

# **Cerno Investment Funds ICAV**

## **Annual Report and Audited Financial Statements**

For the Financial Year Ended 31 December 2023

Cerno Investment Funds ICAV is an open-ended umbrella investment vehicle with variable capital and with segregated liability between sub-funds, incorporated and registered in Ireland on 29 June 2017 as an Irish Collective Asset-management Vehicle, with registered number C163426, under the Irish Collective Asset-management Vehicles Act 2015 (as amended). Cerno Select (Dublin) Fund is a sub-fund of the ICAV with registered number C171461. Cerno Global Leaders (Dublin) Fund is a sub-fund of the ICAV with registered number C441219. Cerno Pacific (Dublin) Fund is a sub-fund of the ICAV with registered number C441220.

# Cerno Investment Funds ICAV

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# Cerno Investment Funds ICAV

## Management and Administration

For the Financial Year Ended 31 December 2023

Directors	Joseph Joyce (United Kingdom resident)* Damian Keane (Irish resident)** Brian Dunleavy (Irish resident)*  *Non-executive Director **Independent Non-executive Director & Chairperson
Registered Office of the ICAV	5th Floor, The Exchange, George's Dock, International Financial Services Centre, Dublin 1, D01 W3P9, Ireland
Secretary to the ICAV	Walkers Corporate Services (Ireland) Limited, 5th Floor, The Exchange, George's Dock, International Financial Services Centre, Dublin 1, D01 W3P9, Ireland
Manager to the ICAV	Waystone Management Company (IE) Limited <sup>1</sup> , 35 Shelbourne Road, 4th Floor, Ballsbridge, Dublin, D04 A4E, Ireland
Investment Manager to the ICAV	Cerno Capital Partners LLP, 34 Sackville Street, London, W1S 3ED, United Kingdom
Sub-Custodian to the Sub-Fund	The Northern Trust Company, (London Branch) <sup>2</sup> , 50 Bank Street, Canary Wharf, London, E14 5NT, United Kingdom
Depositary to the ICAV	Northern Trust Fiduciary Services (Ireland) Limited <sup>3</sup> , Georges Court, 54-62 Townsend Street, Dublin 2, Ireland

<sup>1</sup>Effective 29 September 2023, KBA Consulting Management Limited, the Management Company of the ICAV, completed its merger with Waystone Management Company (IE) Limited ("WMC"). WMC is the surviving entity post-merger and as such, the ICAV's Management Company is WMC from this date.

<sup>2</sup>Effective 15 December 2023, The Northern Trust Company (London Branch) replaced Sumitomo Mitsui Trust Bank Limited as the new Sub-Custodian to the ICAV.

<sup>3</sup>Effective 15 December 2023, Northern Trust International Fiduciary Services (Ireland) Limited replaced SMT Trustees (Ireland) Limited as the new Depositary to the ICAV.

# Cerno Investment Funds ICAV

## Management and Administration (continued)

For the Financial Year Ended 31 December 2023

Administrator, Registrar and Transfer Agent to the ICAV	Northern Trust International Fund Administration (Ireland) Limited <sup>4</sup> , Georges Court, 54-62 Townsend Street, Dublin 2, Ireland
Irish Legal Advisers to the ICAV	Walkers (Ireland) LLP, 5th Floor, The Exchange, George's Dock, International Financial Services Centre, Dublin 1, D01 W3P9, Ireland
Independent Auditor to the ICAV	Grant Thornton Chartered Accountants & Statutory Audit Firm, 24-26 City Quay, Dublin 2, Ireland

<sup>4</sup>Effective 15 December 2023, Northern Trust International Fund Administration Services (Ireland) Limited replaced Maples Fund Services (Ireland) Limited as the new Administrator, Registrar and Transfer Agent to the ICAV.

# Cerno Investment Funds ICAV

## Directors' Report

For the Financial Year Ended 31 December 2023

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The Directors submit their report together with the audited financial statements for the financial year ended 31 December 2023 (or the “Financial Statements”).

### Principal Activity

Cerno Investment Funds ICAV (or the “ICAV”) is an open-ended investment umbrella type of Irish Collective Asset-management Vehicle with limited liability and segregated liability between sub-funds registered with and authorised by the Central Bank of Ireland (or the “Central Bank”) to carry on business as an Irish Collective Asset-management Vehicle, pursuant to Part 2 of the Irish Collective Asset-management Vehicles Act 2015 (as amended) (or the “ICAV Act”). The ICAV has been authorised by the Central Bank as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (or the “UCITS Regulations”), and Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (or the “Central Bank UCITS Regulations”).

The ICAV was registered as an Irish Collective Asset-management Vehicle on 29 June 2017 under the ICAV Act. As of the date of this report, there are two funds (or the “Sub-Funds”) operating within the ICAV’s umbrella structure and authorised by the Central Bank:

- Cerno Select (Dublin) Fund (authorised 29 June 2017), formerly known as Cerno Unconstrained Fund changed its name on 2 April 2020)
- Cerno Global Leaders (Dublin) Fund (authorised 2 February 2021)

On 26 September 2023, the Directors made a decision to suspend the Net Asset Value (“NAV”) of Cerno Pacific (Dublin) Fund (authorised 2 February 2021). The final NAV of Cerno Pacific (Dublin) Fund was calculated on 9 October 2023. The revocation process for the Cerno Pacific (Dublin) Fund will take place during Q2 2024.

### Cerno Select (Dublin) Fund

The primary objective of the Sub-Fund is to achieve a positive absolute return over a medium to long-term period. The Sub-Fund will seek to achieve its investment objective by investing directly and/or indirectly in equities, fixed income, currencies and interest rates. The Sub-Fund may invest up to 100% of its net asset value (“NAV”) in each of the aforementioned asset classes and may reduce its allocation for any given asset class or classes to 0% of the NAV where doing so would offer the potential for growth and return for the Sub-Fund in light of the economic and market conditions. In order to gain exposure to these asset classes, Cerno Select will also invest in underlying funds (“Investee Funds”), convertible bonds and financial derivative instruments listed or traded on a recognised market or traded over-the-counter (“OTC”) funds in accordance with the UCITS Regulations and the Central Bank UCITS Regulations.

As at 31 December 2023, the Sub-Fund had the following active share classes:

- Class A Non-Hedged (Accumulating) - GBP
- Class B Non-Hedged (Accumulating) - GBP
- Class D Hedged (Accumulating) - USD
- Class E Hedged (Accumulating) - USD
- Class B Non-Hedged (Distributing) - GBP
- Class C Non-Hedged (Distributing) - EUR
- Class S Hedged (Distributing) - USD

### Cerno Global Leaders (Dublin) Fund

The primary objective of the Sub-Fund is to achieve long-term growth in value. The Sub-Fund will seek to achieve its investment objective by having a long term, low turnover portfolio, investing predominantly in a concentrated portfolio of equities of global leading companies. A global leading company is a listed company that has become a leader in its sector, manifested by its market position, higher than average industry profitability (with a robust balance sheet and low leverage) and its ability to shape future trends. The Sub-Fund may invest up to 100% of its NAV in equities.

# Cerno Investment Funds ICAV

## Directors' Report (continued)

For the Financial Year Ended 31 December 2023

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### Cerno Global Leaders (Dublin) Fund (continued)

The Sub-fund may also invest in deposits and cash and may reduce its allocation in deposits and cash to 0% of the NAV where doing so would offer the potential for growth and return for the Sub-Fund in light of the economic and market conditions. In order to gain exposure to equities, Cerno Global Leaders will also invest in financial derivative instruments listed or traded on a recognised market or traded over-the-counter (“OTC”) funds in accordance with the UCITS Regulations and the Central Bank UCITS Regulations.

As at 31 December 2023, the Sub-Fund had the following active share classes:

- Class A Non-Hedged (Accumulating) - GBP
- Class M Non-Hedged (Accumulating) - GBP
- Class B Non-Hedged (Accumulating) - USD
- Class R Non-Hedged (Distributing) - USD
- Class S Hedged (Distributing) - USD

### Cerno Pacific (Dublin) Fund

The primary objective of the Sub-Fund was to produce capital growth over the long-term. The Sub-Fund sought to achieve its investment objective by investing directly and/or indirectly in equities and currencies primarily across the Pacific Rim but also in the wider emerging markets, with a focus on companies that are judged to be innovators or are beneficiaries of innovation through their products, services or business models. The Sub-Fund invested at least 60% of its NAV in equities. The Sub-Fund invested in and have direct access to China A shares listed on the Shanghai and Shenzhen Stock Exchanges. Exposure to China A shares will not be more than 50% of the Sub-Fund's NAV. The Sub-Fund invested in deposits, cash or money market instruments and increase its allocation to deposits, cash or money market instruments to 40% of the Sub-Fund's NAV where doing so would offer the potential for growth and return for the Sub-Fund in light of the economic and market conditions. In order to gain exposure to the listed assets above, Cerno Pacific invested in financial derivative instruments listed or traded on a recognised market or traded OTC funds in accordance with the UCITS Regulations and the Central Bank UCITS Regulations.

As at 31 December 2023, the Sub-Fund has no active share classes.

### Corporate Governance Statement

The Board of Directors (or the “Directors”) has voluntarily adopted the Corporate Governance Code for Collective Investment Schemes and Management Companies as issued by Irish Funds in December 2011. The Corporate Governance Code reflects existing corporate governance practices imposed on Irish authorised collective investment schemes and is available upon request from the ICAV Secretary.

### Transactions with Connected Persons

Regulation 43(1) of the Central Bank UCITS Regulations requires that any transactions carried out with a UCITS by a management company or depositary to the UCITS, the delegates or sub-delegates of the management company or depositary, and any associated or group company of such a management company, depositary, delegate or sub-delegate (or “connected persons”) must be carried out as if negotiated at arm's length and in the best interests of the shareholders.

The Directors are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in Regulation 43(1) of the Central Bank UCITS Regulations are applied to all transactions with connected persons; and the Directors are satisfied that transactions with connected persons entered into during the financial year complied with the obligations set out in Regulation 43(1).

# Cerno Investment Funds ICAV

## Directors' Report (continued)

For the Financial Year Ended 31 December 2023

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### Directors, Secretary and their Interests

The names of the persons who were Directors at any time during the financial year ended 31 December 2023 are set out on page 1. All the Directors serve in a non-executive capacity Walkers Corporate Services (Ireland) Limited was appointed secretary on incorporation of the ICAV on 29 June 2017.

Neither the Directors nor the appointed secretary had any interests in the shares of the ICAV or the Sub-Fund, other than those set out in note 11 to the financial statements, as at their date of appointment, resignation or at any time during the financial year ended 31 December 2023.

### Adequate Accounting Records

The Directors ensure compliance with the ICAV's obligation to maintain adequate accounting records by appointing competent persons to be responsible for them. The accounting records are kept by Northern Trust International Fund Administration (Ireland) Limited at 54-62 Townsend Street, Dublin 2, Ireland

### Distributions

The Directors did not declare a dividend in 2023 (2022: same). The Directors do not intend to declare dividends in respect of the shares of the Sub-Funds.

### Principal Risks and Uncertainties

The principal risks and uncertainties arising from the Sub-Funds' investment activities are the investment risks associated with the portfolio of investments held and the operational risks associated with its management and administration. These risks are discussed in the Prospectus of the ICAV and in note 8 to the financial statements.

### Future Developments

The Sub-Funds will continue to pursue its own investment objectives as described in note 1 to the financial statements.

### Segregated Liability

The ICAV has segregated liability between its Sub-funds and accordingly any liability incurred on behalf of or attributable to any sub-fund shall be discharged solely out of the assets of that sub-fund.

### Sustainable Finance Disclosure Regulation

The Directors categorise the ICAV as falling under Article 6 of the Sustainable Finance Disclosure Regulation. The investments held by the ICAV do not take into account the EU criteria for environmentally sustainable economic activities.

### Significant Events During the Financial Year

See note 19 of the financial statements for details of significant events affecting the ICAV during the financial year ended 31 December 2023.

### Significant Events Since the Financial Year

See note 20 of the financial statements for details of significant events affecting the ICAV since the financial year ended 31 December 2023.

### Independent Auditors

Grant Thornton, Chartered Accountants, have expressed their willingness to continue in office in accordance with Section 125(1) of the ICAV Act.

# Cerno Investment Funds ICAV

Directors' Report (continued)

For the Financial Year Ended 31 December 2023

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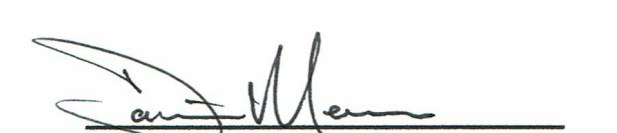
## Business Review

An overall review on markets and the Sub-Funds' investment performance during the financial year is set out within the Investment Manager's Report on page 8.

Signed on behalf of the Board of Directors by:



Director: Brian Dunleavy  
Dated: 30 April 2024

  
Director: Damian Keane



# Cerno Investment Funds ICAV

## Statement of Directors' Responsibilities

For the Financial Year Ended 31 December 2023

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The Directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable law and regulations.

The ICAV Act requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The financial statements are required to give a true and fair view of the assets, liabilities and financial position of the ICAV at the end of the financial year and of the profit or loss of the ICAV for the financial year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS, as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the ICAV will continue in business.

The Directors confirm that they have complied with the above requirements.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the ICAV and enable them to ensure that the financial statements comply with the ICAV Act. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the ICAV. In this regard, they have entrusted the assets of the ICAV to a depositary for safe keeping. They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the ICAV Act.

Signed on behalf of the Board of Directors by:



Director: Brian Dunleavy



Director: Damian Keane

Dated: 30 April 2024

# Cerno Investment Funds ICAV

Investment Manager's Report – Cerno Select (Dublin) Fund

For the Financial Year Ended 31 December 2023

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## THE CERNO SELECT (DUBLIN) FUND

### Investment Manager's Report

For the year 1<sup>st</sup> January 2023 – 31<sup>st</sup> December 2023

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

The first quarter of the year was eventful on all fronts.

For reasons both epidemiological and economic, China abandoned its zero COVID-19 policy just before the lunar new year. Resolution behind this previously adhered to policy crumbled in a few short weeks, suggestive of the vulnerability of absolute policies conducted by absolute regimes.

Central Banking authorities held the line on their tough medicine to address inflation, interest rates rose further in the world's economic blocs.

Whilst bonds made money over the quarter, their yields described a sharp peak within the quarter. US 10 year Treasury bond yields rose from 3.80% at the quarter's beginning to 4.07% and then ended the quarter at 3.47%. UK government bonds (gilts) followed a similar path quantitatively: from 3.65% up to 3.90% and then down to 3.49%. Many trading oriented asset managers and quantitatively driven funds popped a few rivets during the quarter as few were able to cope well with these violent moves in reference interest rates.

The Fund's multi-asset strategy reported a disappointing quarter. Here the overhang from continued selling pressure across UK listed Investment Trusts that started in September last year continued into the new year.

The second quarter was a mixed quarter. Positive returns from global equities were reduced by the strength of the pound in the hands of GBP investors. Emerging Markets (ex-China) and Japan were the brightest spots and China and Hong Kong were notably weak. The NASDAQ outpaced wider US indices and the US outperformed Europe, reversing the trend of the previous few quarters. UK indices had a weak quarter and the FTSE 250 index of mid capitalisation shares was sharply down.

Currencies proved to be more volatile than in the past few quarters. GBP was buoyed by a positive interest rate differential as it was recognised that UK inflation has been both higher and more sticky than close comparators. The yen and yuan were both weak, for different reasons.

In the bond complex, Emerging Market bonds outpaced Developed Market bonds, assisted by some weakness in the US dollar. US Treasuries and UK gilts shed some ground and UK inflation linked bonds (of which we own none) had a very poor quarter. Inflation linked bonds, despite their promising name, do not like upward increases in inflation expectations that are met by rising bond yields. It is hard to have one without the other.

# Cerno Investment Funds ICAV

Investment Manager's Report – Cerno Select (Dublin) Fund (continued)

For the Financial Year Ended 31 December 2023

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The third quarter brought to a halt a year-long period during which the equity market in aggregate made gains while inflation pressured bond markets to negative price returns.

Input commodities were resilient in terms of pricing, emphasising the stress economies are under. The bell-weather US 10 Year bond yield moved from 4% to 4.6% over the quarter. Business managers with less than sixteen years of experience have previously worked exclusively with much lower base levels in their cost of capital assumptions. Likewise, recently established businesses may have models reliant on cost of capital which is no longer available.

The general weakness across asset classes was reflected in the fund's performance attribution during the quarter. Equities, Fixed Income, and Alternative Assets all contributed negatively.

The fourth quarter of 2023 saw financial markets make a strong end to the year as they began to anticipate cuts in interest rates.

Bond markets made the most of this shift in expectations and rallied with yields dropping consequentially. Equity markets were also strong with the exception of China and Japan. The US Dollar eased while the Japanese Yen was strong. This reflects an expectation that the interest rate differential between the two will narrow. Oil prices remain quite weak, despite the efforts of OPEC and Russia.

Equity allocations were a significant driver of fund performance over the fourth quarter. Fixed income was positive, while Alternative assets were a headwind. In particular, the infrastructure holdings suffered from ongoing negative sentiment.

The Fund ended the year with an asset allocation broadly spread between Equities (40%), Fixed Income (40%) and Alternative assets (20%). Within the equity exposure, holdings in markets demonstrating valuation opportunity have been increased resulting in a higher degree of diversification. Fixed income holdings are focused on Gilts and US Treasuries with a 3% allocation to Emerging Market Debt via the actively managed Artisan Emerging Markets Debt Opportunity Fund. The Alternative assets comprise Gold, Property, Infrastructure and Music Royalties.

Cerno Capital Partners LLP

30 April 2024

# Cerno Investment Funds ICAV

Investment Manager's Report – Cerno Global Leaders (Dublin) Fund

For the Financial Year Ended 31 December 2023

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## Overall view on markets and the Sub-Fund's performance during the year

The portfolio returned +17.2% for the full year. This compares with +16.8% for the World Index in GBP over the same year.

8 of the fund's 25 holdings made excellent returns over the year, led by (numbers in brackets on an attribution basis): Adobe +2.3%, Philips +1.91%, Microsoft +1.7%, Ansys +1.5%, Atlas Copco +1.3%, TSMC +1.2%, ASML +1.2% and Samsung Electronics +1.1%.

As can be seen from the above list, the interlocking relationship of Artificial Intelligence and microchips have been a significant driver of stock market returns and the fund is well exposed to these themes.

The negative attributions recorded over the year were, in descending order of magnitude Keysight Technologies -0.4%, ThermoFisher -0.4%, Aptiv -0.4%, Nestlé -0.3%. These companies were variously impacted by sluggish trends in their home industries and the combination of a very small number of run-away sectors (AI & microchips) and more challenging conditions elsewhere speak of a World economy that is running to two speeds.

