

Monthly Report

Fund performance moved into positive territory for the year with a strong set of numbers in March. All major asset classes contributed with equities and gold particularly supportive.

The ebb and flow of the inflationary narrative continued as concerns re-emerged that the path to target inflation may be less linear than hoped. Bond and currency markets largely exhibited a risk-off dynamic in response with the benchmark 10-year bond yield in the US rising and the Dollar climbing against major currencies. In contrast, equities delivered an exceptionally strong month as the AI narrative and ample liquidity propelled markets higher. Global equity markets rose 8.5% in GBP taking 2024 returns to 10%.

The dynamic we observed in January remains in place. Developed market economies, led by the US, remain resilient and inflation targets have yet to be achieved. Meanwhile, investors and central banks continue to talk of the prospect of loosening monetary policy imminently. There is inherent tension between rate expectations and the reality of the data. This is an unstable equilibrium, in our view, and is likely resolved either via a rapid weakening of labour markets or a step higher in investors' expectations for future interest rates. The potential for market volatility is clear, whichever path we take.

The looming November elections in the US represent a potential banana skin for Fed Chair Powell. The Fed is nominally independent, but the reality is that the government of the day appoints the Chairperson. It is only human to wish to avoid accusations of bias and give a nudge down on policy rates ahead of the start of campaigning in the second half of the year. We observed in January that it would be a delicate operation to negotiate the opposing forces at play with the blunt tool of monetary policy. It remains our view that a benign landing, or perfect execution on Chair Powell's part, is largely priced into US equities.

The fund rose 2.7% in March taking the full year performance to +0.5%.

Fund Data

NAV/Share (Class C Acc)	£14.23
Fund Size (£mn)	80.00
Currency Share Class	GBP (Base)
Investment Management Charge	0.75%
Ongoing Charges Figure	1.37%*
Dealing Frequency	Daily
Legal Structure	OEIC (UCITS)
Co-Managers	Fergus Shaw & Michael Flitton
Inception Date Fund	2013

*OCF includes the Investment Management Charge

Equities were the largest contributor at 1.5% led by the Global Leaders strategy and our allocation to UK equities. We continued to selectively expand our equity allocation during the month, which now stands at 55% of the portfolio. While we observe unattractive risk-adjusted returns on offer in markets in aggregate, the funnelling of cash into US large cap companies has left many pockets of value in the wake. During the month capital was allocated to Lansdowne Developed Markets Fund. We have known the team for many years and the broader approach to value they take should complement the stricter, deep value style at Schroder Global Recovery.

Fixed income gains came to about one third those of equities. We have changed little in this area of the portfolio. The allocation remains focused on short maturity bonds given the risks observed around longer-term interest rate exposure. Over time, we would expect to use the capital to fund opportunities that emerge in equity markets over the next year.

The Alternatives allocation provided around 1% principally from gold, which rose 9% in the month. Gold is at once simple and complex as an asset. For years it can appear driven by a given narrative only for its qualities to present themselves for consideration in a whole new drama. Over the past year, gold has become untethered from real interest rates. These rates present a true opportunity cost for a non-yielding asset like gold however other, secular drivers may now be in the driving seat. Primary amongst these are concerns over the fiscal position of the US and structural inflationary pressures. These concerns are likely to be persistent over the course of the year and may yet accelerate should the Fed experience vertigo from the current lofty policy rates and loosen settings while inflation expectations continue to rise.

Our relatively low exposure to equity markets has been a headwind through the first quarter. However, we continue to prioritise flexibility. We expect opportunities to present themselves to patient investors through 2024.



