. This has resulted in a highly profitable business model that is geared into multiple growth opportunities. Diageo is the global leader in the alcoholic beverage industry. The company has leadership across a range of categories including Whiskey, Vodka, Rum and Gin and also maintains its leadership in Stout Beer through Guinness. We have been watching this company de-rate and it has now reached a level at which we are comfortable investing.

Away from equities, exposure to commodity markets has been introduced via a holding in the Pimco Commodities Real Return Fund. This holding provides diverse commodity exposure with additional performance targeted through consistently applied trading strategies. The outlook for commodity markets is currently attractive given the demand created by trends such as electrification and infrastructure build, meanwhile, commodity producers have shown discipline in bringing on supply.

Macro-economic commentators have no shortage of material to work with and digital dissemination can result in a very noisy environment for long term investors, our objective is to cut through much of this and ensure the portfolio is adequately exposed to a broad spread of assets which will deliver long term growth in value.



**FERGUS SHAW**

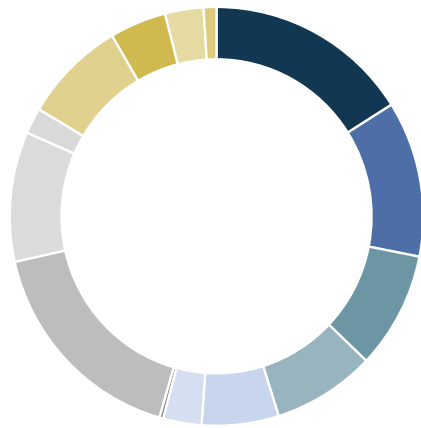


**MICHAEL FLITTON**

## FUND FACTS

### Allocation by Theme

- Global Leaders Equity Strategy - 16%
- Japan - 12%
- UK Equity - 9%
- Active Value Basket - 9%
- Emerging Market Equity - 6%
- Technology - 3%
- Put Options - 0%
- Fixed Income - 17%
- Liquidity Fund - 10%
- Cash - 2%
- Gold - 8%
- Property - 4%
- Commodities - 3%
- Infrastructure - 1%



### Top Equity Holdings

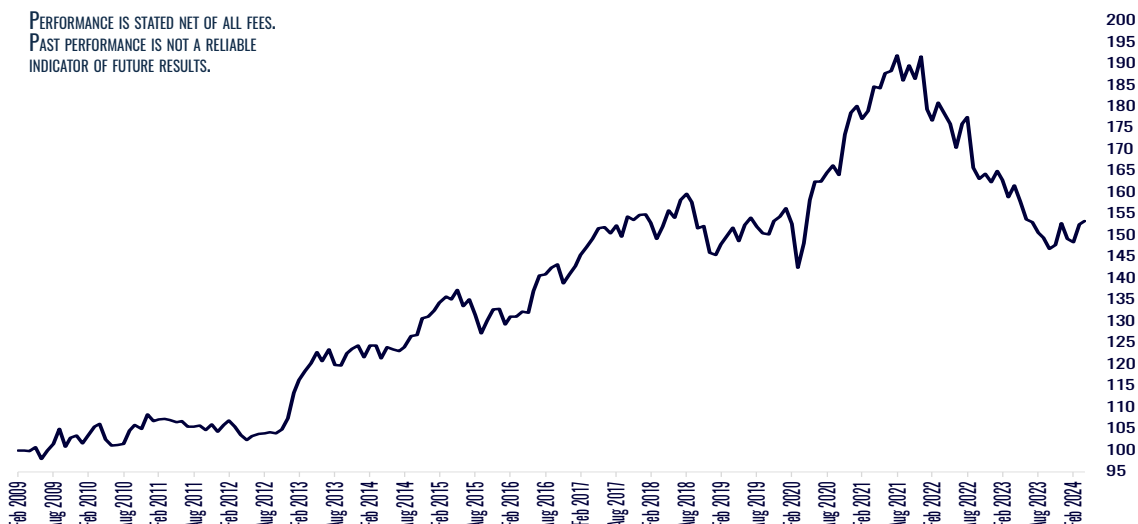
iShares MSCI EM ex China ETF	5.7%
Landsdown Developed Market	5.0%
Zennor Japan Fund	4.5%
iShares MSCI Japan	4.2%
Vanguard FTSE 100 UCITS	4.0%

### Top Non-Equity Holdings

Blackrock USD Liquidity	10.4%
iShares Physical Gold	7.7%
UK Gilt 2028	4.9%
Astisan Emerging Markets Debt	4.7%
UK Gilts 2027	3.3%

## Performance Since Inception

PERFORMANCE IS STATED NET OF ALL FEES.  
PAST PERFORMANCE IS NOT A RELIABLE  
INDICATOR OF FUTURE RESULTS.