As to whether we see a reversion in inter-sector performance relies upon general economic growth and some possible help from falling interest rates. Financial markets are keen to discount the benefits of falling interest rates but this thinking is routinely challenged by a super-strong job market in the US and rising energy and commodity prices. Coupled with these we have a challenging geopolitical set-up with the growing view that China is supporting Russia in an array of ways and Russia is supporting Iran.

As a large part of the gains in World Equities has been derived from valuation increases, we would be a wary of a rerun of 2021 and 2022 when a stellar year was following by a difficult year. Our focus will remain on trying to identify the best companies for the long term and then hold them for the long term.

There were no changes to companies held during the year.

Cerno Capital Partners LLP

30 April 2024

# Cerno Investment Funds ICAV

Investment Manager's Report – Cerno Pacific (Dublin) Fund

For the Financial Year Ended 31 December 2023

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## CERNO PACIFIC DUBLIN

### Investment Manager's Report

For the period 1<sup>st</sup> January 2023 – 27<sup>th</sup> September 2023

#### Overall view on markets and the fund's performance during the period

The fund delivered -9.3% in USD against +3.5% for the MSCI AC Asia Pacific Index for 2023. The relative underperformance was due to several factors: exposure to China, style bias in Japan, lack of any India exposure, and a few idiosyncratic company issues.

The performance of Asian equity markets in 2023 was generally resilient. In particular, Japan, Taiwan, India, and Korea have been bright spots, for different reasons: Japan on the much awaited domestic inflation materialising and corporate governance reforms unlocking shareholder value; India on strong domestic economic growth and 'China+1' pivot; and Taiwan/Korea driven by the Technology sector within both markets, including semiconductors, boosted by developments in AI infrastructure, and anticipation of the industrial and consumer electronics cycle bottoming as companies worked through their inventories.

The one major exception was China, extending its downtrend on concerns well publicised and ongoing: property sector, domestic consumption, and geopolitics. The onshore Shanghai Composite broke through its 3000-point level as domestic consumer/business confidence faltered, and Hong Kong saw consistent net selling by foreign investors. Valuations have never been cheaper, but the same could be said in 2022.

We made several new portfolio introductions during the year. India came into the portfolio for the first time. Another new introduction was Wisetech Global, an Australian B2B software provider in the logistics industry. In terms of redemptions, we sold out of a number of names including Disco, Nihon M&A, Nanofilm, Silergy, and Tigermed. Apart from Disco, which was sold on valuation grounds, the other names were sold as part of portfolio consolidation to rotate proceeds into higher conviction names. We also re-introduced names previously held in the portfolio in the past on seeing attractive valuation and business prospects. These include Wuxi Biologics, ASMPT, and Kose.

On the performance front, largest contributors were the semiconductor names: Tokyo Electron, TSMC, and Samsung Electronics. On the negative side, the biggest detractors were Kingdee, followed by Nihon M&A, and Glodon.

# **Cerno Investment Funds ICAV**

**Investment Manager's Report – Cerno Pacific (Dublin) Fund (continued)**

**For the Financial Year Ended 31 December 2023**

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The Board determined that the Sub-Fund was no longer economically viable and it was resolved on 26 September 2023 to terminate the Sub-Fund.

Cerno Capital Partners LLP

30 April 2024

# Cerno Investment Funds ICAV

## Statement of Depositary's Responsibilities & Depositary's Report

For the Financial Year Ended 31 December 2023

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### Statement of Depositary's Responsibilities

The European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (or the "UCITS Regulations") require the Depositary to take reasonable care so as to ensure that Cerno Investment Funds ICAV (or the "ICAV") is managed in accordance with the UCITS Regulations and the Constitutional Document of the ICAV. In particular, the Depositary must:

- satisfy itself on reasonable grounds and on a continuing basis that the ICAV has been managed in accordance with the limitations imposed on the investment and borrowing powers of the ICAV by the Constitutional Document and the UCITS Regulations;
- take into its custody or under its control all the assets of the ICAV and hold them in trust for the shareholders in accordance with the UCITS Regulations and the Constitutional Document;
- satisfy itself that the valuation of the shares of the ICAV and that the sale, issue, repurchase, redemption and cancellation of shares of the ICAV are being carried out in accordance with the UCITS Regulations and the Constitutional Document.

To enable the Depositary to fulfill its responsibilities under the UCITS Regulations and the Constitutional Document, the Depositary is required to keep proper records.

### Depositary's Report

For the Financial period from 1 January 2023 to 14 December 2023.

SMT Trustees (Ireland) Limited, as Depositary, has enquired into the conduct of the ICAV during the financial period 1 January 2023 to 14 December 2023. In our opinion, the ICAV has been managed in all material respects during the financial period:

- in accordance with the limitations imposed on the investment and borrowing powers of the ICAV by the ICAV's Constitutional Document and the UCITS Regulations; and
- otherwise in accordance with the provisions of the Constitutional Document and the UCITS Regulations.

DocuSigned by:  
*Malachy Keady*

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DocuSigned by:  
*Conor Curtin*

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Dated: 30 April 2024

# Cerno Investment Funds ICAV

## Statement of Depositary's Responsibilities & Depositary's Report (continued)

For the Financial Year Ended 31 December 2023

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### Annual Depositary Report to Shareholders

We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depositary to Cerno Investment ICAV (the "ICAV") provide this report solely in favour of the Shareholders of the ICAV for the financial period from 15 December 2023 to 31 December 2023 (the "Annual Accounting Period"). This report is provided in accordance with the UCITS Regulations – European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (SI No 352 of 2011), as amended, which implemented Directive 2009/65/EU into Irish Law (the "Regulations"). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depositary obligation as provided for under the Regulations, we have enquired into the conduct of the ICAV for the Annual Accounting Period and we hereby report thereon to the Shareholders of the ICAV as follows;

We are of the opinion that the ICAV has been managed during the Annual Accounting Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the ICAV by the constitutional documents and by the Regulations; and
- (ii) otherwise in accordance with the provisions of the constitutional documents and the Regulations.



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For and on behalf of  
Northern Trust Fiduciary Services (Ireland) Limited  
30 April 2024





**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CERNO INVESTMENT FUNDS ICAV**



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CERNO  
INVESTMENT FUNDS ICAV (CONTINUED)**



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CERNO  
INVESTMENT FUNDS ICAV (CONTINUED)**

John Glennon  
For and on behalf of  
Grant Thornton  
Chartered Accountants & Statutory Audit Firm  
13 – 18 City Quay  
Dublin 2  
Ireland

Date: 30 April 2024

# Cerno Investment Funds ICAV

## Statement of Financial Position

For the Financial Year Ended 31 December 2023

		Cerno Select (Dublin) Fund 2023 GBP	Cerno Global Leaders Fund 2023 GBP	Cerno Pacific (Dublin) Fund* 2023 GBP	Cerno Select (Dublin) Fund 2022 GBP	Cerno Global Leaders Fund 2022 GBP	Cerno Pacific (Dublin) Fund 2022 GBP
	Note						
<b>Assets</b>							
Financial assets at fair value through profit or loss							
Investments designated at fair value	4	28,217,933	19,505,674	-	39,243,123	28,476,603	19,342,926
Unrealised gain on forward foreign exchange contracts	4, 5	124,577	-	-	820,160	116,741	261,445
Investments in option contracts	4, 5	38,392	-	-	338,271	-	-
Cash and cash equivalents	6	974,430	678,181	134,220	4,436,448	275,695	743,364
Due from brokers	7	-	-	-	4,384	104	-
Dividends and interest receivable	2	140,324	10,591	-	72,029	12,963	11,756
Other assets		4,181	22,392	-	6,259	8,484	7,128
<b>Total assets</b>		<b>29,499,837</b>	<b>20,216,838</b>	<b>134,220</b>	<b>44,920,674</b>	<b>28,890,590</b>	<b>20,366,619</b>
<b>Liabilities</b>							
Financial liabilities at fair value through profit or loss							
Unrealised loss on forward foreign exchange contracts	4, 5	(82,753)	(53,189)	-	(74,025)	(2,209)	(72,832)
Redemptions Payable		-	(1,195)	-	-	-	-
Liquidation Payable	12	-	-	(58,954)	-	-	-
Professional and legal fees payable		(65,398)	(26,400)	(38,672)	(48,118)	(28,585)	(36,387)
Administration fees payable	12	(37,148)	(25,124)	(7,126)	(29,036)	(19,704)	(15,284)
Manager fees payable	12	(11,729)	(3,269)	(3,293)	(14,282)	(4,951)	(2,292)
Due to brokers	7	-	-	-	(4,130)	(1,767)	(2,490)
Audit fees payable		(13,870)	(5,831)	(7,344)	(8,134)	(6,209)	(6,366)
Investment management fees payable	12	(74,500)	(43,657)	(18,831)	(106,855)	(58,407)	(39,553)
Other payables and accrued expenses		(75,522)	(83,642)	-	(31,863)	(45,679)	(51,725)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(360,920)</b>	<b>(242,307)</b>	<b>(134,220)</b>	<b>(316,443)</b>	<b>(167,511)</b>	<b>(226,929)</b>
<b>Net assets</b>		<b>29,138,917</b>	<b>19,974,531</b>	<b>-</b>	<b>44,604,231</b>	<b>28,723,079</b>	<b>20,139,690</b>

\*Terminated 9 October 2023.

The accompanying notes form part of the financial statements.

# Cerno Investment Funds ICAV

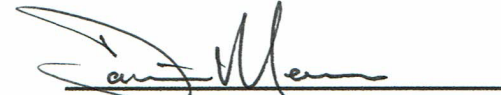
## Statement of Financial Position

For the Financial Year Ended 31 December 2023



Director: Brian Dunleavy

Dated: 30 April 2024



Director: Damian Keane

The accompanying notes form part of the financial statements.

# Cerno Investment Funds ICAV

## Statement of Comprehensive Income

For the Financial Year Ended 31 December 2023

	Note	Cerno Global			Cerno Global		
		Cerno Select (Dublin) Fund 2023 GBP	Leaders (Dublin) Fund 2023 GBP	Cerno Pacific (Dublin) Fund* 2023 GBP	Cerno Select (Dublin) Fund 2022 GBP	Leaders (Dublin) Fund 2022 GBP	Cerno Pacific (Dublin) Fund 2022 GBP
<b>Investment income</b>							
Dividend income	2	843,725	383,376	198,558	1,202,895	443,538	308,944
Interest income	2	677,621	16,109	35,325	10,498	2,611	6,494
Other income	2	8,308	871	7,898	-	5,171	10
Net realised (losses)/gains on financial assets and liabilities at fair value through profit or loss	2	(6,091,642)	(913,084)	(4,575,392)	5,474,351	(1,086,890)	(8,859,370)
Net realised losses on foreign currency	2	(174,542)	(4,554)	(89,175)	(71,497)	(104,224)	(48,907)
Net change in unrealised gains/(losses) on financial assets and liabilities at fair value through profit or loss	2	1,755,161	4,399,437	2,949,382	(10,252,911)	(5,754,256)	(97,571)
Net change in unrealised gains/(losses) on foreign currency exchange	2	61,866	7,957	2,027	20,221	(1,451)	(2,385)
<b>Total investment (loss)/income</b>		<b>(2,919,503)</b>	<b>3,890,112</b>	<b>(1,471,377)</b>	<b>(3,616,443)</b>	<b>(6,495,501)</b>	<b>(8,692,785)</b>

\*Terminated 9 October 2023.

The accompanying notes form part of the financial statements.

# Cerno Investment Funds ICAV

## Statement of Comprehensive Income (continued)

For the Financial Year Ended 31 December 2023

	Note	Cerno Global			Cerno Global		
		Cerno Select Leaders (Dublin) Fund (Dublin) Fund	Cerno Pacific Fund (Dublin) Fund*	Cerno Select Fund (Dublin) Fund	Leaders Fund (Dublin) Fund	Cerno Pacific Fund (Dublin) Fund	
		2023	2023	2022	2022	2022	
		GBP	GBP	GBP	GBP	GBP	GBP
<b>Expenses</b>							
Interest expense	2	(272,626)	-	-	(140)	-	-
Manager fees	12	(35,233)	(24,852)	(10,002)	(31,444)	(18,799)	(13,756)
Bank and broker expenses		(862)	(45)	(755)	(286)	(38)	(17)
Investment management fees	12	(344,708)	(213,877)	(101,022)	(467,399)	(241,928)	(174,347)
Administration fees	12	(90,514)	(60,724)	(29,944)	(85,954)	(52,761)	(38,836)
Depositary fees	12	(36,286)	(35,615)	(26,827)	(36,099)	(35,903)	(36,394)
Professional and legal fees		(44,235)	(34,880)	(30,323)	(45,507)	(22,143)	(26,907)
Audit fees	12	(14,569)	(5,755)	(4,921)	(10,937)	(5,783)	(6,489)
Custody fees	12	(15,772)	(2,432)	(10,945)	(14,604)	(2,241)	(3,983)
Directors' fee	12	(16,463)	(9,423)	(6,165)	(12,643)	(7,247)	(8,130)
Transaction costs	2	(39,720)	(12,208)	(19,907)	(30,541)	(14,160)	(30,433)
Liquidation fee expense		-	-	(36,570)	-	-	-
Other expenses		(39,310)	(38,968)	-	(29,107)	(41,226)	(62,093)
<b>Total expenses</b>		<b>(950,298)</b>	<b>(438,779)</b>	<b>(277,381)</b>	<b>(764,661)</b>	<b>(442,229)</b>	<b>(401,385)</b>
<b>Change in net assets attributable to holders of redeemable participating shares resulting from operations before</b>		<b>(3,869,801)</b>	<b>3,451,333</b>	<b>(1,748,758)</b>	<b>(4,381,104)</b>	<b>(6,937,730)</b>	<b>(9,094,170)</b>
Withholding tax expense	2	(34,179)	(50,662)	(23,059)	(52,413)	(69,580)	(42,851)
<b>Net (decrease)/increase in net asset from operations</b>		<b>(3,903,980)</b>	<b>3,400,671</b>	<b>(1,771,817)</b>	<b>(4,433,517)</b>	<b>(7,007,310)</b>	<b>(9,137,021)</b>

\* Terminated 9 October 2023.

The accompanying notes form part of the financial statements.

# Cerno Investment Funds ICAV

## Statement of Changes in Net Assets

For the Financial Year Ended 31 December 2023

	Cerno Global Leaders			Cerno Global Leaders		
	Cerno Select (Dublin) Fund	(Dublin) Fund	Cerno Pacific (Dublin) Fund*	Cerno Select (Dublin) Fund	(Dublin) Fund	Cerno Pacific (Dublin) Fund
	2023	2023	2023	2022	2022	2022
	GBP	GBP	GBP	GBP	GBP	GBP
<b>Net assets at the beginning of the financial year</b>	<b>44,604,231</b>	<b>28,723,079</b>	<b>20,139,690</b>	<b>61,228,957</b>	<b>41,355,031</b>	<b>26,865,934</b>
<b>Capital Transactions</b>						
Subscriptions of redeemable participating shares	9,744,943	1,479,863	-	677,316	5,464,846	5,126,812
Redemptions of redeemable participating shares	(21,306,277)	(13,629,082)	(18,367,873)	(12,868,525)	(11,089,488)	(2,716,035)
Net decrease in net assets from capital transactions	(11,561,334)	(12,149,219)	(18,367,873)	(12,191,209)	(5,624,642)	2,410,777
Net decrease in net assets from operations	(3,903,980)	3,400,671	(1,771,817)	(4,433,517)	(7,007,310)	(9,137,021)
<b>Net assets at the end of the financial year</b>	<b>29,138,917</b>	<b>19,974,531</b>	<b>-</b>	<b>44,604,231</b>	<b>28,723,079</b>	<b>20,139,690</b>

\*Terminated 9 October 2023.

The accompanying notes form part of the financial statements.



# Cerno Investment Funds ICAV

## Statement of Cash Flows

For the Financial Year Ended 31 December 2023

	Cerno Global			Cerno Global		
	Cerno Select	Leaders	Cerno Pacific	Cerno Select	Leaders	Cerno Pacific
	(Dublin) Fund	(Dublin) Fund	(Dublin) Fund*	(Dublin) Fund	(Dublin) Fund	(Dublin) Fund
	2023	2023	2023	2022	2022	2022
	GBP	GBP	GBP	GBP	GBP	GBP
<b>Cash flows (provided by/(used in) operating activities</b>						
Net decrease in net assets from operations	(3,903,980)	3,400,671	(1,771,815)	(4,433,517)	(7,007,310)	(9,137,021)
<b>Adjustments to reconcile net (decrease)/increase in net assets to net cash provided by/(used in) operating activities</b>						
Payments for purchase of financial assets	(59,984,985)	(2,819,726)	(5,403,615)	(20,522,962)	(12,453,805)	(19,627,301)
Proceeds from sale of financial assets	68,258,140	15,531,086	23,051,701	30,107,165	17,470,681	18,124,596
Net realised losses on forward foreign exchange contracts and foreign exchange	(580,256)	(86,357)	257,442	3,902,929	148,248	(277,721)
Net realised losses/(gains) on financial assets and liabilities	6,091,642	913,084	4,575,390	(5,474,351)	1,086,890	8,859,370
Net change in unrealised (gains)/losses on financial assets and liabilities	(1,755,161)	(4,399,437)	(2,949,381)	10,252,911	5,754,256	97,571
Movement in due from brokers	4,384	104	-	11,452	168	350
Movement in dividends and interest receivable	(68,295)	2,372	11,756	(48,100)	1,631	(5,610)
Movement in other assets	2,078	(13,908)	7,128	1,127	(8,484)	(7,128)
Movement in due to brokers	(4,130)	(1,767)	(2,490)	4,130	1,237	2,490
Movement in administration fees payable	8,112	5,420	(8,158)	2,303	4,096	2,571
Movement in manager fees payable	(2,553)	(1,682)	1,001	3,876	1,391	(478)
Movement in liquidation fees payable	-	-	58,954	-	-	-
Movement in professional and legal fees payable	17,280	(2,185)	2,285	16,339	17,344	22,486
Movement in audit fees payable	5,736	(378)	978	2,321	520	657
Movement in other payables and accrued expenses	43,659	37,963	(51,725)	2,118	4,171	9,856
Movement in investment management fees payable	(32,355)	(14,750)	(20,722)	(23,300)	(16,010)	(8,795)
<b>Net cash provided by/(used in) operating activities</b>	<b>8,099,316</b>	<b>12,550,510</b>	<b>17,758,729</b>	<b>13,804,441</b>	<b>5,005,024</b>	<b>(1,944,107)</b>

\*Terminated 9 October 2023.

The accompanying notes form part of the financial statements.