FERGUS SHAW



MICHAEL FLITTON

FUND FACTS

Allocation by Theme

- Global Leaders Equity Strategy - 17%
- Active Value Basket - 7%
- Emerging Market Equity - 8%
- Japan - 12%
- UK Equity - 8%
- Technology - 3%
- Music Royalties - 2%
- Property - 4%
- Infrastructure - 1%
- Fixed Income - 28%
- Gold - 9%
- Cash - 1%



Top Equity Holdings

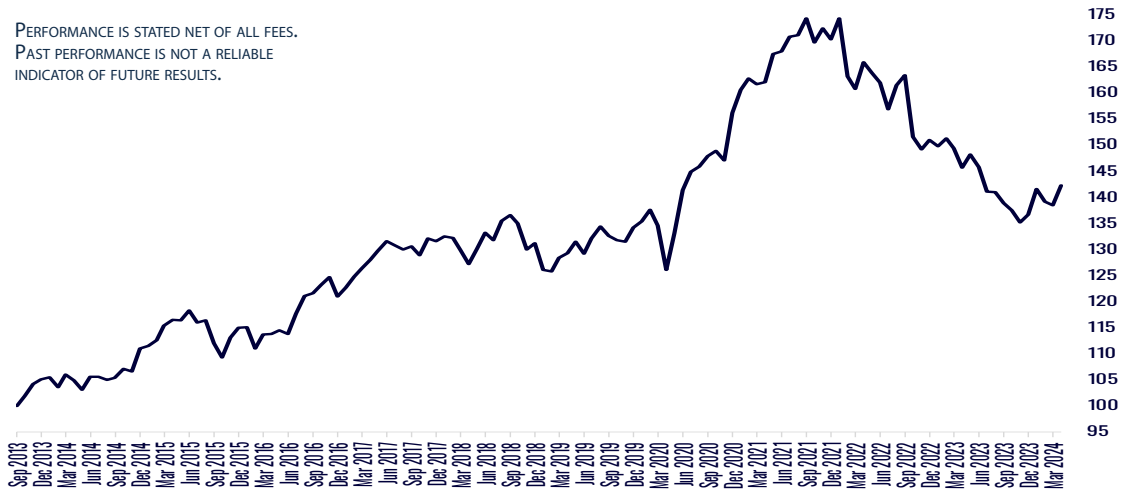
iShares MSCI EM ex China ETF	4.9%
Zennor Japan	4.4%
Vanguard FTSE 100	3.9%
iShares MSCI Japan	3.6%
Chikara Japan	3.6%

Top Non-Equity Holdings

iShares Physical Gold	9.1%
US Treasury 2026	4.6%
UK Gilt 2027	4.5%
US Treasury 2026	3.9%
US Treasury 2027	3.9%

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	(1.7%)	(0.5%)	2.7%										0.5%
2023	0.9%	(1.3%)	(2.5%)	1.7%	(1.6%)	(3.3%)	(0.1%)	(1.5%)	(1.0%)	(1.6%)	1.1%	3.6%	(5.5%)
2022	(6.4%)	(1.4%)	3.1%	(1.2%)	(1.1%)	(3.1%)	2.9%	1.2%	(7.3%)	(1.5%)	1.2%	(0.8%)	(14.1%)
2021	1.4%	(0.7%)	0.2%	3.3%	0.3%	1.7%	0.2%	1.9%	(2.7%)	1.6%	(1.2%)	2.3%	8.6%
2020	1.6%	(2.1%)	(6.4%)	5.6%	6.2%	2.5%	0.7%	1.3%	0.7%	(1.2%)	6.2%	2.8%	8.6%
2019	(0.3%)	2.1%	0.7%	1.7%	(1.7%)	2.2%	1.7%	(1.3%)	(0.6%)	(0.2%)	2.0%	0.9%	7.4%
2018	(0.2%)	(1.7%)	(2.1%)	2.3%	2.4%	(1.0%)	2.7%	0.8%	(1.1%)	(3.7%)	0.9%	(3.8%)	(4.8%)
2017	1.7%	1.3%	1.3%	1.3%	1.5%	(0.6%)	(0.6%)	0.5%	(1.3%)	2.5%	(0.4%)	0.7%	8.0%
2016	(3.6%)	2.4%	0.1%	0.6%	(0.6%)	3.4%	2.9%	0.5%	1.3%	1.2%	(3.0%)	1.4%	6.6%
2015	1.0%	2.5%	1.0%	(0.1%)	1.6%	(1.9%)	0.3%	(3.8%)	(2.4%)	3.5%	1.7%	0.1%	3.2%
2014	(1.8%)	2.3%	(1.0%)	(1.7%)	2.4%	(0.0%)	(0.6%)	0.4%	1.6%	(0.5%)	4.1%	0.5%	5.7%
2013	-	-	-	-	-	-	-	-	1.9%	2.3%	0.9%	0.4%	5.4%