### Monthly Table (Net)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2024	(2.3%)	(0.5%)	2.8%	0.5%									0.4%
2023	1.6%	(1.2%)	(2.4%)	1.7%	(2.3%)	(2.6%)	(0.4%)	(1.7%)	(0.8%)	(1.7%)	0.6%	4.0%	(5.9%)
2022	(6.4%)	(1.5%)	2.4%	(1.4%)	(1.3%)	(3.2%)	3.3%	0.9%	(6.6%)	(1.5%)	0.7%	(1.2%)	(14.2%)
2021	0.9%	(1.7%)	1.0%	3.2%	(0.2%)	1.9%	0.3%	1.9%	(3.0%)	1.9%	(1.7%)	2.8%	7.3%
2020	1.3%	(2.4%)	(6.7%)	4.0%	6.8%	2.6%	0.0%	1.3%	1.1%	(1.4%)	5.8%	3.0%	15.7%
2019	(0.4%)	1.7%	1.3%	1.3%	(2.1%)	2.5%	1.1%	(1.3%)	(1.1%)	(0.1%)	2.0%	0.7%	5.8%
2018	0.1%	(1.3%)	(2.5%)	2.0%	2.4%	(1.1%)	2.7%	0.8%	(1.2%)	(3.8%)	0.3%	(3.8%)	(5.8%)
2017	1.4%	1.8%	1.3%	1.3%	1.7%	(0.6%)	(1.0%)	1.2%	(1.7%)	3.1%	(0.5%)	0.8%	9.8%
2016	(2.8%)	1.5%	0.0%	0.9%	(0.2%)	3.8%	2.7%	0.1%	1.1%	0.5%	(3.0%)	1.5%	6.1%
2015	1.1%	1.3%	1.1%	(0.5%)	1.6%	(2.7%)	1.2%	(2.7%)	(3.3%)	2.4%	2.0%	0.1%	1.4%
2014	(2.2%)	2.2%	(0.1%)	(2.3%)	2.4%	0.4%	0.3%	0.7%	2.1%	0.2%	3.0%	0.3%	5.4%

### Performance

Year Ended	Apr 2024	Apr 2023	Apr 2022	Apr 2021	Apr 2020
Net Performance	-5.1%	-9.4%	-3.4%	+24.6%	-2.4%

### Fund Codes

	ISIN:	SEDOL:	Bloomberg:
A Acc	IE00BDFBSX70	BDFBSX7	KBACUAG
B Acc	IE00BDFBSY87	BDFBSY8	KBACUBG
C Acc (EUR)	IE00BDFBSZ94	BDFBSZ9	-
D Acc (USD)	IE00BDFBTO15	BDFBTO1	KBACUDU
E Acc (USD)	IE00BFZ90732	BFZ9073	KBACUEU

## Key Fund Information

NAV/Share Class (Acc)	£10.15
Fund Size (£mn)	26.5
Currency	GBP (Base)
Administrator	Northern Trust International Fund Administration
Fund Depository	Northern Trust Fiduciary Services
Auditor	Grant Thornton
Fund Legal Structure	ICAV
Inception Date - Fund	February 2009
Key Fund Documents	<a href="http://cernocapital.com/cerno-select-dublin">cernocapital.com/cerno-select-dublin</a>
Ongoing Charges - Class A (incl. Management Fee)	Management Fee 1.00% Allocated manager's Fees 0.10% Other Fees (incl. running costs) 0.42% OCF 1.52%
Contact	Tom Milnes 020 7036 4126 <a href="mailto:tom@cernocapital.com">tom@cernocapital.com</a>

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