# Cerno Investment Funds ICAV

## Statement of Cash Flows (continued)

For the Financial Year Ended 31 December 2023

	Cerno Select (Dublin) Fund 2023 GBP	Cerno Global Leaders Fund 2023 GBP	Cerno Pacific Fund* 2023 GBP	Cerno Select Fund 2022 GBP	Cerno Global Leaders Fund 2022 GBP	Cerno Pacific Fund 2022 GBP
<b>Cash flows provided/(used in) by financing activities</b>						
Proceeds from subscriptions of redeemable participating shares	9,744,943	1,479,863	-	677,316	5,464,846	5,126,812
Payments for redemptions of redeemable participating shares	(21,306,277)	(13,627,887)	(18,367,873)	(12,868,525)	(11,089,488)	(2,716,035)
<b>Net cash flows (used in)/provided by financing activities</b>	<b>(11,561,334)</b>	<b>(12,148,024)</b>	<b>(18,367,873)</b>	<b>(12,191,209)</b>	<b>(5,624,642)</b>	<b>2,410,777</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,462,018)</b>	<b>402,486</b>	<b>(609,144)</b>	<b>1,613,232</b>	<b>(619,618)</b>	<b>466,670</b>
Cash and cash equivalents at the beginning of the financial year	4,436,448	275,695	743,364	2,823,216	895,313	276,694
<b>Cash and cash equivalents at the end of the financial year</b>	<b>974,430</b>	<b>678,181</b>	<b>134,220</b>	<b>4,436,448</b>	<b>275,695</b>	<b>743,364</b>

\*Terminated 9 October 2023.

The accompanying notes form part of the financial statements.

# Cerno Investment Funds ICAV

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

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### 1. General information

Cerno Investment Funds ICAV (or the “ICAV”) is an Irish Collective Asset-management Vehicle, registered on 29 June 2017 with registered number C163426, under the Irish Collective Asset-management Vehicles Act 2015 (as amended) (or the “ICAV Act”). The ICAV has been authorised by the Central Bank as an undertaking for collective investment in transferable securities (“UCITS”) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (or the “UCITS Regulations”), and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (or the “Central Bank UCITS Regulations”).

The Directors may, with the prior approval of the Central Bank, establish additional sub-funds. The assets of each sub-fund will be invested separately on behalf of each sub-fund in accordance with the investment objective and policies of each sub-fund. The investment objective and policies and other details in relation to each sub-fund are set out in the relevant Supplement. As at 31 December 2023, the ICAV has established the following sub-funds: Cerno Select (Dublin) Fund (or “Cerno Select”), Cerno Global Leaders (Dublin) Fund (or “Cerno Global Leaders”) and Cerno Pacific (Dublin) Fund (or “Cerno Pacific”) (collectively the “Sub-Funds”). The Cerno Pacific (Dublin) Fund terminated on 9 October 2023.

#### Cerno Select

Cerno Select was launched on 30 June 2017 and was formerly known as Cerno Unconstrained Fund; the name changed to Cerno Select (Dublin) Fund on 2 April 2020. The primary objective of Cerno Select is to achieve a positive absolute return over a medium to long-term period. Cerno Select will seek to achieve its investment objective by investing directly and/or indirectly in equities, fixed income, currencies and interest rates. Cerno Select may invest up to 100% of its net asset value (“NAV”) in each of the aforementioned asset classes and may reduce its allocation for any given asset class or classes to 0% of the NAV where doing so would offer the potential for growth and return for Cerno Select in light of the economic and market conditions. In order to gain exposure to these asset classes, Cerno Select will also invest in underlying funds (“Investee Funds”), convertible bonds and financial derivative instruments listed or traded on a recognised market or traded over-the-counter (“OTC”) funds in accordance with the UCITS Regulations and the Central Bank UCITS Regulations.

During the financial year ended 31 December 2023, Class A, Class B, Class D, Class E and Class S shares of Cerno Select were offered for issue and sale. The functional currency of Cerno Select is GBP.

#### Cerno Global Leaders

Cerno Global Leaders was launched on 2 February 2021. The primary objective of Cerno Global Leaders is to achieve long-term growth in value. Cerno Global Leaders will seek to achieve its investment objective by having long term, low turnover portfolio, investing predominantly in a concentrated portfolio of equities of global leading companies. A global leading company is a listed company that has become a leader in its sector, manifested by its market position, higher than average industry profitability (with a robust balance sheet and low leverage) and its ability to shape future trends. Cerno Global Leaders may invest up to 100% of its NAV in equities. Cerno Global Leaders may also invest in deposits and cash and may reduce its allocation in deposits and cash to 0% of the NAV where doing so would offer the potential for growth and return for Cerno Global Leaders in light of the economic and market conditions. In order to gain exposure to equities, Cerno Global Leaders will also invest in financial derivative instruments listed or traded on a recognised market or traded over-the-counter (“OTC”) funds in accordance with the UCITS Regulations and the Central Bank UCITS Regulations.

During the financial year ended 31 December 2023, Class A, Class M, Class B, Class R and Class S shares of Cerno Global Leaders were offered for issue and sale. The functional currency of Cerno Global Leaders is GBP.

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

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## 1. General information (continued)

### *Cerno Pacific*

Cerno Pacific was launched on 2 February 2021. The primary objective of Cerno Pacific was to produce capital growth over the long-term. Cerno Pacific sought to achieve its investment objective by investing directly and/or indirectly in equities and currencies primarily across the Pacific Rim but also in the wider emerging markets, with a focus on companies that are judged to be innovators or are beneficiaries of innovation through their products, services or business models. Cerno Pacific invested at least 60% of its NAV in equities. Cerno Pacific invested in and have direct access to China A shares listed on the Shanghai and Shenzhen Stock Exchanges. Exposure to China A shares will not be more than 50% of Cerno Pacific 's NAV. Cerno Pacific invested in deposits, cash or money market instruments and increase its allocation to deposits, cash or money market instruments to 40% of Cerno Pacific's NAV where doing so would offer the potential for growth and return for Cerno Pacific in light of the economic and market conditions. In order to gain exposure to the listed assets above, Cerno Pacific invested in financial derivative instruments listed or traded on a recognised market or traded OTC funds in accordance with the UCITS Regulations and the Central Bank UCITS Regulations.

The Cerno Pacific (Dublin) Fund terminated on 9 October 2023.

Cerno Capital Partners LLP (the “Investment Manager”) exercises a flexible global strategy in the selection of investments, not limited by geographical location, investment style or asset class as listed above.

## 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

### 2.1. Basis of presentation

The financial statements of the ICAV have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as adopted by the European Union (“EU”), and comply with Irish Statute comprising the ICAV Act.

The functional and presentation currency of the Sub-Funds is the British Pound (“GBP”). Management considers GBP the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions.

The financial statements are presented on a going concern basis.

### 2.2. Use of judgements, estimates and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the Statement of Financial Position date and the reported amounts of income and expenses during the reporting period. Actual results could differ from these estimates.

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

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## 2. Summary of significant accounting policies (continued)

### 2.3. New accounting developments

#### i. Standards, amendments and interpretations adopted

There are no new standards, amendments to standards or interpretations which are expected to have a significant impact on the Sub-Funds' financial condition or results of operations.

#### ii. Standards, amendments and interpretations not yet adopted

There are no new standards, amendments to standards or interpretations which are expected to have a significant impact on the Sub-Funds' financial condition or results of operations.

### 2.4. Foreign currency translation

Functional currency is the currency of the primary economic environment in which the Sub-Funds operate. The majority of the Sub-Funds' investments and transactions are denominated in GBP. Investor subscriptions and redemptions are determined based on net asset value, and are received and paid in GBP. The Majority of the expenses are denominated and paid in GBP. Accordingly, management has determined that the functional currency of the Sub-Funds is GBP.

Investment securities and other assets and liabilities denominated in foreign currencies are translated into GBP at the rates of exchange prevailing at the Statement of Financial Position date. Transactions in foreign currencies are translated into GBP at the rates of exchange prevailing at the time of the transaction.

The Sub-Funds do not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments or derivatives from the fluctuations arising from changes in market prices of the investments held. Such fluctuations are included within the net realised gains/(losses) and net change in unrealised gains on financial assets and financial liabilities in the Statement of Comprehensive Income.

Reported net realised gains and losses on foreign currency exchange transactions arise from sales of foreign currencies, currency gains or losses realised between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Sub-Funds' books and the GBP equivalent of the amounts actually received or paid. Net change in unrealised gains and losses on translation of assets and liabilities denominated in foreign currencies arise from changes in the fair values of assets and liabilities, other than investments at the end of the financial year, resulting from changes in exchange rates.

### 2.5. Financial assets and financial liabilities at fair value through profit or loss

#### i. Classification

IFRS 9 contains three principal classification categories for financial assets: 1) measured at amortised cost; 2) measured at fair value through other comprehensive income ("FVOCI"); and 3) measured at fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

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## 2. Summary of significant accounting policies (continued)

### 2.5. Financial assets and financial liabilities at fair value through profit or loss (continued)

The Sub-Funds classify their financial assets and financial liabilities into the categories below.

#### Financial assets and financial liabilities at fair value through profit or loss:

The Sub-Funds designate all debt and equity instruments at fair value through profit or loss on initial recognition because they manage these instruments on a fair value basis in accordance with its documented investment strategy. The Sub-Funds hold debt and equity instruments for trading purposes and the financial assets are classified as part of 'other' business model. Internal reporting and performance measurement of these securities are on a fair value basis.

#### Financial assets and financial liabilities designated at amortised cost:

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Financial assets measured at amortised cost includes cash and cash equivalents, dividends and interest receivable, subscriptions receivable, other assets and due from brokers.

Financial liabilities measured at amortised cost include redemptions payable, manager fees payable, investment management fees payable, professional and legal fees payable, audit fees payable, administration fees payable, due to brokers, other payables and accrued expenses amounts and redeemable shares.

#### ii. Recognition

The Sub-Funds recognise financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

A regular way purchase of financial assets is recognised using trade date accounting. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded in the Statement of Comprehensive Income. The Sub-Funds use the first in, first out ("FIFO") method to recognise realised gains and losses on investment transactions.

#### iii. Measurement

Financial assets and financial liabilities are measured initially at fair value plus, for items not at fair value through profit or loss, transaction costs that are directly attributable to their acquisition or issue.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

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## 2. Summary of significant accounting policies (continued)

### 2.5. Financial assets and financial liabilities at fair value through profit or loss (continued)

#### iii. Measurement (continued)

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Unrealised gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss are presented in the Statement of Comprehensive Income in the financial year in which they arise.

The main valuation techniques of the Sub-Funds are as follows:

- a. Financial assets and financial liabilities listed and regularly traded on a recognised exchange and for which market quotations are readily available are valued at the last traded price accordingly on the principal exchange in the market for such investment.
- b. Exchange traded funds are fair valued based upon quotations of the net asset value per share from independent pricing sources.
- c. Units or shares in collective investment schemes (other than those valued pursuant to (b) above), are valued at the latest available net asset value of the relevant collective investment scheme.
- d. Derivative instruments dealt on a market are fair valued at the settlement price for such instruments on such market. Where such derivative instruments are not dealt on a market, their value shall be based on a quotation from the counterparty.
- e. Forward foreign exchange contracts are fair valued by an independent price source by reference to the price at which a new forward contract of the same size and maturity could be undertaken.

Other financial assets and other financial liabilities are initially measured at cost and subsequently carried at amortised cost using the effective interest rate method, except for redeemable participating shares, which are measured at the redemption amount.

#### iv. Impairment

IFRS 9 uses a model based on the expected credit losses to calculate impairments. The scope of the model consistently includes all financial assets that are recognised at amortised cost.

The Sub-Funds assess, on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost. The Sub-Funds recognise a loss allowance for such losses at each reporting date.

The measurement of expected credit losses reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

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## 2. Summary of significant accounting policies (continued)

### 2.5. Financial assets and financial liabilities at fair value through profit or loss (continued)

#### iv. Impairment (continued)

- Reasonable and supportable information that is available without undue cost or effort at the reporting date.

#### v. Derecognition

The Sub-Funds derecognise a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Sub-Funds neither transfer nor retain substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of Comprehensive Income. Any interest in such transferred financial assets that is created or retained by the Sub-Funds are recognised as a separate asset or liability.

The Sub-Funds derecognise a financial liability when its contractual obligations are discharged or cancelled, or expired.

#### vi. Forward foreign exchange contracts

Forward foreign exchange contracts are valued using valuation techniques which incorporate forward rates at set intervals within the time period of the contract. The resulting unrealised gains or losses are included in the Statement of Financial Position and the Statement of Comprehensive Income.

#### vii. Futures and options contracts

Futures and options contracts are fair valued on a settlement basis. Closing prices will be obtained from broker dealers and exchanges; however, such prices may be adjusted if a more accurate value can be obtained from recent trading activity or by incorporating other relevant information that may not have been reflected in pricing obtained from external sources.

### 2.6. Income recognition

Guidance on the recognition and presentation of interest and dividend income now falls within the scope of IFRS 9. A consequential amendment to IAS 1 'Presentation of Financial Statements' has clarified that only interest income from financial assets held at amortised cost can be presented within interest income within the Statement of Comprehensive Income. The Sub-Funds' interest income from financial assets held at fair value through profit or loss is included in other fair value gains within the Statement of Comprehensive Income.



# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

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## 2. Summary of significant accounting policies (continued)

### 2.6. Income Recognition (continued)

Dividend income from financial assets through profit or loss is recognised in the Statement of Comprehensive Income within dividend income when the Sub-Funds' right to receive payments is established. Some dividend and interest income received by the Sub-Funds are subject to withholding tax imposed in certain countries of origin. Income that is subject to such tax is recognised gross of the taxes and the corresponding withholding tax is recognised as a tax expense. Other income is accounted for on an accrual basis.

### 2.7. Dividends and interest receivable

Dividends, gross of foreign withholding taxes, where applicable, are recognised as income on the dates that the related investment is first quoted 'ex-dividend' to the extent information thereon is reasonably available. Income on bank interest is accounted for on an accruals basis. Bank interest is accounted for on an effective interest basis.

### 2.8. Expenses

Expenses are accounted for on an accruals basis. Expenses are recognised in the Statement of Comprehensive Income.

### 2.9. Cash and cash equivalents

Cash comprises cash at bank and cash equivalents which are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

### 2.10. Due from and due to brokers

Due from and due to brokers includes cash balances held with brokers, receivables and payables from unsettled trades, margin borrowings, and collateral on derivative transactions. Amounts due from brokers may be restricted to the extent that they serve as deposits for securities sold short.

### 2.11. Offsetting

The Sub-Funds present on a gross basis the fair value amounts recognised for derivatives executed with the same counterparty under the same master netting agreement, even though those positions may qualify for net presentation. The Sub-Funds have elected not to offset fair value amounts recognised for cash collateral receivables and payables against fair value amounts recognised for derivative positions executed with the same counterparty under the same master netting arrangement.

### 2.12. Redeemable participating shares

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities in the Statement of Financial Position.

# Cerno Investment Funds ICAV

## Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

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### 2. Summary of significant accounting policies (continued)

#### 2.13. Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

#### 2.14. Taxation

The ICAV qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997 (as amended). Therefore, the ICAV is not liable to Irish tax in respect of its income and gains, other than on the occurrence of a chargeable event. Generally a chargeable event arises on any distribution, redemption, repurchase, cancellation or transfer of shares or the ending of a 'Relevant Period'. A 'Relevant Period' is an eight year period beginning with the acquisition of the shares by the shareholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period.

A gain on a chargeable event does not arise in respect of:

- i) A shareholder who is not an Irish resident and not ordinarily resident in Ireland at the time of the chargeable event provided the necessary signed statutory declarations are held by the ICAV and its Sub-Fund; or
- ii) Certain exempted Irish resident investors who have provided the ICAV and its Sub-Funds with the necessary signed statutory declaration; or
- iii) Any transactions in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- iv) An exchange of shares in the ICAV for other shares in the ICAV; or
- v) An exchange of shares arising on a qualifying amalgamation or reconstruction of the ICAV with another investment undertaking; or
- vi) Certain exchanges of shares between spouses and former spouses.

In the absence of an appropriate declaration, the ICAV and its Sub-Funds will be liable for Irish tax on the occurrence of a chargeable event. There were no chargeable events during the financial year or previous financial year.

Dividends, interest and capital gains (if any) received on investments made by the ICAV through its Sub-Funds may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the ICAV, the Sub-Funds, or by shareholders of the Sub-Funds.

# Cerno Investment Funds ICAV

## Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

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### 2. Summary of significant accounting policies (continued)

#### 2.15. Related parties

A party is considered to be related to the Sub-Funds if:

- (i) the party is a person or a close member of that person's family and that person:
  - has control or joint control over the Sub-Funds;
  - has significant influence over the Sub-Funds; or
  - is a member of the key management personnel of the Sub-Funds or of a parent of the Sub-Funds; or
  
- (ii) the party is an entity where any of the following conditions applies:
  - the entity and the Sub-Funds are members of the same group;
  - one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - the entity and the Sub-Funds are joint ventures of the same third party;
  - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - the entity is a post-employment benefit plan for the benefit of employees of either the Sub-Funds or an entity related to the Sub-Funds;
  - the entity is controlled or jointly controlled by a person identified in (i); and
  - a person identified in (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

#### 2.16. Organisation costs

Organisation costs are expensed in the financial statements as incurred.

#### 2.17. Subscriptions receivable/redemptions payable

Subscriptions receivable represent contracted subscriptions from shareholders that have been received but not yet settled by the Statement of Financial Position date. Redemptions payable represent contracted redemptions from shareholders received but not yet settled by the Statement of Financial Position date.

### 3. Involvement with unconsolidated structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes; (a) restricted activities, (b) a narrow and well defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

### 3. Involvement with unconsolidated structured entities (continued)

Cerno Select considers all of its investments in Investee Funds to be investments in unconsolidated structured entities. Cerno Select invests in Investee Funds whose objectives range from achieving medium to long-term capital growth and whose investment strategy does not include the use of leverage. The Investee Funds are managed by unrelated asset managers and apply various investment strategies to accomplish their respective investment objectives. The Investee Funds finance their operations by accepting subscriptions for shares. Cerno Select holds shares in each of its Investee Funds.

The change in fair value of each Investee Fund is included in the Statement of Comprehensive Income in 'Net change in unrealised gains/(losses) on financial assets and financial liabilities at fair value through profit or loss' and 'Net realised gains/(losses) on financial assets and financial liabilities at fair value through profit or loss'.

The table below describes the types of structured entities that Cerno Select does not consolidate but in which it holds an interest.

Type of structured entity	Nature and purpose	Interest held by Cerno Select
Investment funds	To manage assets on behalf of third party investors and generate fees for the investment manager. These vehicles are financed through the issue of shares to investors	Investment in shares issued by these funds

The tables below set out interests held by Cerno Select in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the Investee Funds held by Cerno Select as at 31 December 2023 and 31 December 2022.