Performance

Year Ended	Mar 2024	Mar 2023	Mar 2022	Mar 2021	Mar 2020
Net Performance	-2.3%	-12.2%	2.3%	28.5%	-2.5%

Fund Codes

	ISIN:	SEDOL:	Bloomberg:
C Acc	GB00BCZTP59	BCZTP5	TMCESCA LN
C Inc	GB00BCZTN36	BCZTN3	TMCESCI LN

Key Fund Information

NAV/Share Class (Acc)	£14.23
Fund Size (£mn)	80.00
Currency	GBP (Base)
Authorised Corporate Director	Thesis Unit Trust Management (Authorised and regulated by FCA) Exchange Building St John's Street, Chichester, West Sussex PO9 1UP
Fund Custodian	The Northern Trust Company
Auditor	Pricewaterhouse Coopers LLP
Fund Legal Structure	UK OEIC (UCITS)
Inception Date - Fund	September 2013
Fund Saving Structures	SIPPs, ISAs & JISAs
Key Fund Documents	cernocapital.com/cerno-select
Ongoing Charges - Class C (incl. Management Fee)	Management Fee 0.75% Allocated managers' Fees 0.48% Other Fees (incl. running costs) 0.14% OCF 1.37%
Transaction Costs	Explicit Costs 0.02% Implicit Costs 0.07%*
Initial Charge	5% - waived as standard
Contact	Tom Milnes 020 7036 4126

*We have only started calculating this data from 1st July 2021, and as such this is an estimate based on the available data so far

Disclaimer for TM Cerno Select: TM CERNO SELECT (the "Fund"), which is a sub fund of TM Cerno Investment Funds, is organised under the laws of the United Kingdom and qualifying as an undertaking for collective investment in transferable securities ("UCITS") under Directive 85/611/EEC (as amended) and is regulated by the Financial Conduct Authority. This document is issued by CERNO CAPITAL PARTNERS LLP and is for private circulation only. CERNO CAPITAL PARTNERS LLP is authorised and regulated by the Financial Conduct Authority in the United Kingdom. The information contained in this document is strictly confidential and does not constitute an offer to sell or the solicitation of any offer to buy any securities and or derivatives and may not be reproduced, distributed or published by any recipient for any purpose without the prior written consent of CERNO CAPITAL PARTNERS LLP. The value of investments and any income generated may go down as well as up and is not guaranteed. You may not get back the amount originally invested. Past performance is not necessarily a guide to future performance. Changes in exchange rates may have an adverse effect on the value, price or income of investments. There are also additional risks associated with investments in emerging or developing markets. The information and opinions contained in this document are for background purposes only, and do not purport to be full or complete. Nor does this document constitute investment advice. No representation, warranty, or undertaking, express or limited, is given as to the accuracy or completeness of the information or opinions contained in this document by CERNO CAPITAL PARTNERS LLP, its partners or employees and no liability is accepted by such persons for the accuracy or completeness of any such information or opinion. As such, no reliance may be placed for any purpose on the information and opinions contained in this document. The fund volatility level is shown in the Key Investor Information document. Volatility is only one indicator of the risks and is not a guarantee of future performance.