31 December 2023	Number of Investee funds	Total net assets GBP*	Carrying amount included
			in financial assets at fair value through profit or loss GBP
<b>Investment in Investee Funds</b>			
Equity long	4	1.731 billion	3,631,793
Fixed Income	1	0.0415 billion	1,199,156
Infrastructure trusts	3	1.808 billion	1,003,752
Real estate investment trusts	4	4.544 billion	1,855,493
Technology trusts	2	0.662 billion	487,135
Music Royalty	1	0.854 billion	745,525
<b>Total Investment in Investee Funds</b>	<b>15</b>	<b>9.641 billion</b>	<b>8,922,854</b>

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 3. Involvement with unconsolidated structured entities (continued)

<b>31 December 2022</b>	<b>Number of Investee funds</b>	<b>Total net assets GBP*</b>	<b>Carrying amount included in financial assets at fair value through profit or loss GBP</b>
<b>Investment in Investee Funds</b>			
Equity long	4	3.567 billion	6,255,181
Infrastructure trusts	5	7.319 billion	6,971,112
Real estate investment trusts	4	3.626 billion	5,709,186
Technology trusts	1	0.222 billion	350,391
Music Royalty	1	2.218 billion	1,516,695
<b>Infrastructure trusts</b>	<b>15</b>	<b>16.953 billion</b>	<b>20,802,565</b>

\*Total net assets is based on latest available information at the financial year end.

The following table summarises the domicile, management fee and performance fee of Cerno Select's investments in collective investment schemes as at 31 December 2023:

<b>Collective Investment Scheme</b>	<b>Domicile</b>	<b>Management Fee</b>	<b>Performance Fee</b>
BB Healthcare Trust plc	United Kingdom	0.95%	N/A*
Edinburgh Worldwide Investment Trust	United Kingdom	0.95%	N/A*
Gore Street Energy Storage Fund Plc	United Kingdom	1.00%	10%
HICL Infrastructure Co Ltd	United Kingdom	1.10%	N/A*
Sequoia Economic Infrastructure	United Kingdom	0.75%	N/A*
Digital 9 Infrastructure Trust	United Kingdom	1.00%	N/A*
Baillie Gifford Global Discovery Fund	United Kingdom	0.75%	N/A*
Matthews Asia Funds - Matthews China Small Companies Fund	Luxembourg	1.00%	N/A*
B&I Asian Real Estate Securities Fund A	Liechtenstein	1.30%	20%
LXI REIT plc	United Kingdom	0.75%	N/A*
Warehouse REIT plc	Guernsey	1.10%	N/A*

# Cerno Investment Funds ICAV

## Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

### 3. Involvement with unconsolidated structured entities (continued)

The following table summarises the domicile, management fee and performance fee of Cerno Select's investments in collective investment schemes as at 31 December 2022:

Collective Investment Scheme	Domicile	Management Fee	Performance Fee
BB Healthcare Trust plc	United Kingdom	0.95%	N/A*
Edinburgh Worldwide Investment Trust	United Kingdom	0.95%	N/A*
Gore Street Energy Storage Fund Plc	United Kingdom	1.00%	10%
HICL Infrastructure Co Ltd	United Kingdom	1.10%	N/A*
Sequoia Economic Infrastructure	United Kingdom	0.75%	N/A*
Digital 9 Infrastructure Trust	United Kingdom	1.00%	N/A*
Baillie Gifford Global Discovery Fund	United Kingdom	0.75%	N/A*
Matthews Asia Funds - Matthews China Small Companies Fund	Luxembourg	1.00%	N/A*
B&I Asian Real Estate Securities Fund A	Liechtenstein	1.30%	20%
LXI REIT plc	United Kingdom	0.75%	N/A*
Warehouse REIT plc	Guernsey	1.10%	N/A*

\*No performance fees are charged by the collective investment schemes held.

Cerno Global Leaders do not hold any investments in collective investments schemes as at 31 December 2023 and 31 December 2022.

Cerno Pacific did not hold any investments in collective investments schemes as at 31 December 2023 and 31 December 2022.

### 4. Fair value measurement

The Sub-Funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Sub-Funds have access at that date. The fair value of a liability reflects its non-performance risk.

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 4. Fair value measurement (continued)

The determination of what constitutes “observable” requires significant judgment by the Investment Manager. Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. A market is regarded as “active” if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis.

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Sub-Funds recognise transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

The following table summarises the valuation of Cerno Select’s investments within the fair value hierarchy levels at 31 December 2023:

31 December 2023	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
<b>Financial assets at fair value through profit or loss</b>				
Equities	3,417,882	-	-	3,417,882
Investments in funds	-	8,922,854	-	8,922,854
Exchange traded funds	4,059,970	-	-	4,059,970
Government Bonds	11,817,227	-	-	11,817,227
Forward foreign exchange contracts	-	124,577	-	124,577
Index options	38,392	-	-	38,392
	19,333,471	9,047,431	-	28,380,902
<b>Financial liabilities at fair value through profit or loss</b>				
Forward foreign exchange contracts	-	82,753	-	82,753
	-	82,753	-	82,753

The following table summarises the valuation of Cerno Global Leaders’ investments within the fair value hierarchy levels at 31 December 2023:

31 December 2023	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
<b>Financial assets at fair value through profit or loss</b>				
Equities	19,505,674	-	-	19,505,674
	19,505,674	-	-	19,505,674
<b>Financial liabilities at fair value through profit or loss</b>				
Forward foreign exchange contracts	-	53,189	-	53,189
	-	53,189	-	53,189

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 4. Fair value measurement (continued)

The Cerno Pacific's Fund terminated on 9 October 2023 and holds no investment at 31 December 2023.

The following table summarises the valuation of Cerno Select's investments within the fair value hierarchy levels at 31 December 2022:

31 December 2022	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
<b>Financial assets at fair value through profit or loss</b>				
Equities	18,338,670	-	-	18,338,670
Investments in funds	-	15,553,738	-	15,553,738
Exchange traded funds	5,350,715	-	-	5,350,715
Forward foreign exchange contracts	-	820,160	-	820,160
Index options	338,271	-	-	338,271
	24,027,656	16,373,898	-	40,401,554
<b>Financial liabilities at fair value through profit or loss</b>				
Forward foreign exchange contracts	-	74,025	-	74,025
	-	74,025	-	74,025

The following table summarises the valuation of Cerno Global Leaders' investments within the fair value hierarchy levels at 31 December 2022:

31 December 2022	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
<b>Financial assets at fair value through profit or loss</b>				
Equities	28,476,603	-	-	28,476,603
Forward foreign exchange contracts	-	116,741	-	116,741
	28,476,603	116,741	-	28,593,344
<b>Financial liabilities at fair value through profit or loss</b>				
Forward foreign exchange contracts	-	2,209	-	2,209
	-	2,209	-	2,209



# Cerno Investment Funds ICAV

## Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

### 4. Fair value measurement (continued)

The following table summarises the valuation of Cerno Pacific's investments within the fair value hierarchy levels at 31 December 2022:

31 December 2022	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
<b>Financial assets at fair value through profit or loss</b>				
Listed Equities	19,342,926	-	-	19,342,926
Forward foreign exchange contracts	-	261,445	-	261,445
	19,342,926	261,445	-	19,604,371
<b>Financial liabilities at fair value through profit or loss</b>				
Forward foreign exchange contracts	-	72,832	-	72,832
	-	72,832	-	72,832

Other than financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, all assets and liabilities are carried at amortised cost, their carrying values are a reasonable approximation of fair value. In accordance with the requirements of IFRS 13, these assets and liabilities are classified as level 2 with the exception of cash and cash equivalents, which is classified as level 1.

Transfers between level 2 and level 1 generally relate to when an investment becomes freely tradable and listed on a public exchange. All transfers are recognised by the Sub-Funds at the end of each reporting period. There were no transfers between levels during the financial year ended 31 December 2023 (2022: none).

### 5. Derivatives

In the normal course of business, the Sub-Funds may invest in certain derivative instruments, which are transactions whose values depend on or are derived from (in whole or in part) the value of one or more other assets, such as securities, currencies or indices. Such derivative instruments may be used to maintain cash reserves while maintaining exposure to certain other assets, to offset anticipated declines in values of investments, to facilitate trading, to reduce transaction costs and to pursue higher investment returns.

The Sub-Funds record derivative contracts at fair value. Changes in the fair value of derivative contracts are recorded as unrealised gains and losses. The Sub-Funds generally record a realised gain or loss on the expiration, termination, or settlement of a derivative contract.

The Sub-Funds may also use derivative instruments to mitigate certain investment risks such as equity price risk, interest rate risk, credit risk and foreign currency risk. The Sub-Funds manage these risks on an aggregate basis along with the risks associated with its investing activities as part of its overall risk management policies.

The following notes overleaf provide more detailed information about each derivative type held by the Sub-Funds and volumes of derivative activities

# Cerno Investment Funds ICAV

## Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

### 5. Derivatives (continued)

#### Futures contracts

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in organised market. The futures contracts are collateralised by cash or marketable securities. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised financial market.

#### Forward foreign exchange contracts

Forward foreign exchange contracts are agreements for delayed delivery of specific currencies in which the seller agrees to make delivery at a specified future date of specified currencies. Risks associated with forward foreign exchange contracts are the inability of counterparties to meet the terms of their respective contracts and movements in fair value and exchange rates.

#### Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price. Options held by the Sub-Fund are exchange traded.

The Sub-Funds are exposed to counterparty risk from the potential that a seller of an options contract does not sell or purchase the underlying asset as agreed under the terms of the options contract. The maximum risk of loss from counterparty risk to the Sub-Funds for purchased options is the fair value of the contracts and the premiums paid to purchase the options contracted. The Sub-Funds consider the credit risk of the intermediary counterparty to its options transactions in evaluating potential credit risk.

### 6. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise the following balances with original maturity of less than 90 days:

	<b>Cerno Select (Dublin) Fund GBP</b>	<b>Cerno Global Leaders (Dublin) Fund (Dublin) GBP</b>	<b>Cerno Pacific Fund (Dublin) Fund* GBP</b>
<b>31 December 2023</b>			
The Northern Trust Company, London	974,430	678,181	134,220
	<u>974,430</u>	<u>678,181</u>	<u>134,220</u>
<b>31 December 2022</b>			
Sumitomo Mitsui Trust (UK) Limited	4,003,604	275,695	275,695
Marex Financial Limited	432,844	-	-
	<u>4,436,448</u>	<u>275,695</u>	<u>275,695</u>

\* Terminated 9 October 2023.

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 7. Due from and to brokers

The Sub-Funds are required to hold cash balances with brokers in excess of collateral requirements and to cover margin requirements for derivative contracts. The cash is released by the broker when short positions are covered or the respective derivative positions are closed. Portions of this cash are required to secure obligations of the Sub-Funds to brokers, and are therefore not generally available to the Sub-Funds for withdrawal.

There were no balances due from and to brokers at 31 December 2023.

The following table summarises the balances due from and to brokers at 31 December 2022:

	Cerno Select (Dublin) Fund 31 December 2022 GBP	Cerno Global Leaders (Dublin) Fund 31 December 2022 GBP	Cerno Pacific (Dublin) Fund 31 December 2022 GBP
<b>Balances due from brokers</b>			
Cash balances held with brokers	4,384	104	-
	4,384	104	-
<b>Balances due to brokers</b>			
Cash balances due to brokers	(4,130)	(1,767)	(2,490)
	(4,130)	(1,767)	(2,490)

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

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## 8. Financial risk management

In accordance with IFRS 7, the following is an explanation of how the ICAV manages risk associated with the use of financial instruments.

### Risk management process

The ICAV is exposed to market risk (which includes market price risk, interest rate risk and currency risk), liquidity risk and credit risk arising from the financial instruments the Sub-Funds holds. The Sub-Funds' overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance.

The policies documented below are standard operational practices and are reviewed on a continuous basis by the Investment Manager and the Directors. In certain market conditions, the Investment Manager and the Directors may apply additional risk procedures to minimise potential adverse effects on the ICAV's financial performance.

### Global exposure

The Investment Manager may use Financial Derivative Instruments ("FDIs") in the Sub-Funds' portfolios to enhance risk management and to increase its opportunity set through more efficient investment exposures. In addition, FDIs allow the Sub-Funds to gain exposures that cannot be created through investing directly in stocks or other securities. Irrespective of whether the Sub-Funds use FDIs for investment or efficient portfolio management and/or hedging purposes, the Investment Manager performs global exposure calculations through the commitment approach.

#### 8.1. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate. Market risk is divided into three distinct sections: market price risk, interest rate risk and currency risk. Each of these risks are described below.

##### i. Market price risk

Market price risk is the risk that the fair value of investments will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Market price risk exposure arises from the Sub-Funds' investment portfolios. The investments are classified on the Statement of Financial Position as at fair value through profit or loss. All securities investments present a risk of loss of capital.

The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Investment Manager mitigates this market price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Directors. The Sub-Funds' overall market positions are monitored on a daily basis by the Investment Manager and are reviewed at least quarterly by the Directors.

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

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## 8. Financial risk management (continued)

### 8.1. Market risk (continued)

#### i. Market price risk (continued)

##### Cerno Select

At 31 December 2023, if equity prices had increased by 10% with all other variables held constant, this would have increased net assets and total net income by approximately GBP 2,825,633 (2022: GBP 3,968,725). Conversely, if the equity prices had decreased by 10%, this would have decreased net assets and total net income by approximately GBP 2,825,633 (2022: GBP 3,968,725).

##### Cerno Global Leaders

At 31 December 2023, if equity prices had increased by 10% with all other variables held constant, this would have increased net assets and total net income by approximately GBP 1,950,567 (2022: GBP 2,847,660). Conversely, if the equity prices had decreased by 10%, this would have decreased net assets and total net income by approximately GBP 1,950,567 (2022: GBP 2,847,660).

##### Cerno Pacific

Cerno Pacific terminated on 9 October 2023. At 31 December 2022, if equity prices had increased by 10% with all other variables held constant, this would have increased net assets and total net income by approximately GBP 1,934,293. Conversely, if the equity prices had decreased by 10%, this would have decreased net assets and total net income by approximately GBP 1,934,293.

At 31 December 2023, the Sub-Funds' market exposure that resulted from its securities at fair value through profit or loss can be seen in the Portfolio of Investments. All of these securities are listed on an official stock exchange or traded on a regulated market.

#### ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Sub-Fund is exposed to risks associated with the effects of fluctuations in the prevailing levels of interest rates on its financial position and cash flows.

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 8. Financial risk management (continued)

### 8.1. Market risk (continued)

#### ii. Interest rate risk (continued)

The following table sets out the interest rate risk profile of Cerno Select as at 31 December 2023:

	Fixed interest bearing GBP	Non-interest bearing GBP	Total GBP
<b>Assets</b>			
Investments designated at fair value	-	28,217,933	28,217,933
Investments in option contracts	-	38,392	38,392
Unrealised gain on forward foreign exchange contracts	-	124,577	124,577
Cash and cash equivalents	974,430	-	974,430
Due from brokers	-	-	-
Dividends and interest receivable	-	140,324	140,324
Other assets	-	4,181	4,181
<b>Total assets</b>	<b>974,430</b>	<b>28,525,407</b>	<b>29,499,837</b>
<b>Liabilities</b>			
Unrealised loss on forward foreign exchange contracts	-	(82,753)	(82,753)
Due to broker	-	-	-
Professional and legal fees payable	-	(65,398)	(65,398)
Administration fees payable	-	(37,148)	(37,148)
Manager fees payable	-	(11,729)	(11,729)
Audit fees payable	-	(13,870)	(13,870)
Investment management fees payable	-	(74,500)	(74,500)
Other payables and accrued expenses	-	(75,522)	(75,522)
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>-</b>	<b>(360,920)</b>	<b>(360,920)</b>
<b>Total interest rate gap</b>	<b>974,430</b>	<b>28,164,487</b>	<b>29,138,917</b>

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 8. Financial risk management (continued)

### 8.1. Market risk (continued)

#### ii. Interest rate risk (continued)

The following table sets out the interest rate risk profile of Cerno Select as at 31 December 2022:

	Fixed interest bearing GBP	Non-interest bearing GBP	Total GBP
<b>Assets</b>			
Investments designated at fair value	-	39,243,123	39,243,123
Investments in option contracts	-	338,271	338,271
Unrealised gain on forward foreign exchange contracts	-	820,160	820,160
Cash and cash equivalents	4,436,448	-	4,436,448
Due from brokers	-	4,384	4,384
Dividends and interest receivable	-	72,029	72,029
Other assets	-	6,259	6,259
<b>Total assets</b>	<b>4,436,448</b>	<b>40,484,226</b>	<b>44,920,674</b>
<b>Liabilities</b>			
Unrealised loss on forward foreign exchange contracts	-	(74,025)	(74,025)
Due to broker	-	(4,130)	(4,130)
Professional and legal fees payable	-	(48,118)	(48,118)
Administration fees payable	-	(29,036)	(29,036)
Manager fees payable	-	(14,282)	(14,282)
Audit fees payable	-	(8,134)	(8,134)
Investment management fees payable	-	(106,855)	(106,855)
Other payables and accrued expenses	-	(31,863)	(31,863)
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>-</b>	<b>(316,443)</b>	<b>(316,443)</b>
<b>Total interest rate gap</b>	<b>4,436,448</b>	<b>40,167,783</b>	<b>44,604,231</b>

The total interest rate gap is GBP 974,430 (2022: GBP 4,436,448). Consequently, an increase or decrease of 1% in interest rates, with all other variables held constant, would result in an increase or decrease of GBP 9,744 (2022: GBP 44,364) in Cerno Select's Net Assets.

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 8. Financial risk management (continued)

### 8.1. Market risk (continued)

#### ii. Interest rate risk (continued)

The following table sets out the interest rate risk profile of Cerno Global Leaders as at 31 December 2023:

	Fixed interest bearing GBP	Non-interest bearing GBP	Total GBP
<b>Assets</b>			
Investments designated at fair value	-	19,505,674	19,505,674
Cash and cash equivalents	678,181	-	678,181
Due from brokers	-	-	-
Dividends and interest receivable	-	10,591	10,591
Other assets	-	22,392	22,392
<b>Total assets</b>	<b>678,181</b>	<b>19,538,657</b>	<b>20,216,838</b>
<b>Liabilities</b>			
Unrealised loss on forward foreign exchange contracts	-	(53,189)	(53,189)
Due to broker	-	(26,400)	(26,400)
Redemption payable	-	(1,195)	(1,195)
Professional and legal fees payable	-	(25,124)	(25,124)
Administration fees payable	-	(3,269)	(3,269)
Manager fees payable	-	-	-
Audit fees payable	-	(5,831)	(5,831)
Investment management fees payable	-	(43,657)	(43,657)
Other payables and accrued expenses	-	(83,642)	(83,642)
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>-</b>	<b>(242,307)</b>	<b>(242,307)</b>
<b>Total interest rate gap</b>	<b>678,181</b>	<b>19,296,350</b>	<b>19,974,531</b>



# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 8. Financial risk management (continued)

### 8.1. Market risk (continued)

#### ii. Interest rate risk (continued)

The following table sets out the interest rate risk profile of Cerno Global Leaders as at 31 December 2022:

	Fixed interest bearing GBP	Non-interest bearing GBP	Total GBP
<b>Assets</b>			
Investments designated at fair value	-	28,476,603	28,476,603
Unrealised gain on forward foreign exchange contracts	-	116,741	116,741
Cash and cash equivalents	275,695	-	275,695
Due from brokers	-	104	104
Dividends and interest receivable	-	12,963	12,963
Other assets	-	8,484	8,484
<b>Total assets</b>	<b>275,695</b>	<b>28,614,895</b>	<b>28,890,590</b>
<b>Liabilities</b>			
Unrealised loss on forward foreign exchange contracts	-	(2,209)	(2,209)
Due to broker	-	(1,767)	(1,767)
Professional and legal fees payable	-	(28,585)	(28,585)
Administration fees payable	-	(19,704)	(19,704)
Manager fees payable	-	(4,951)	(4,951)
Audit fees payable	-	(6,209)	(6,209)
Investment management fees payable	-	(58,407)	(58,407)
Other payables and accrued expenses	-	(45,679)	(45,679)
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>-</b>	<b>(167,511)</b>	<b>(167,511)</b>
<b>Total interest rate gap</b>	<b>275,695</b>	<b>28,447,384</b>	<b>28,723,079</b>

The total interest rate gap is GBP 678,181 (2022: GBP 275,695). Consequently, an increase or decrease of 1% in interest rates, with all other variables held constant, would result in an increase or decrease of GBP 6,782 (2022: GBP 2,757) in Cerno Global Leaders' Net Assets.

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 8. Financial risk management (continued)

### 8.1. Market risk (continued)

#### ii. Interest rate risk (continued)

Cerno Pacific terminated on 9 October 2023.

The following table sets out the interest rate risk profile of Cerno Pacific as at 31 December 2022:

	Fixed interest bearing GBP	Non-interest bearing GBP	Total GBP
<b>Assets</b>			
Investments designated at fair value	-	19,342,926	19,342,926
Unrealised gain on forward foreign exchange contracts	-	261,445	261,445
Cash and cash equivalents	743,364	-	743,364
Dividends and interest receivable	-	11,756	11,756
Other assets	-	7,128	7,128
<b>Total assets</b>	<b>743,364</b>	<b>19,623,255</b>	<b>20,366,619</b>
<b>Liabilities</b>			
Unrealised loss on forward foreign exchange contracts	-	(72,832)	(72,832)
Due to broker	-	(2,490)	(2,490)
Professional and legal fees payable	-	(36,387)	(36,387)
Administration fees payable	-	(15,284)	(15,284)
Manager fees payable	-	(2,292)	(2,292)
Audit fees payable	-	(6,366)	(6,366)
Investment management fees payable	-	(39,553)	(39,553)
Other payables and accrued expenses	-	(51,725)	(51,725)
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>-</b>	<b>(226,929)</b>	<b>(226,929)</b>
<b>Total interest rate gap</b>	<b>743,364</b>	<b>19,396,326</b>	<b>20,139,690</b>

The total interest rate gap is GBP Nil (2022: GBP 743,364). Consequently, an increase or decrease of 1% in interest rates, with all other variables held constant, would result in an increase or decrease of GBP Nil (2022: GBP 7,434) in Cerno Pacific's Net Assets.

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 8. Financial risk management (continued)

### 8.1. Market risk (continued)

#### iii. Currency Risk

Currency risk is the risk that the fair value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Sub-Funds have financial assets or financial liabilities denominated in currencies other than the Sub-Funds' functional and presentation currency. The Sub-Funds are therefore exposed to currency risk, as the value of the assets and liabilities denominated in other currencies will fluctuate due to changes in foreign exchange rates. The Investment Manager's policy is to manage the Sub-Funds' exposure to foreign exchange movements (both monetary and non-monetary) by entering into foreign exchange hedging transactions.

A summary of the Sub-Funds' Net Assets as at 31 December 2023 by major currencies, other than GBP, was as follows:

	<b>Cerno Select (Dublin) Fund 31 December 2023 GBP</b>	<b>Cerno Global Leaders (Dublin) Fund 31 December 2023 GBP</b>	<b>Cerno Pacific (Dublin) Fund* 31 December 2023 GBP</b>
Euro	(1,108,315)	3,607,938	-
Hong Kong Dollar	160,755	794,430	-
U.S. Dollar	(685,673)	15,694,156	-
Swiss Franc	113,859	722,191	-
Danish Krone	142,741	713,532	-
Japanese Yen	3,937,790	678,536	-
Swedish Krona	235,125	1,484,238	-
China Yuan Renminbi	(1,068,674)	-	-
	<b>1,727,608</b>	<b>23,695,021</b>	<b>-</b>

\* Terminated 9 October 2023.

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 8. Financial risk management (continued)

### 8.1. Market risk (continued)

#### iii. Currency Risk (continued)

A summary of the Sub-Funds' Net Assets as at 31 December 2022 by major currencies, other than GBP, was as follows:

	Cerno Select (Dublin) Fund 31 December 2022 GBP	Cerno Global Leaders (Dublin) Fund 31 December 2022 GBP	Cerno Pacific (Dublin) Fund 31 December 2022 GBP
Euro	4,210,429	5,377,143	-
Hong Kong Dollar	466,026	956,182	2,786,370
U.S. Dollar	44,457,629	20,697,684	4,120,071
Swiss Franc	403,050	979,566	-
Danish Krone	393,670	955,587	6,874,996
Japanese Yen	2,298,622	1,017,060	-
Swedish Krona	860,137	2,052,166	-
Australian Dollar	-	-	1,157,916
China Yuan Renminbi	-	-	3,247,196
Singapore Dollar	-	-	147,372
Taiwan Dollar	-	-	1,009,005
	53,089,563	32,035,388	19,342,926

The net exposure to currency risk for Cerno Select is GBP 1,727,608 (2022: GBP 53,089,563). Consequently, an increase or decrease of 5% in exchange rates against the GBP, with all other variables held constant, would result in an increase or decrease of GBP 86,380 (2022: GBP 2,654,478) on Cerno Select's Net Assets.

The net exposure to currency risk for Cerno Global Leaders is GBP 23,695,021 (2022: GBP 32,035,388). Consequently, an increase or decrease of 5% in exchange rates against the GBP, with all other variables held constant, would result in an increase or decrease of GBP 1,184,751 (2022: GBP 1,601,769) on the Cerno Global Leaders' Net Assets.

The net exposure to currency risk for Cerno Pacific is GBP Nil (2022: GBP 19,342,926). Consequently, an increase or decrease of 5% in exchange rates against the GBP, with all other variables held constant, would result in an increase or decrease of GBP Nil (2022: GBP 967,146) on Cerno Pacific's Net Assets.

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 8. Financial risk management (continued)

### 8.2. Liquidity risk

Liquidity risk is the risk that Sub-Funds may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Sub-Funds are exposed to liquidity risk as the positions in which the Sub-Funds invest may not be able to get liquidated quickly without negatively affecting the share prices. It is the Investment Manager's policy to maintain conservative levels of liquidity to ensure the Sub-Funds have the ability to meet its obligations as they fall due.

The table below summarises the maturity profile of Cerno Select's financial liabilities at 31 December 2023 based on contractual undiscounted payments.

	Less than 3 months GBP	3-12 months GBP	Greater than 1 year GBP	Total GBP
<b>Liabilities</b>				
Unrealised loss on forward foreign exchange contracts	82,753	-	-	82,753
Professional and legal fees payable	65,398	-	-	65,398
Administration fees payable	37,148	-	-	37,148
Manager fees payable	11,729	-	-	11,729
Due to broker	-	-	-	-
Audit fees payable	13,870	-	-	13,870
Investment management fees payable	74,500	-	-	74,500
Other payables and accrued expenses	75,522	-	-	75,522
Net assets attributable to holders of redeemable participating shares	29,138,917	-	-	29,138,917
	29,499,837	-	-	29,499,837

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 8. Financial risk management (continued)

### 8.2. Liquidity risk (continued)

The table below summarises the maturity profile of Cerno Select's financial liabilities at 31 December 2022 based on contractual undiscounted payments.

	Less than 3 months GBP	3-12 months GBP	Greater than 1 year GBP	Total GBP
<b>Liabilities</b>				
Unrealised loss on forward foreign exchange contracts	74,025	-	-	74,025
Professional and legal fees payable	48,118	-	-	48,118
Administration fees payable	29,036	-	-	29,036
Manager fees payable	14,282	-	-	14,282
Due to broker	4,130	-	-	4,130
Audit fees payable	8,134	-	-	8,134
Investment management fees payable	106,855	-	-	106,855
Other payables and accrued expenses	31,863	-	-	31,863
Net assets attributable to holders of redeemable participating shares	44,604,231	-	-	44,604,231
	44,920,674	-	-	44,920,674

The table below summarises the maturity profile of Cerno Global Leaders' financial liabilities at 31 December 2023 based on contractual undiscounted payments.

	Less than 3 months GBP	3-12 months GBP	Greater than 1 year GBP	Total GBP
<b>Liabilities</b>				
Unrealised loss on forward foreign exchange contracts	53,189	-	-	53,189
Redemptions Payable	1,195	-	-	1,195
Professional and legal fees payable	26,400	-	-	26,400
Administration fees payable	25,124	-	-	25,124
Manager fees payable	3,269	-	-	3,269
Due to broker	-	-	-	-
Audit fees payable	5,831	-	-	5,831
Investment management fees payable	43,657	-	-	43,657
Other payables and accrued expenses	83,642	-	-	83,642
Net assets attributable to holders of redeemable participating shares	19,974,531	-	-	19,974,531
	20,216,838	-	-	20,216,838

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 8. Financial risk management (continued)

### 8.2. Liquidity risk (continued)

The table below summarises the maturity profile of Cerno Global Leaders' financial liabilities at 31 December 2022 based on contractual undiscounted payments.

	Less than 3 months GBP	3-12 months GBP	Greater than 1 year GBP	Total GBP
<b>Liabilities</b>				
Unrealised loss on forward foreign exchange contracts	2,209	-	-	2,209
Professional and legal fees payable	28,585	-	-	28,585
Administration fees payable	19,704	-	-	19,704
Manager fees payable	4,951	-	-	4,951
Due to broker	1,767	-	-	1,767
Audit fees payable	6,209	-	-	6,209
Investment management fees payable	58,407	-	-	58,407
Other payables and accrued expenses	45,679	-	-	45,679
Net assets attributable to holders of redeemable participating shares	28,723,079	-	-	28,723,079
	28,890,590	-	-	28,890,590

# Cerno Investment Funds ICAV

## Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

### 8. Financial risk management (continued)

#### 8.2. Liquidity risk (continued)

Cerno Pacific terminated on 9 October 2023.

The table below summarises the maturity profile of Cerno Pacific's financial liabilities at 9 October 2023 based on contractual undiscounted payments.

	Less than 3 months GBP	3-12 months GBP	Greater than 1 year GBP	Total GBP
<b>Liabilities</b>				
Unrealised loss on forward foreign exchange contracts	-	-	-	-
Liquidation payable	58,954	-	-	58,954
Professional and legal fees payable	38,672	-	-	38,672
Administration fees payable	7,126	-	-	7,126
Manager fees payable	3,293	-	-	3,293
Due to broker	-	-	-	-
Audit fees payable	7,344	-	-	7,344
Investment management fees payable	18,831	-	-	18,831
Other payables and accrued expenses	-	-	-	-
Net assets attributable to holders of redeemable participating shares	-	-	-	-
	134,220	-	-	134,220

The table below summarises the maturity profile of Cerno Pacific's financial liabilities at 31 December 2022 based on contractual undiscounted payments.

	Less than 3 months GBP	3-12 months GBP	Greater than 1 year GBP	Total GBP
<b>Liabilities</b>				
Unrealised loss on forward foreign exchange contracts	72,832	-	-	72,832
Professional and legal fees payable	36,387	-	-	36,387
Administration fees payable	15,284	-	-	15,284
Manager fees payable	2,292	-	-	2,292
Due to broker	2,490	-	-	2,490
Audit fees payable	6,366	-	-	6,366
Investment management fees payable	39,553	-	-	39,553
Other payables and accrued expenses	51,725	-	-	51,725
Net assets attributable to holders of redeemable participating shares	20,139,690	-	-	20,139,690
	20,366,619	-	-	20,366,619



# Cerno Investment Funds ICAV

## Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

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### 8. Financial risk management

#### 8.3. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit exposures arise principally on cash and cash equivalents, and financial assets at fair value through profit or loss.

The Sub-Funds measure credit risk and expected credit losses using the probability of default, exposure at default and loss given default. The Sub-Funds recognise their exposure to credit risk by conducting transactions with established, reputable brokers. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk probability of default is considered minimal since delivery of securities sold is only made once the broker has received payment. On a purchase, payment is made once the securities have been received from the broker. If either party fails to meet their obligation, the trade will fail. As a result no loss allowance has been recognized based on 12-month expected credit losses as any impairment would be considered insignificant to the Sub-Funds.

Northern Trust Fiduciary Services (Ireland) Limited (“NTFSIL”) is the appointed Depositary of the Fund, responsible for the safekeeping of assets. NTFSIL has appointed The Northern Trust Company (“TNTC”) as its global sub-custodian. Both NTFSIL and TNTC are wholly owned subsidiaries of Northern Trust Corporation (“NTC”). As at year-end date 31 December 2023, NTC had a long term credit rating from Standard & Poor’s of A+ (2022: A+).

TNTC (as global sub-custodian of NTFSIL) does not appoint external sub-custodians within the U.S., the U.K., Ireland, Canada, Belgium, France, Germany, Netherlands and Saudi Arabia. However, in all other markets, TNTC appoints local external subcustodians.

NTFSIL, in the discharge of its depositary duties, verifies the Fund’s ownership of Other Assets, (as defined under Other Assets, Art 22(5) of UCITS V Directive 2014/91/EU), by assessing whether the Fund holds the ownership based on information or documents provided by the Fund or where available, on external evidence.

TNTC, in the discharge of its delegated depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of TNTC and (ii) all financial instruments that can be physically delivered to TNTC. TNTC ensures all financial instruments (held in a financial instruments account on the books of TNTC) are held in segregated accounts in the name of the Fund, clearly identifiable as belonging to the Fund, and distinct and separately from the proprietary assets of TNTC, NTFSIL and NTC.

In addition TNTC, as banker, holds cash of the Fund on deposit. Such cash is held on the Statement of Financial Position of TNTC. In the event of insolvency of TNTC, in accordance with standard banking practice, the Fund will rank as an unsecured creditor of TNTC in respect of any cash deposits.

The insolvency of NTFSIL and or one of its agents or affiliates may cause the Fund rights with respect to its assets to be delayed.

Where relevant please note the following currencies, Jordanian Dinar, Saudi Riyal, cash in the onshore China market (principally the currency of Chinese Yuan Renminbi, and any other currencies remitted into accounts in the onshore China market), are no longer held on the Balance Sheet of TNTC. For these off-book currencies, clients’ cash exposure is directly to the relevant local sub-custodian / financial institution in the market.

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 8. Financial risk management (continued)

### 8.3. Credit risk (continued)

The Board of Directors or its delegate(s) (the “Responsible Party”) manages risk by monitoring the credit quality and financial position of the Depositary and such risk is further managed by the Depositary monitoring the credit quality and financial positions of sub-custodian appointments

Assets and cash held with the Depositary are held on a segregated basis and an unsegregated basis, respectively, meaning that financial instruments held in custody are registered in a segregated account so that they can be clearly identified as belonging to the Sub-Funds while cash is held in an omnibus account. As at 31 December 2023, the following financial assets were exposed to credit risk:

	<b>Cerno Select (Dublin) Fund 31 December 2023 GBP</b>	<b>Cerno Global Leaders (Dublin) Fund 31 December 2023 GBP</b>	<b>Cerno Pacific (Dublin) Fund* 31 December 2023 GBP</b>
Cash and cash equivalents	974,430	678,181	134,220
Due from brokers	-	-	-
Investments in option contracts	38,392	-	-
Investments in funds and exchange traded funds	28,217,933	19,505,674	-
Unrealised gain on forward foreign exchange contracts	124,577	-	-
Dividends and interest receivable	140,324	10,591	-
	<b>29,495,656</b>	<b>20,194,446</b>	<b>134,220</b>

\* Terminated 9 October 2023.

As at 31 December 2022, the following financial assets were exposed to credit risk:

	<b>Cerno Select (Dublin) Fund 31 December 2022 GBP</b>	<b>Cerno Global Leaders (Dublin) Fund 31 December 2022 GBP</b>	<b>Cerno Pacific (Dublin) Fund 31 December 2022 GBP</b>
Cash and cash equivalents	4,436,448	275,695	743,364
Due from brokers	4,384	104	-
Investments in option contracts	338,271	-	-
Investments in funds and exchange traded funds	20,904,453	-	-
Unrealised gain on forward foreign exchange contracts	820,160	116,741	261,445
Dividends and interest receivable	72,029	12,963	11,756
	<b>26,575,745</b>	<b>405,503</b>	<b>1,016,565</b>

# Cerno Investment Funds ICAV

## Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

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### 8. Financial risk management (continued)

#### 8.4. Offsetting

The Sub-Funds are required to disclose the impact of offsetting assets and liabilities represented in the Statement of Financial Position to enable users of the financial statements to evaluate the effect or potential effect of netting arrangements on its financial position for recognised assets and liabilities. These recognised assets and liabilities are financial instruments and derivative contracts that are either subject to an enforceable master netting arrangement or similar agreement or meet the following right of set-off criteria: the amounts owed by each party are determinable, the Sub-Funds have the right to set-off the amounts owed with the amounts owed by the other party, the Sub-Funds intend to set-off, and the Sub-Funds' right of set-off is enforceable at law.

As of 31 December 2023 and 31 December 2022, the Sub-Funds' derivative contracts are not subject to a master netting arrangement.

#### 8.5. Efficient portfolio management techniques

The Investment Manager on behalf of a sub-fund may use techniques and instruments relating to transferable securities for the purposes of efficient portfolio management subject to the conditions and limits set out from time to time by the Central Bank and the Sub-Funds may employ techniques and instruments intended to provide protection against risks in the context of the management of its assets and liabilities.

The specific techniques and instruments to be utilised by the Sub-Funds (if any) are set out in the supplement to the prospectus. Such techniques may involve the lending of portfolio securities by a sub-fund, but such lending must be secured by adequate collateral. Techniques and instruments utilised for the purposes of efficient portfolio management may only be used in accordance with the investment strategy of the relevant Sub-Funds.

Any such technique or instrument should be reasonably believed by the Investment Manager to be economically appropriate to the efficient portfolio management of the relevant sub-fund.

All the revenues arising from efficient portfolio management techniques employed shall be returned to the relevant sub-fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees, (which are all fully transparent) which shall not include hidden revenue shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the ICAV from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties and/or stock lending agents engaged by the ICAV, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the ICAV or the Sub-Funds in respect of which the relevant party has been engaged.

The Sub-Funds did not enter into securities lending arrangements or repurchase agreements during the financial year therefore no revenues were earned in respect of efficient portfolio management techniques for the financial year ended 31 December 2023 and for the financial year ended 31 December 2022.

# Cerno Investment Funds ICAV

## Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

### 9. Share capital and redeemable participating shares

The authorised share capital of the ICAV is as follows:

	<b>EUR</b>
2 subscriber shares of no par value	2
500,000,000,000 redeemable participating shares of no par value	-
	<b>2</b>

The subscriber shares are non-redeemable, non-participating, are classified as equity and are presented in note form only in these financial statements. The subscriber shares carry no right to dividends and on a winding up rank only for the return of the capital paid up thereon after the return of the capital paid up on the redeemable participating shares. The subscriber shares have the right to vote on all matters. Subscriber shares are held by the Investment Manager.

For Cerno Select, redeemable participating shares are issued in five classes: Class A, B, D, E and S (2022: A, B, D, E and S). The redeemable participating shares are entitled to all benefits of, and bear all the risk of, Cerno Select's investments in accordance with their terms. The redeemable participating shares have no voting rights as to the management of Cerno Select. Holders of redeemable participating shares are not entitled to vote.

For Cerno Global Leaders, redeemable participating shares are issued in five classes: Class A, M, B, R and S (2022: Class A, M, B, R and S). The redeemable participating shares are entitled to all benefits of, and bear all the risk of, Cerno Global Leaders' investments in accordance with their terms. The redeemable participating shares have no voting rights as to the management of Cerno Global Leaders. Holders of redeemable participating shares are not entitled to vote.

For Cerno Pacific, redeemable participating shares were issued in four classes: 2022: Class M, E, R and D. The redeemable participating shares were entitled to all benefits of, and bore all the risk of, Cerno Pacific's investments in accordance with their terms. The redeemable participating shares had no voting rights as to the management of Cerno Pacific. Holders of redeemable participating shares were not entitled to vote. Cerno Pacific terminated on 9 October 2023.

The redeemable participating shares carry an equal right to dividends and other distributions as the Directors may declare. Upon winding up, the holders are entitled to a return of capital based on the net assets value per share of the relevant class. The Directors did not declare a dividend in the years ended 31 December 2023 and 2022.

Shares can be redeemed at the option of the shareholder on each business day. A completed redemption request must be received by the Administrator by 12:00 noon (Irish time) one business day (or such lesser period as the Directors may generally or in any particular case permit) immediately prior to the relevant redemption day.

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 9. Share capital and redeemable participating shares (continued)

The following table details share movements of Cerno Select for the financial year ended 31 December 2023:

<b>31 December 2023</b>	<b>Number of shares, at the beginning of the financial year</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Number of shares, at the end of the financial year</b>
Class A Non-Hedged - GBP	780,923	-	(50,226)	730,697
Class B Non-Hedged - GBP	901,642	500,225	(500,225)	901,642
Class B Non-Hedged Distributing - GBP	-	479,465	-	479,465
Class C Non-Hedged - EUR	-	500	-	500
Class D Hedged - USD	336,958	-	(208,902)	128,056
Class E Hedged - USD	121,372	-	-	121,372
Class S Hedged - USD	2,994,199	-	(2,160,000)	834,199

The following table details share movements of Cerno Select for the financial year ended 31 December 2022:

<b>31 December 2022</b>	<b>Number of shares, at the beginning of the financial year</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Number of shares, at the end of the financial year</b>
Class A Non-Hedged - GBP	772,397	44,565	(36,039)	780,923
Class B Non-Hedged - GBP	901,642	-	-	901,642
Class D Hedged - USD	319,139	17,819	-	336,958
Class E Hedged - USD	609,350	-	(487,978)	121,372
Class S Hedged - USD	3,997,400	-	(1,003,201)	2,994,199

### Net asset value per share – Cerno Select

<b>(Dealing NAV) (expressed in GBP)</b>	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2021</b>
Class A Non-Hedged - GBP	10.06	10.69	12.61
Class B Non-Hedged - GBP	10.23	10.84	12.76
Class B Non-Hedged Distributing - GBP	10.30	-	-
Class C Non-Hedged - EUR	8.92	-	-
Class D Hedged - USD	8.21	9.29	13.11
Class E Hedged - USD	8.42	9.42	13.25
Class S Hedged - USD	6.66	7.42	10.42

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 9. Share capital and redeemable participating shares (continued)

Net asset value per share – Cerno Select (Dealing NAV) (expressed in GBP)	31 December 2023	31 December 2022	31 December 2021
Class A Non-Hedged - GBP	7,350,140	8,346,880	9,738,811
Class B Non-Hedged - GBP	9,221,098	9,773,876	11,500,937
Class B Non-Hedged Distributing - GBP	4,937,306	-	-
Class C Non-Hedged - EUR	4,461	-	-
Class D Hedged - USD	1,051,078	3,130,953	3,103,593
Class E Hedged - USD	1,022,532	1,143,792	5,991,877
Class S Hedged - USD	5,552,302	22,208,730	30,901,111

The following table details share movements of Cerno Global Leaders for the financial year ended 31 December 2023:

31 December 2023	Number of shares, at the beginning of the financial year	Issued	Redeemed	Number of shares, at the end of the financial year
Class A Non-Hedged - GBP	403,399	142,953	(45,832)	500,520
Class M Non-Hedged - GBP	369,505	-	(230,135)	139,370
Class B Non-Hedged - USD	59,539	15,999	-	75,538
Class R Non-Hedged - USD	2,614,700	-	(1,613,000)	1,001,700
Class S Hedged - USD	604,020	-	-	604,020

The following table details share movements of Cerno Global Leaders for the financial period ended 31 December 2022:

31 December 2022	Number of shares, at the beginning of the financial year	Issued	Redeemed	Number of shares, at the end of the financial year
Class A Non-Hedged - GBP	410,683	-	(7,284)	403,399
Class B Non-Hedged - GBP	450,000	76,364	(156,859)	369,505
Class D Hedged - USD	59,539	-	-	59,539
Class E Hedged - USD	3,995,100	-	(1,380,400)	2,614,700
Class S Hedged - USD	-	604,020	-	604,020

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 9. Share capital and redeemable participating shares (continued)

Net asset value per share – Cerno Global		31 December	
Leaders (Dealing NAV) (expressed in GBP)	31 December 2023	2022	31 December 2021
Class A Non-Hedged - GBP	10.21	8.72	10.69
Class M Non-Hedged - GBP	9.64	8.18	9.96
Class B Non-Hedged - USD	8.01	6.84	11.3
Class R Non-Hedged - USD	7.62	6.52	10.8
Class S Hedged - USD	8.74	7.84	-

Net asset value per share – Cerno Global		31 December	
Leaders (Dealing NAV) (expressed in GBP)	31 December 2023	2022	31 December 2021
Class A Non-Hedged - GBP	5,109,027	3,516,919	4,388,816
Class M Non-Hedged - GBP	1,343,303	3,021,424	4,481,326
Class B Non-Hedged - USD	605,054	407,219	499,164
Class R Non-Hedged - USD	7,635,527	17,052,510	32,001,726
Class S Hedged - USD	5,281,619	4,736,900	-

The following table details share movements of Cerno Pacific for the financial year ended 31 December 2023:

Cerno Pacific (Dublin) Fund terminated 9 October 2023.

31 December 2023	Number of	Issued	Redeemed	Number of
	shares, at the beginning of the financial year			shares, at the end of the financial year
Class M Non-Hedged - GBP	454,856	-	(454,856)	-
Class E Non-Hedged - USD	62,923	-	(62,923)	-
Class R Non-Hedged - USD	4,025,345	-	(4,025,345)	-
Class D Non-Hedged - USD	2,000	-	(2,000)	-

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 9. Share capital and redeemable participating shares (continued)

The following table details share movements of Cerno Pacific for the financial year ended 31 December 2022:

<b>31 December 2022</b>	<b>Number of shares, at the beginning of the financial year</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Number of shares, at the end of the financial year</b>
Class M Non-Hedged - GBP	510,384	-	(55,528)	454,856
Class E Non-Hedged - USD	62,923	-	-	62,923
Class R Non-Hedged - USD	3,590,000	972,320	(536,975)	4,025,345
Class D Non-Hedged - USD	-	2,000	-	2,000

### Net asset value per share – Cerno Pacific (Dealing NAV)

(expressed in GBP)

	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2021</b>
Class M Non-Hedged - GBP	-	5.99	8.59
Class E Non-Hedged - USD	-	4.42	8.61
Class R Non-Hedged - USD	-	4.26	8.30
Class D Non-Hedged - USD	-	8.80	-

### Net asset value per share – Cerno Pacific (Dealing NAV)

(expressed in GBP)

	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2021</b>
Class M Non-Hedged - GBP	-	2,724,090	4,383,212
Class E Non-Hedged - USD	-	278,148	401,858
Class R Non-Hedged - USD	-	17,132,311	22,097,379
Class D Non-Hedged - USD	-	17,591	-



# Cerno Investment Funds ICAV

## Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

### 10. Amortisation of organisation costs

In accordance with the provision of the Sub-Funds' Supplement, the organisation expenses (including legal, accounting, and other professional fees and expenses) incidental to the establishment of the Sub-Funds will be paid out of the assets of the Sub-Funds and amortised over the first 60 months.

However, for financial statement purposes, in accordance with IFRS, the accounting policy is to expense the expenditures incurred in the formation of the Sub-Funds in the period in which they arose.

The unamortised organisation costs of Cerno Select's Supplement were fully amortised as at 31 December 2021.

The unamortised organisation costs as at 31 December 2023 in accordance with the provision of Cerno Global Leaders' Supplement were GBP 7,894 (2022: GBP 11,893).

<b>31 December 2023</b> <b>(expressed in GBP)</b>	<b>Class A</b> <b>GBP</b>	<b>Class M</b> <b>GBP</b>	<b>Class B</b> <b>USD</b>	<b>Class R</b> <b>USD</b>	<b>Class S</b> <b>USD</b>	<b>Total</b> <b>GBP</b>
Net assets (valued in accordance with the offering memorandum)	5,111,046	1,343,833	605,293	7,638,541	5,283,712	19,982,425
Adjustment of unamortised organisation costs	(2,018)	(530)	(239)	(3,014)	(2,093)	(7,894)
Net assets (valued in accordance with IFRS)	5,109,028	1,343,303	605,054	7,635,527	5,281,619	19,974,531

<b>31 December 2022</b> <b>(expressed in GBP)</b>	<b>Class A</b> <b>GBP</b>	<b>Class M</b> <b>GBP</b>	<b>Class B</b> <b>USD</b>	<b>Class R</b> <b>USD</b>	<b>Class S</b> <b>USD</b>	<b>Total</b> <b>GBP</b>
Net assets (valued in accordance with the offering memorandum)	3,516,919	3,021,424	407,219	17,052,510	4,736,900	28,734,972
Adjustment of unamortised organisation costs	(1,456)	(1,250)	(168)	(7,058)	(1,961)	(11,893)
Net assets (valued in accordance with IFRS)	3,515,463	3,020,174	407,051	17,045,452	4,734,939	28,723,079

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 10. Amortisation of organisation costs (continued)

The unamortised organisation costs as at 31 December 2023 in accordance with the provision of Cerno Pacific's Supplement were GBP Nil (2022: GBP 12,450). Cerno Pacific (Dublin) Fund terminated 9 October 2023.

<b>31 December 2023</b> <b>(expressed in GBP)</b>	<b>Class M</b> <b>GBP</b>	<b>Class E</b> <b>USD</b>	<b>Class R</b> <b>USD</b>	<b>Class D</b> <b>USD</b>	<b>Total</b> <b>GBP</b>
Net assets (valued in accordance with the offering memorandum)	-	-	-	-	-
Adjustment of unamortised organisation costs	-	-	-	-	-
Net assets (valued in accordance with IFRS)	-	-	-	-	-

<b>31 December 2022</b> <b>(expressed in GBP)</b>	<b>Class M</b> <b>GBP</b>	<b>Class E</b> <b>USD</b>	<b>Class R</b> <b>USD</b>	<b>Class D</b> <b>USD</b>	<b>Total</b> <b>GBP</b>
Net assets (valued in accordance with the offering memorandum)	2,724,090	278,148	17,132,311	17,591	20,152,140
Adjustment of unamortised organisation costs	(1,683)	(172)	(10,584)	(11)	(12,450)
Net assets (valued in accordance with IFRS)	2,722,407	277,976	17,121,727	17,580	20,139,690

## 11. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Directors of the ICAV, the Investment Manager, and the Manager are considered to be related parties under IAS 24 'Related Party Disclosures'. Please refer to note 12 for details on fees paid to these related parties.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Joseph Joyce, a Director of the ICAV, is the Finance Director of the Investment Manager.

Brian Dunleavy, a Director of the ICAV, is an Executive Director in the Manager.

The Money Laundering Reporting Officer ("MLRO") of the ICAV is an employee of Waystone which is part of the same economic group as the Manager.

# Cerno Investment Funds ICAV

## Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

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### 11. Related party transactions (continued)

For Cerno Select the MLRO earned fees of GBP 6,957 (2022: GBP 2,529) during the financial year, of which GBP 2,733 (2022: GBP 3,281) was payable at financial year end. Waystone also provide directors payroll services for Cerno Select. Fees of GBP 251 (2022: GBP 253) were charged during the financial year, of which GBP 1,522 (2022: GBP 464) was payable at financial year end.

For Cerno Global Leaders, the MLRO earned fees of GBP 1,454 (2022: GBP 1,437) during the financial year, of which GBP 2,674 (2022: GBP 2,306) was payable at financial year end. Waystone also provide directors payroll services for Cerno Global Leaders. Fees of GBP 276 (2022: GBP 302) were charged during the financial year, of which GBP 424 (2022: GBP 178) was payable at financial year end.

For Cerno Pacific, the MLRO earned fees of GBP 1,191 (2022: GBP 1,463) during the financial year, of which GBP Nil (2022: GBP 44) was payable at financial period end. Waystone also provide directors payroll services for Cerno Pacific. Fees of GBP 786 (2022: GBP 333) were charged during the financial period, of which GBP 427 (2022: GBP 571) was payable at financial period end.

With the exception of the above, there are no other related party transactions.

### 12. Fees

#### Administration fees

##### Until 15 December 2023

Maples Fund Services (Ireland) Limited (or the “Administrator”) was entitled to receive, out of the assets of the Sub-Funds, an administration fee accrued at each dealing day and payable quarterly in arrears. Administrator's fees were be calculated as an aggregate of the total net assets of the ICAV. The Administrator was to be paid an annual minimum of \$193,000 per annum.

The Administrator's fee was calculated as follows:

- The first \$250 million of net assets of the ICAV was charged at 0.1% of the net asset value of the ICAV; and
- Assets over \$250 million of net assets of the ICAV was charged at 0.08% of the net asset value of the ICAV.

The Administrator was also entitled to certain additional transaction and reporting fees as well as reimbursement of all reasonable out-of-pocket expenses incurred.

##### From 15 December 2023

Northern Trust International Fund Administration Services (Ireland) Limited (or the “Administrator”) in entitled to receive, out of the assets of the Sub-funds, an administration fee calculated as an aggregate of the total net assets of the ICAV. The Administrator will be paid an annual minimum fee of £145,000 per annum by the ICAV, such fee being divided pro rata across the sub-funds of the ICAV.

The Administrator's fee will be calculated as follows:

- The first £250 million of Net Assets of the ICAV will be charged at 0.07% of the Net Asset Value of the ICAV; and

# Cerno Investment Funds ICAV

## Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

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### 12. Fees (continued)

#### Administration fees

- Assets over £250 million of Net Assets of the ICAV will be charged at 0.05% of the Net Asset Value of the ICAV.

The Administrator will also be reimbursed out of the assets of the Fund for reasonable out-of-pocket expenses incurred by the Administrator on behalf of or attributable to the Fund.

The fees and expenses of the Administrator are exclusive of VAT and will accrue on each Valuation Point and are payable quarterly in arrears.

The administration fees for the financial year ended 31 December 2023 for Cerno Select were GBP 90,514 (2022: GBP 85,954), of which GBP 37,148 was payable to the Administrator at 31 December 2023 (2022: GBP 29,036).

The administration fees for the financial period ended 31 December 2023 for Cerno Global Leaders were GBP 60,724 (2022: GBP 52,761), of which GBP 25,124 was payable to the Administrator at 31 December 2023 (2022: GBP 19,704).

The administration fees for the financial period ended 31 December 2023 for Cerno Pacific were GBP 29,994 (2022: GBP 38,836) of which GBP 7,126 was payable to the Administrator at 31 December 2023 (2022: GBP 15,284).

#### Depository and Custody fees

##### Until 15 December 2023

The Sub-Funds paid fees monthly in arrears to the Depository and Sub-Custodian in accordance with the Depository Operating Memorandum. The depository fees were accrued at each dealing day. The Depository were paid a maximum fee of 0.03% per annum for Cerno Select and 0.02% per annum for Cerno Global Leaders and Cerno Pacific, of the net asset value of the Sub-Fund exclusive of a transaction fee per transfer, subscription, purchase, sale or redemption of hedge fund assets, at a minimum charge of GBP 3,000 per month.

The Sub-Custodian was paid a custody fee for safekeeping and transactions at normal commercial rates. This fee was subject to a minimum fee of USD 1,500 per month. The sub-custodian was also paid out of the assets of the Sub-Funds for reasonable out-of-pocket expenses incurred by them and for the reasonable fees and customary agent's charges paid by the Sub-Custodian. The custody fees were accrued on a monthly basis.

##### From 15 December 2023

The Depository will be paid a maximum fee, calculated and accrued daily and payable monthly in arrears, at a rate of 0.02% per annum of the Net Asset Value of the Fund together with VAT, if any, thereon, subject to a minimum fee of £36,000 per annum.

The Depository shall also be entitled to be reimbursed out of the assets of the Fund for all of its reasonable disbursements incurred on behalf of the Fund including safekeeping fees, expenses and transaction charges which shall be charged at normal commercial rates.

# Cerno Investment Funds ICAV

## Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

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### 12. Fees (continued)

#### Depository and Custody fees (continued)

The Depository shall also be entitled to be reimbursed for reasonable out-of-pocket expenses necessarily incurred by it in the performance of its duties.

The fees and expenses of the Depository shall be calculated as at each Valuation Point and shall be payable monthly in arrears.

The depository fees for the financial year ended 31 December 2023 for Cerno Select were GBP 36,286 (2022: GBP 36,099), of which GBP 24,688 (2022: GBP 12,402) remained payable at 31 December 2023.

The depository fees for the financial period ended 31 December 2023 for Cerno Global Leaders were GBP 35,615 (2022: GBP 35,903), of which GBP 26,263 (2022: GBP 14,646) remained payable at 31 December 2023.

The depository fees for the financial period ended 31 December 2023 for Cerno Pacific were GBP 26,827 (2022: GBP 36,394) of which GBP 9,247 (2022: GBP 12,456) remained payable at 31 December 2023.

The custody fees for the financial year ended 31 December 2023 for Cerno Select were GBP 15,772 (2022: GBP 14,604) of which GBP 2,814 was prepaid at 31 December 2023 (2022: GBP 1,343 was payable at financial year end).

The custody fees for the financial year ended 31 December 2023 Cerno Global Leaders were GBP 2,432 (2022: GBP 2,241) of which GBP 13,952 was prepaid at 31 December 2023 (2022: GBP 3,075 was payable at financial year end).

The custody fees for the financial period ended 31 December 2023 for Cerno Pacific were GBP 10,945 (2022: GBP 3,983) of which GBP Nil was prepaid at 31 December 2023 (2022: GBP 5,101 was prepaid at financial year end).

#### Manager fees

Waystone Management Company (IE) (the “Manager”) is entitled to a management fee calculated and accruing at each valuation point and payable monthly in arrears at a maximum rate of 0.03%. From December 15 2023, these fees are subject to an annual minimum of €75,000 (exclusive of VAT) based on a single Sub-Fund plus an incremental fee of €25,000 (exclusive of VAT) for each incremental Sub-Fund.

Prior to December 15 2023, the Manager fees were subject to an annual minimum of Euro (“EUR”) 40,000 (exclusive of VAT) of the net asset value for the shares payable out of the assets of the Sub-Funds. Where there were three sub-funds of the ICAV authorised, the Manager was entitled to an annual minimum fee of EUR 75,000 (exclusive of VAT) which was payable from the net asset value of the ICAV and allocated pro rata across the sub-funds of the ICAV.

The Manager will also be reimbursed out of the assets of the Sub-Funds for reasonable out-of-pocket expenses incurred by the Manager.

# Cerno Investment Funds ICAV

## Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

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### 12. Fees (continued)

#### Manager fees (continued)

The management fees for the financial year ended 31 December 2023 for Cerno Select were GBP 35,233 (2022: GBP 31,444), of which GBP 11,729 (2022: GBP 14,282) remained payable at 31 December 2023.

The management fees for the financial year ended 31 December 2023 Cerno Global Leaders were GBP 24,852 (2022: GBP 18,799), of which GBP 3,269 (2022: GBP 4,951) remained payable at 31 December 2023.

The management fees for the financial period ended 31 December 2023 for Cerno Pacific were GBP 10,002 (2022: GBP 13,756) of which GBP 3,293 (2022: GBP 2,292) remained payable at 31 December 2023.

#### Investment Manager fees

Cerno Capital Partners LLP (or the “Investment Manager”) is entitled to an investment management fee calculated and accruing at each valuation point and payable monthly in arrears out of the assets of the Sub-Funds.

The investment management fees for Cerno Select are charged at the following rates: 1% of the net asset value of classes A and D, at 0.75% of the net asset value of class B and E and at 0.85% of net asset value of class S.

The investment management fees charged to Cerno Select for the financial year ended 31 December 2023 were GBP 344,708 (2022: GBP 467,399), of which GBP 74,500 (2022: GBP 106,855) remained payable at 31 December 2023.

The investment management fees for Cerno Global Leaders are charged at the following rates: 0.65% of the net asset value of classes A and B and at 0.85% of the net asset value of class R. There are no investment management fees charged to class M.

The investment management fees charged to Cerno Global Leaders for the financial year ended 31 December 2023 were GBP 213,877 (2022: GBP 241,928), of which GBP 43,567 (2022: GBP 58,407) remained payable at 31 December 2023.

The investment management fees for Cerno Pacific are charged at the following rates: 0.75% of the net asset value of E and at 0.85% of the net asset value of class R. There are no investment management fees charged to class M.

The investment management fees charged to Cerno Pacific for the financial period ended 31 December 2023 were GBP 101,022 (2022: GBP 174,347) of which GBP 18,831 (2022: GBP 39,553) remained payable at 31 December 2023.

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 12. Fees (continued)

### Auditors' Remuneration

The following table details fees paid to the Statutory Audit Firm, Grant Thornton, for the financial year ended 31 December 2023:

	<b>Cerno Select (Dublin) Fund</b>	<b>Cerno Global Leaders (Dublin) Fund</b>	<b>Cerno Pacific (Dublin) Fund*</b>
	<b>Financial year ended 31 December 2023</b>	<b>Financial year ended 31 December 2023</b>	<b>Financial year ended 31 December 2023</b>
	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
Statutory audit	14,569	5,755	4,921
	14,569	5,755	4,921

\* Terminated 9 October 2023.

The following table details fees paid to the Statutory Audit Firm, Grant Thornton, for the financial year ended 31 December 2022:

	<b>Cerno Select (Dublin) Fund</b>	<b>Cerno Global Leaders (Dublin) Fund</b>	<b>Cerno Pacific (Dublin) Fund</b>
	<b>Financial year ended 31 December 2022</b>	<b>Financial period ended 31 December 2022</b>	<b>Financial period ended 31 December 2022</b>
	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
Statutory audit	10,937	5,783	6,489
	10,937	5,783	6,489

# Cerno Investment Funds ICAV

## Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

### 12. Fees (continued)

#### Directors' fees

The Directors' fees for the financial year ended 31 December 2023 for Cerno Select were GBP 16,463 (2022: GBP 12,643) of which GBP 7,406 (2022: GBP 4,565) remained payable to the ICAV's Directors at 31 December 2023.

The Directors' fees for the financial period ended 31 December 2023 for Cerno Global Leaders were GBP 9,423 (2022: GBP 7,247) of which GBP 6,548 (2022: GBP 4,145) remained payable to the ICAV's Directors at 31 December 2023.

The Directors' fees for the financial period ended 31 December 2023 for Cerno Pacific were GBP 6,165 (2022: GBP 8,130) of which GBP 242 (2022: GBP 123) remained payable to the ICAV's Directors at 31 December 2023.

The ICAV does not have employees and the Directors have been appointed on a non-executive basis.

#### Performance fees

No performance fees will be charged in relation to any class of shares.

#### Liquidation Fee Payable

The following table summarized the balances liquidation fee payable at 31 December 2023.

<b>Fee Description</b>	
Corporate Services Payable	15,755
Depositary Fee Payable	9,247
Directors & Officers Fee Payable	9,559
Directors Payroll Payable	242
Financial Statement Preparation Fees Payable	3,496
Regulatory Fees Payable	228
Reporting Fee Payable	18,064
Transition Fee Payable	6,416
Liquidation Accrual Reduction	(4,139)
NT Adjustment for FX P&L Post Transition	86
<b>Total</b>	<b>58,954</b>



# Cerno Investment Funds ICAV

## Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

### 13. Research costs

No research fees were incurred by the Sub-Funds during the financial year ended 31 December 2023 or the financial year ended 31 December 2022.

### 14. Soft commissions

The Manager or the Investment Manager may effect transactions with or through the agency of another person with whom the Manager or Investment Manager or any entity affiliated to the Manager or Investment Manager has arrangements under which that person will, from time to time, provide to or procure for the Manager or Investment Manager and/or an affiliated party goods, services or other benefits such as research and advisory services, specialised computer hardware or software. No direct payment may be made for such goods or services but the Manager or Investment Manager may undertake to place business with that person provided that person has agreed to provide best execution with respect to such business and the services provided must be of a type which assists in the provision of investment services (i.e. eligible brokerage and research services) to the Sub-Funds and/or other clients over which the Manager or Portfolio Manager exercises discretion.

There were no soft commission arrangements or transactions during the financial year ended 31 December 2023 (2022: none).

### 15. Exchange rates

As at 31 December 2023 and 31 December 2022, the following rates were used to convert amounts denominated in other currencies to the reporting currency of the Sub-Funds.

	31 December 2023	31 December 2022
	GBP	GBP
Euro (EUR)	0.8665	0.8860
U.S. Dollar (USD)	0.7844	0.8276
Swiss Franc (CHF)	0.9320	0.8952
Danish Krone (DKK)	0.1162	0.1191
Japanese Yen (JPY)	0.0056	0.0063
Swedish Krona (SEK)	0.0778	0.0794
Hong Kong Dollar (HKD)	0.1005	0.1061
Australian Dollar (AUD)	0.5353	0.5639
Taiwanese Dollar (TWD)	0.0256	0.0269
Singapore Dollar (SGD)	0.5947	0.6178
Chinese Yuan Renminbi (CNY)	0.1106	0.1200

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

## 16. Nav Reconciliation

Below is the Nav Reconciliation post transition for Cerno Select (Dublin) Fund.

### Cerno Select (Dublin) Fund

31 December 2023 (expressed in GBP)	Class A GBP	Class B GBP	Class D USD	Class E USD	Class S USD	Class B GBP	Class C EUR	Total GBP
Net assets prior to Transition	7,385,486	9,265,441	1,056,132	1,027,449	5,579,003	4,961,049	4,483	29,279,042
Nav Adjustment on Transition	(35,346)	(44,343)	(5,054)	(4,917)	(26,700)	(23,743)	(21)	(140,125)
Net assets post Transition	7,350,140	9,221,098	1,051,078	1,022,532	5,552,302	4,937,306	4,461	29,138,917

Please refer to note 10, Amortisation of organisation costs for the Nav Reconciliation post transition for Cerno Global Leaders (Dublin) Fund.

## 17. Sustainable Finance Disclosure Regulation (“SFDR”)

The investments underlying the Sub-Funds do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088. The Sub-Funds of the ICAV are classified as Article 6.

## 18. Securities Financing Transactions Regulation (SFTR)

A Securities Financing Transaction (“SFT”) is defined as per Article 3(11) of the Securities Financing Transactions Regulations as:

- a repurchase transaction;
- securities or commodities lending and securities or commodities borrowing;
- a buy-sell back transaction or sell-buy back transaction; or
- a margin lending transaction.

UCITS are required to disclose the use of SFT’s.

For the financial year ended 31 December 2023, the ICAV did not trade in any SFT.

## 19. Significant Events during the Financial Year

Effective 29 September 2023, KBA Consulting Management Limited, the Management Company of the ICAV, completed its merger with Waystone Management Company (IE) Limited (“WMC”). WMC is the surviving entity post-merger and as such, the ICAV’s Management Company is WMC from this date.

Cerno Pacific (Dublin) Fund terminated 9 October 2023.

# Cerno Investment Funds ICAV

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 December 2023

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## 19. Significant Events during the Financial Year (continued)

Effective 15 December 2023, Northern Trust International Fiduciary Services (Ireland) Limited replaced Sumitomo Mitsui Trust Bank Limited as the new Sub-Custodian to the ICAV.

Effective 15 December 2023, Northern Trust International Fiduciary Services (Ireland) Limited replaced SMT Trustees (Ireland) Limited as the new Depositary to the ICAV.

Effective 15 December 2023, Northern Trust International Fund Administration Services (Ireland) Limited replaced Maples Fund Services (Ireland) Limited as the new Administrator, Registrar and Transfer Agent to the ICAV.

There were no other significant events that occurred during the financial year that would require disclosure in the financial statements.

## 20. Subsequent events

Distributions to shareholders of distributing shares are due to be paid 30 April 2024.

### **Cerno Select (Dublin) Fund**

	<b>Distribution</b>	<b>Per Share</b>
Class B GBP	71,171	0.15

The Directors have evaluated the effect of all other subsequent events occurring through to the date the financial statements were available to be issued, and has determined that there were no other subsequent events requiring adjustment to or disclosure in the financial statements.

## 21. Approval of financial statements

The Directors approved the financial statements on 30 April 2024.

# Cerno Investment Funds ICAV

## Schedule of Investments – Cerno Select (Dublin) Fund

As at 31 December 2023

Shares	Description	Fair Value GBP	% of Net Assets
<b>Listed Equities</b>			
<b>Denmark</b>			
3,293	Novozymes A/S	142,741	0.49%
	<b>Total Denmark</b>	142,741	0.49%
<b>France</b>			
689	EssilorLuxottica SA	108,711	0.37%
203	LVMH Moet Hennessy Louis Vuitton	129,801	0.45%
	<b>Total France</b>	238,512	0.82%
<b>Hong Kong</b>			
17,200	Techtronic Industries Company Limited	160,755	0.55%
	<b>Total Hong Kong</b>	160,755	0.55%
<b>Ireland</b>			
431	Accenture Plc-Cl A	118,898	0.41%
1,802	Aptiv Plc	127,914	0.44%
	<b>Total Ireland</b>	246,812	0.85%
<b>Japan</b>			
916	Shimano Inc	110,874	0.38%
	<b>Total Japan</b>	110,874	0.38%
<b>Netherlands</b>			
194	ASML Holding	115,667	0.40%
1,790	Heineken NV	142,754	0.49%
7,711	Koninklijke Philips NV	141,576	0.48%
	<b>Total Netherlands</b>	399,997	1.37%
<b>South Korea</b>			
97	Samsung Electronics Co Ltd	113,630	0.39%
	<b>Total South Korea</b>	113,630	0.39%

# Cerno Investment Funds ICAV

## Schedule of Investments – Cerno Select (Dublin) Fund (continued)

As at 31 December 2023

Shares	Description	Fair Value GBP	% of Net Assets
<b>Listed Equities (continued)</b>			
<b>Sweden</b>			
5,170	Assa Abloy AB	118,105	0.41%
8,591	Atlas Copco AB	117,019	0.40%
	<b>Total Sweden</b>	<b>235,124</b>	<b>0.81%</b>
<b>Switzerland</b>			
35	Givaudan SA	113,859	0.39%
1,240	Nestlé SA	111,624	0.38%
	<b>Total Switzerland</b>	<b>225,483</b>	<b>0.77%</b>
<b>Taiwan</b>			
1,404	Taiwan Semiconductor Manufacturing Company Limited	115,338	0.40%
	<b>Total Taiwan</b>	<b>115,338</b>	<b>0.40%</b>
<b>United Kingdom</b>			
420	Linde Plc	135,036	0.46%
3,827	Renishaw Plc	136,930	0.47%
	<b>Total United Kingdom</b>	<b>271,966</b>	<b>0.93%</b>
<b>United States</b>			
253	Adobe Inc	118,216	0.41%
550	Ansys Inc	156,158	0.54%
1,000	Keysight Technologies Inc	125,485	0.43%
397	Microsoft Corp	116,898	0.40%
1,010	PPG Industries Inc	119,171	0.41%
614	Rockwell Automation Inc	149,644	0.50%
270	Thermo Fisher Scientific Inc	112,902	0.39%
584	Visa Inc	119,320	0.41%
1,455	Zimmer Biomet Holdings Inc	138,856	0.48%
	<b>Total United Kingdom</b>	<b>1,156,650</b>	<b>3.97%</b>
	<b>Total Listed Equities</b>	<b>3,417,882</b>	<b>17.24%</b>

# Cerno Investment Funds ICAV

## Schedule of Investments – Cerno Select (Dublin) Fund (continued)

As at 31 December 2023

Shares	Description	Fair Value GBP	% of Net Assets
<b>Exchange Traded Funds</b>			
<b>Ireland</b>			
109,743	iShares MSCI EM EX-China UCITS ETF	426,455	1.46%
49,343	iShares MSCI EM EX-China UCITS ETF	191,557	0.66%
10,371	iShares MSCI EM UCITS ETF USD Acc	295,140	1.01%
74,657	iShares Physical Gold ETC Securities Fund	2,357,668	8.09%
8,202	Vanguard FTSE 100 UCITS ETF	310,938	1.07%
15,741	Vanguard FTSE 250 UCITS ETF	478,212	1.64%
<b>Total Ireland</b>		4,059,970	13.93%
<b>Total Exchange Traded Funds</b>		4,059,970	13.93%
<b>Index Options (counterparty: Marex Financial Limited)</b>			
<b>United States</b>			
22	June 2024 Puts on E-Mini S&P 500 (4,000 strike price)	24,814	0.09%
20	March 2024 Puts on E-Mini Nasdaq 100 (12,000 strike price)	3,688	0.01%
20	March 2024 Puts on E-Mini Nasdaq 100 (12,800 strike price)	5,649	0.02%
23	March 2024 Puts on E-Mini S&P 500 (3,800 strike price)	4,241	0.01%
<b>Total United States</b>		38,392	0.13%
<b>Total Index Options</b>		38,392	0.13%
<b>Investment in Funds</b>			
<b>China</b>			
62,295	Matthews Asia Funds - China Small Companies Fund	672,786	2.31%
<b>Total China</b>		672,786	2.31%
<b>Guernsey</b>			
1,035,451	Hipgnosis Songs Fund Ltd	742,165	2.55%
346,214	Sequoia Economic Infrastructure	295,667	1.01%
<b>Total Guernsey</b>		1,037,832	3.56%

# Cerno Investment Funds ICAV

## Schedule of Investments – Cerno Select (Dublin) Fund (continued)

As at 31 December 2023

Shares	Description	Fair Value GBP	% of Net Assets
<b>Investment in Funds (continued)</b>			
<b>Ireland</b>			
123,751	Artisan Partners Global Funds Plc	1,199,156	4.12%
	<b>Total Ireland</b>	1,199,156	4.12%
<b>Japan</b>			
45,971	Chikara Funds Plc	852,242	2.92%
	<b>Total Chikara Funds Plc</b>	852,242	2.92%
<b>Jersey</b>			
1,387,635	Digital 9 Infrastructure Plc	412,821	1.42%
	<b>Total Jersey</b>	412,821	1.42%
<b>Liechtenstein</b>			
2,294	B&I Asian Real Estate Securities Fund	380,414	1.31%
	<b>Total Liechtenstein</b>	380,414	1.31%
<b>Luxembourg</b>			
11,949	The Independent UCITS Platform - Zennor Japan Fund	1,154,087	3.96%
	<b>Total Luxembourg</b>	1,154,087	3.96%
<b>United Kingdom</b>			
140,424	Edinburgh Worldwide Investment Trust	219,623	0.75%
334,009	Gore Street Energy Storage Fund Plc	295,264	1.01%
937,072	Life Science Reit Plc	587,310	2.02%
298,573	LXI REIT Plc	312,009	1.07%
775,200	Seraphim Space Investment Trust Plc	277,522	0.95%
892,384	Schroder Global Recovery Fund	957,528	3.29%
613,546	Warehouse REIT Plc	564,260	1.94%
	<b>Total United Kingdom</b>	3,213,516	11.03%
	<b>Total Investment in Funds</b>	8,922,854	30.62%
<b>Investment in Government Bonds</b>			
<b>United Kingdom</b>			
932,000	United Kingdom Gilt 0.50% 10/22/2061	313,826	1.08%
2,103,000	United Kingdom Gilt 0.63% 07/31/2035	1,494,585	5.13%
1,395,000	United Kingdom Gilt 0.63% 10/22/2050	613,465	2.11%
1,548,000	United Kingdom Gilt 4.00% 06/07/2028	1,613,589	5.54%
2,182,000	United Kingdom Gilt 4.13% 01/29/2027	2,215,698	7.60%
	<b>Total United Kingdom</b>	6,251,163	21.46%

# Cerno Investment Funds ICAV

## Schedule of Investments – Cerno Select (Dublin) Fund (continued)

As at 31 December 2023

Shares	Description	Fair Value GBP	% of Net Assets
<b>Investment in Government Bonds (continued)</b>			
<b>United States</b>			
2,916,000	United States Treasury Note/Bond 3.88% 12/31/2027	2,284,247	7.84%
1,490,000	United States Treasury Note/Bond 4.13% 11/15/2032	1,192,148	4.09%
2,641,000	United States Treasury Note/Bond 4.63% 03/15/2026	2,089,669	7.17%
<b>Total United States</b>		<b>5,566,064</b>	<b>19.10%</b>
<b>Total Investment in Government Bonds</b>		<b>11,817,227</b>	<b>40.55%</b>

### Unrealised Gains on Forward Foreign Exchange Contracts (counterparty: Northern Trust Securities, Inc.)

Currency	Buy	Amount	Currency	Sell	Amount	Contract	Rate	Maturity	Date	Unrealised Gains GBP	% of Net Assets
EUR		5,000	GBP		4,315	0.8630		26/01/2024		35	0.00%
GBP		8,600,000	USD		10,808,867	0.7960		14/03/2024		122,225	0.42%
JPY		324,733,461	EUR		2,086,000	0.0060		14/03/2024		2,317	0.01%
<b>Total Unrealised Losses on Forward Foreign Exchange Contracts</b>										<b>124,577</b>	<b>0.43%</b>

### Unrealised Losses on Forward Foreign Exchange Contracts (counterparty: Northern Trust Securities, Inc.)

Currency	Buy	Amount	Currency	Sell	Amount	Contract	Rate	Maturity	Date	Unrealised Losses GBP	% of Net Assets
USD		1,260,000	GBP		999,187	0.7930		26/01/2024		(10,706)	(0.04%)
USD		1,300,000	GBP		1,030,907	0.7930		26/01/2024		(11,046)	(0.04%)
USD		6,827,000	GBP		5,413,850	0.7930		26/01/2024		(58,006)	(0.20%)
USD		366,580	CNH		2,623,567	0.7938		14/03/2024		(2,995)	(0.01%)
<b>Total Unrealised Losses on Forward Foreign Exchange Contracts</b>										<b>(82,753)</b>	<b>(0.29%)</b>



# Cerno Investment Funds ICAV

## Schedule of Investments – Cerno Select (Dublin) Fund (continued)

As at 31 December 2023

	Fair Value	% of Net
	GBP	Assets
<b>Net financial assets and liabilities at fair value through profit or loss</b>	28,298,149	97.11%
<b>Other net assets</b>	840,768	2.89%
<b>Net assets</b>	29,138,917	100.00%

	% of Total
	Assets
<b>Analysis of the Portfolio (Unaudited)</b>	
UCITS and non-UCITS Collective Investment Schemes	44.01%
Transferable securities admitted to an official stock exchange listing or dealt on another regulated market	51.64%
Financial derivative instruments dealt in on a regulated market	0.13%
Over-the-counter derivatives	0.42%
Other assets	3.80%
<b>Total assets</b>	100.00%

# Cerno Investment Funds ICAV

## Schedule of Investments – Cerno Global Leaders (Dublin) Fund (continued)

As at 31 December 2023

Shares	Description	Fair Value GBP	% of Net Assets
<b>Listed Equities</b>			
<b>Denmark</b>			
16,461	Novozymes A/S – B Shares	713,532	3.57%
	<b>Total Denmark</b>	713,532	3.57%
<b>France</b>			
4,355	EssilorLuxottica SA	687,136	3.44%
1,076	LVMH Moet Hennessy Louis Vuitton	688,011	3.44%
	<b>Total France</b>	1,375,147	6.88%
<b>Hong Kong</b>			
85,000	Techtronic Industries Company Limited	794,430	3.98%
	<b>Total Hong Kong</b>	794,430	3.98%
<b>Ireland</b>			
2,540	Accenture Plc-Cl A	700,697	3.51%
10,515	Aptiv Plc	746,404	3.74%
	<b>Total Ireland</b>	1,447,101	7.24%
<b>Japan</b>			
5,575	Shimano Inc	674,806	3.38%
	<b>Total Japan</b>	674,806	3.38%
<b>Netherlands</b>			
1,225	ASML Holding	730,369	3.66%
9,095	Heineken NV	725,335	3.63%
42,300	Koninklijke Philips NV	776,639	3.89%
	<b>Total Netherlands</b>	2,232,343	11.18%
<b>South Korea</b>			
623	Samsung Electronics Co Ltd	729,807	3.65%
	<b>Total South Korea</b>	729,807	3.65%
<b>Sweden</b>			
32,614	Assa Abloy AB	745,045	3.73%
54,268	Atlas Copco AB	739,193	3.70%
	<b>Total Sweden</b>	1,484,238	7.43%
<b>Switzerland</b>			
222	Givaudan SA	722,191	3.62%
7,540	Nestlé SA	678,748	3.40%
	<b>Total Switzerland</b>	1,400,939	7.02%

# Cerno Investment Funds ICAV

## Schedule of Investments – Cerno Global Leaders (Dublin) Fund (continued)

As at 31 December 2023

Shares	Description	Fair Value GBP	% of Net Assets
<b>Listed Equities (continued)</b>			
<b>Taiwan</b>			
8,681	Taiwan Semiconductor Manufacturing ADR	713,143	3.57%
<b>Total Taiwan</b>		713,143	3.57%
<b>United Kingdom</b>			
2,115	Linde plc	680,003	3.40%
20,973	Renishaw plc	750,414	3.76%
<b>Total United Kingdom</b>		1,430,417	7.16%
<b>United States</b>			
1,460	Adobe Systems Incorporated	682,196	3.42%
3,000	Ansys Inc	851,769	4.26%
6,050	Keysight Technologies Inc	759,181	3.80%
2,295	Microsoft Corp	675,769	3.38%
5,970	PPG Industries Inc	704,409	3.53%
3,050	Rockwell Automation Inc	743,343	3.72%
1,710	Thermo Fisher Scientific Inc	715,047	3.58%
3,335	Visa Inc	681,392	3.41%
7,300	Zimmer Biomet Holdings Inc	696,665	3.49%
<b>Total United States</b>		6,509,771	32.59%
<b>Total Listed Equities</b>		19,505,674	97.65%

### Unrealised Losses on Forward Foreign Exchange Contracts (counterparty: Northern Trust Securities, Inc.)

Currency	Buy	Amount	Currency	Sell	Amount	Contract	Maturity	Unrealised	% of Net
						Rate	Date	Loss	Assets
								GBP	
USD		6,260,000	GBP		(4,964,216)	0.79	1/26/2024	(53,189)	(0.27)%
<b>Total Unrealised Losses on Forward Foreign Exchange Contract:</b>								(53,189)	(0.27)%

# Cerno Investment Funds ICAV

## Schedule of Investments – Cerno Global Leaders (Dublin) Fund (continued)

As at 31 December 2023

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	<b>Fair Value</b>	<b>% of Net</b>
	<b>GBP</b>	<b>Assets</b>
<b>Net financial assets and liabilities at fair value through profit or loss</b>	19,452,485	97.38%
Cash	678,181	3.40%
Other net liabilities	(156,287)	(0.78)%
<b>Net assets</b>	<b>19,974,379</b>	<b>100.00%</b>

<b>Analysis of the Portfolio (Unaudited)</b>	<b>% of Total</b>
	<b>Assets</b>
Transferable securities admitted to an official stock exchange listing or dealt on another regulated market	96.48%
Other assets	3.52%
<b>Total assets</b>	<b>100.00%</b>

# Cerno Investment Funds ICAV

## Schedule of Investments – Cerno Pacific (Dublin) Fund (continued)

As at 31 December 2023

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The Cerno Pacific (Dublin) Fund is terminated as of 9 October 2023. Thus there were no investments held at 31 December 2023.

# Cerno Investment Funds ICAV

## Statement of Significant Portfolio Changes (Unaudited) – Cerno Select (Dublin) Fund

31 December 2023

Purchases	Nominal	Cost GBP
State Street GBP Liquidity LVNAV Fund I Stable	7,760,000	7,760,000
United Kingdom Gilt 4.13% 01/29/27	7,205,000	7,144,717
United States Treasury Note/Bond 3.88% 12/31/27	7,139,000	5,660,229
United Kingdom Gilt 4.50% 06/07/28	3,638,000	3,626,140
United States Treasury Note/Bond 4.63% 03/15/26	4,341,000	3,485,660
United States Treasury Note/Bond 4.00% 02/15/26	4,200,000	3,462,491
iShare Physical Gold ETC Securities Fund	90,646	2,788,643
United States Treasury Note/Bond 4.13% 11/15/32	3,098,000	2,530,432
United States Treasury Note/Bond 4.63% 02/15/40	1,927,900	1,741,816
United States Treasury Note/Bond 4.75% 02/15/37	1,850,000	1,688,604
United Kingdom Gilt 4.25% 12/07/40	1,649,000	1,639,866
United Kingdom Gilt 0.63% 07/31/35	2,103,000	1,441,764
United States Treasury Note/Bond 3.88% 02/15/43	1,500,000	1,168,816
Treasury Inflation-Indexed Note/Bond 1.25% 04/15/28	1,503,735	1,167,415
Artisan Emerging Markets Debt Opportunities Fund	123,751	1,137,650
United Kingdom Gilt 0.500% 10/22/61	3,752,000	1,136,106
Schroder Global Recovery Fund	1,070,400	1,086,164
United States Treasury Note/Bond 3.375% 05/15/33	1,350,000	1,039,005
United States Treasury Note/Bond 4.000% 11/15/52	1,050,000	858,589
SWMC Small Cap European Fund	43	850,907

*In accordance with the Central Bank UCITS Regulations, this statement presents the aggregate purchases and sales of an investment exceeding 1% of the total value of purchases and sales for the financial period or at least the top 20 purchases and sales.*

# Cerno Investment Funds ICAV

## Statement of Significant Portfolio Changes (Unaudited) – Cerno Select (Dublin) Fund (continued)

31 December 2023

Sales	Nominal	Proceeds GBP
State Street GBP Liquidity LVNAV Fund I Stable	7,760,000	7,761,439
United Kingdom Gilt 4.13% 01/29/27	5,023,000	5,011,816
United States Treasury Note/Bond 4.00% 02/15/26	4,200,000	3,379,404
United States Treasury Note/Bond 3.88% 12/31/27	4,223,000	3,379,321
United Kingdom Gilt 4.50% 06/07/28	2,090,000	2,099,352
SPDR Bloomberg 0-5 Year Sterling Corporate Bond Index	64,600	1,803,244
BB Healthcare Trust Plc	1,174,121	1,690,606
United States Treasury Note/Bond 4.63% 02/15/40	1,927,900	1,580,149
United Kingdom Gilt 4.25% 12/07/40	1,649,000	1,573,010
United States Treasury Note/Bond 4.75% 02/15/37	1,850,000	1,548,880
Sequoia Economic Infrastructure	1,770,735	1,410,401
United States Treasury Note/Bond 4.63% 03/15/26	1,700,000	1,375,540
HICL Infrastructure Plc	913,363	1,366,579
Xtrackers IE Physical Gold ETC	52,507	1,284,887
The Independent UCITS Platform - Zennor Japan Fund	14,050	1,281,907
United States Treasury Note/Bond 4.13% 11/15/32	1,608,000	1,255,414
SPDR MSCI Japan UCITS ETF Unhedged JPY	31,445	1,236,323
WisdomTree Physical Swiss Gold ETC	7,709	1,179,314
Treasury Inflation-Indexed N/B 1.25% 04/15/28	1,483,000	1,130,461
United States Treasury Note/Bond 3.88% 02/15/43	1,500,000	1,087,465

*In accordance with the Central Bank UCITS Regulations, this statement presents the aggregate purchases and sales of an investment exceeding 1% of the total value of purchases and sales for the financial period or at least the top 20 purchases and sales.*

# Cerno Investment Funds ICAV

## Statement of Significant Portfolio Changes (Unaudited) – Cerno Global Leaders (Dublin) Fund

31 December 2023

<b>All Purchases</b>	<b>Nominal</b>	<b>Cost GBP</b>
Linde Plc	-	745,051
Novozymes A/S	9,674	370,960
Techtronic Industries Company Limited	36,000	297,614
Keysight Technologies Inc	2,000	229,834
Aptiv Plc	3,300	229,628
Thermo Fisher Scientific Inc	500	205,471
Shimano Inc	1,400	173,613
Nestle Sa-Spons Adr	1,500	142,584
Givaudan SA	53	138,741
LVMH Moet Hennessy Louis Vuitton	174	124,774
Assa Abloy AB	5,288	99,494
Essilorluxottica	430	61,962

*In accordance with the Central Bank UCITS Regulations, this statement presents the aggregate purchases and sales of an investment exceeding 1% of the total value of purchases and sales for the financial period or at least the top 20 purchases and sales.*



# Cerno Investment Funds ICAV

## Statement of Significant Portfolio Changes (Unaudited) – Cerno Global Leaders (Dublin) Fund (continued)

31 December 2023

Sales	Nominal	Proceeds GBP
Linde Plc	1,850	1,323,355
Adobe Inc	2,600	1,091,255
Koninklijke Philips NV	51,430	840,465
Microsoft Corp	3,000	838,637
LVMH Moet Hennessy Louis Vuitton	916	641,343
Taiwan Semiconductor-Sp Adr	7,900	624,602
Novozymes A/S	15,977	619,434
Givaudan SA	215	600,776
Ansys Inc	2,450	598,216
Assa Abloy AB	30,418	586,940
Visa Inc	2,950	582,420
Samsung Electr-Gdr Reg S	550	577,200
Atlas Copco AB	49,020	570,839
Asml Holding NV	1,016	535,478
Accenture Plc	2,000	520,775
Essilorluxottica	3,299	496,683
Rockwell Automation Inc	2,050	480,444
Thermo Fisher Scientific Inc	1,150	466,229
Techtronic Industries Company Limited	54,000	460,018
Nestle Sa-Spons Adr	5,000	449,497

*In accordance with the Central Bank UCITS Regulations, this statement presents the aggregate purchases and sales of an investment exceeding 1% of the total value of purchases and sales for the financial period or at least the top 20 purchases and sales.*

# Cerno Investment Funds ICAV

## Statement of Significant Portfolio Changes (Unaudited) – Cerno Pacific (Dublin) Fund

31 December 2023

<b>Purchases</b>	<b>Nominal</b>	<b>Cost GBP</b>
Tokyo Electron Ltd	-	990,723
Wuxi Apptec Co Ltd-H	58,500	497,881
Nabtesco Corp	23,500	460,713
Denso Corp	-	420,955
Murata Manufacturing Co Ltd	-	365,995
Kingdee International Software	190,000	331,032
Trip.Com Group Ltd	10,400	301,656
Disco Corp	-	255,302
Sunny Optical Tech	23,300	231,945
Jiangsu Hengli Hydraulic C-A	26,100	218,839
Sea Ltd-Adr	6,300	198,797
Wuxi Apptec Co Ltd	37,200	162,108
WiseTech Global Ltd	4,570	161,924
ResMed Inc	1,000	121,627
Nanofilm Technologies Intern	122,400	114,868
Samsung Electr-Gdr Reg S	106	112,514
Shenzhen Mindray Bio-Medic-A	2,600	106,048
Silergy Corp	7,000	98,140
Nihon M&A Center Inc	14,400	89,183
Techtronic Industries Co	10,000	84,575

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# Cerno Investment Funds ICAV

## Statement of Significant Portfolio Changes (Unaudited) – Cerno Pacific (Dublin) Fund (continued)

31 December 2023

<b>Sales</b>	<b>Nominal</b>	<b>Proceeds GBP</b>
Tokyo Electron Ltd	7,200	1,786,675
Denso Corp	38,050	1,427,263
Samsung Electr-Gdr Reg S	1,195	1,216,231
Taiwan Semiconductor-Sp Adr	16,240	1,150,447
Disco Corp	4,600	1,073,506
Wuxi Apptec Co Ltd-H	112,320	1,058,297
Murata Manufacturing Co Ltd	27,600	1,029,255
CSL Ltd	7,124	986,887
ResMed Inc	6,450	918,365
Hamamatsu Photonics KK	23,900	829,842
Sea Ltd-Adr	20,250	823,338
Kingdee International Software	689,000	816,749
Nabtesco Corp	52,700	793,594
Trip.Com Group Ltd	26,485	767,402
Globant SA	4,570	737,918
Midea Group Co Ltd-A	114,000	717,553
Advantech Co Ltd	73,058	666,347
Jiangsu Hengli Hydraulic C-A	88,800	645,967
Harmonic Drive Systems Inc	30,600	645,535
Techtronic Industries Co	71,100	586,510

*In accordance with the Central Bank UCITS Regulations, this statement presents the aggregate purchases and sales of an investment exceeding 1% of the total value of purchases and sales for the financial period or at least the top 20 purchases and sales.*

# Cerno Investment Funds ICAV

## Remuneration Disclosure (Unaudited)

As at 31 December 2023

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### Remuneration Disclosure (Unaudited)

The Manager has designed and implemented a remuneration policy (the “Policy”) in line with the provisions of S.I. 257 of 2013 European Union (Alternative Investment Fund Managers) Regulations 2013 (the “AIFM Regulations”), S.I. 352 of 2011 European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the “UCITS Regulations”) and of the ESMA Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (the “ESMA Guidelines”). The Policy is designed to ensure that the remuneration of key decision makers is aligned with the management of short and long-term risks, including the oversight and where appropriate the management of sustainability risks in line with the Sustainable Finance Disclosure Regulations.

The Manager’s remuneration policy applies to its identified staff whose professional activities might have a material impact on the ICAV’s risk profile and so covers senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profile of the ICAV. The Manager’s policy is to pay identified staff a fixed component with the potential for identified staff to receive a variable component. It is intended that the fixed component will represent a sufficiently high proportion of the total remuneration of the individual to allow the Manager to operate a fully flexible policy, with the possibility of not paying any variable component. When the AIFM pays a variable component as performance related pay certain criteria, as set out in the Manager’s remuneration policy, must be adhered to. The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the relevant staff rank and professional activity as well as best market practice. The Manager’s remuneration policy is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the funds it manages.

These disclosures are made in respect of the remuneration policies of the Manager. The disclosures are made in accordance with the ESMA Guidelines.

Total remuneration (in EUR) paid to the identified staff of the Manager fully or partly involved in the activities of the ICAV that have a material impact on the ICAV’s risk profile during the financial year to 31 December 2023 (the Manager’s financial year):

<b>Fixed remuneration</b>	<b>EUR</b>
Senior Management	1,578,804
Other identified staff	-
<b>Variable remuneration</b>	
Senior Management	28,006
Other identified staff	-
<b>Total remuneration paid</b>	<b>1,606,810</b>

No of identified staff – 17

Neither the Manager nor the ICAV pays any fixed or variable remuneration to identified staff of the Investment Manager.

# Cerno Investment Funds ICAV

## Remuneration Disclosure (Unaudited)

As at 31 December 2023

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### Remuneration Disclosure (Unaudited) (continued)

On 29 September 2023, KBA Consulting Management Limited, the Manager of the ICAV, completed its merger with Waystone Management Company (IE) Limited (“WMC”). WMC is the surviving entity post-merger and as such, the ICAV’s Manager is WMC from this date and the above remuneration figures are the total remuneration for WMC.

There have been no material changes made to the Remuneration Policy or the Manager’s remuneration practices and procedures during the financial year.