

IFSL Optima Fund

Annual Report and Audited Financial Statements
for the year ended 31 March 2022

IFSL

— Fund Services —

IFSL OPTIMA FUND

CONTACT INFORMATION

Authorised Fund Manager and Registrar

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

Investor Support: (0808) 178 9321 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

Directors of IFSL

Andrew Staley (Non-Executive)
Allan Hamer
Wayne D Green - resigned 24 March 2022
Helen Redmond
Helen Derbyshire
David Kiddie (Non-Executive) - resigned 2 December 2021
Guy Sears (Independent Non-Executive)
Sarah Peaston (Independent Non-Executive)

Investment Manager

Sanlam Private Investments (UK) Limited
Monument Place
24 Monument Street
London
EC3R 8AJ

Authorised and regulated by the Financial Conduct Authority.

Trustee

HSBC Bank plc
8 Canada Square
London
E14 5HQ

Authorised and regulated by the Financial Conduct Authority.

Auditor

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

IFSL OPTIMA FUND

CONTENTS	PAGE
AUTHORISED STATUS AND GENERAL INFORMATION	1
DIRECTORS' STATEMENT	4
STATEMENT OF AUTHORISED FUND MANAGER'S RESPONSIBILITIES	4
STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY	5
INDEPENDENT AUDITOR'S REPORT	6
NOTES TO THE FINANCIAL STATEMENTS - ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT	9
INDIVIDUAL SUB-FUNDS	
IFSL OPTIMA BALANCED FUND	12
IFSL OPTIMA GROWTH FUND	25
IFSL OPTIMA INCOME FUND	38

The statements for each of the above sub-funds are set out in the following order:

AUTHORISED INVESTMENT MANAGER'S REPORT

COMPARATIVE TABLE

FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

BALANCE SHEET

NOTES TO THE FINANCIAL STATEMENTS

DISTRIBUTION TABLE

IFSL OPTIMA FUND

AUTHORISED STATUS AND GENERAL INFORMATION

Authorised status

IFSL Optima Fund (the Trust) is an authorised unit trust scheme within the meaning of the Financial Services and Markets Act 2000. The Trust is a Non-UCITS Retail Scheme, being a category of authorised scheme for the purposes of COL 1.2.1R.

The umbrella consists of three sub-funds: IFSL Optima Balanced Fund; IFSL Optima Growth Fund; and IFSL Optima Income Fund.

Unitholders are not liable for the debts of the Trust.

Investment objectives and policies

IFSL Optima Balanced Fund

The sub-fund's investment objective was to achieve income and capital growth.

The sub-fund sought to achieve its investment objective primarily through investment in shares or units of regulated and/or unregulated collective investment schemes and/or closed ended funds. This may have included schemes or funds managed by the Manager and/or an associate.

The sub-fund may have also invested directly in transferable securities, money market instruments, warrants, deposits, near cash and cash and derivatives. In exceptional circumstances, the Manager will take larger cash positions. The sub-fund may have utilised derivatives for efficient portfolio management (including hedging) and for investment purposes.

IFSL Optima Growth Fund

The sub-fund's investment objective was to achieve capital growth over a reasonable investment time horizon, typically five years.

Investors should be aware that the investors' capital is in fact at risk and there is no guarantee that capital growth will be achieved, whether over rolling five year periods, or at any time period.

The sub-fund sought to achieve its investment objective primarily through investment in shares or units of regulated and/or unregulated collective investment schemes and/or closed ended funds. This may have included schemes or funds managed by the Manager and/or an associate.

The sub-fund may have also invested directly in transferable securities, money market instruments, warrants, deposits, near cash and cash and derivatives. In exceptional circumstances, the Manager will take larger cash positions. The sub-fund may have utilised derivatives for efficient portfolio management (including hedging) and for investment purposes.

IFSL Optima Income Fund

This sub-fund's investment objective was to achieve a total return with an emphasis on income together with some capital growth.

The sub-fund sought to achieve its investment objective primarily through investment in shares or units of regulated and/or unregulated collective investment schemes and/or closed ended funds. This may have included schemes or funds managed by the Manager and/or an associate.

The sub-fund may have also invested directly in transferable securities, money market instruments, warrants, deposits, near cash and cash and derivatives. In exceptional circumstances, the Manager will take larger cash positions. The sub-fund may have utilised derivatives for efficient portfolio management (including hedging) and for investment purposes.

Rights and terms attached to each unit class

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

IFSL OPTIMA FUND

AUTHORISED STATUS AND GENERAL INFORMATION

Termination of the sub-fund and winding up of the Trust

On 30 July 2021, the sub-funds listed below were transferred by a scheme of arrangement into IFSL Sanlam OEIC following approval by the Financial Conduct Authority on 2 June 2021 and unitholder approval obtained at an extra-ordinary general meeting of the unitholders held on 15 July 2021.

**IFSL Optima Fund
(Transferring sub-funds)**
IFSL Optima Balanced Fund
IFSL Optima Growth Fund
IFSL Optima Income Fund

**IFSL Sanlam OEIC
(Receiving sub-funds)**
IFSL Sanlam Cautious Fund
IFSL Sanlam Growth Fund
IFSL Sanlam Conservative Fund

The termination of the sub-funds and the winding up of the Trust commenced immediately following the transfer and completed on 31 March 2022.

Cross holdings

The sub-funds of the Trust do not hold units in other sub-funds of the Trust.

Leverage

In accordance with the Alternative Investment Fund Managers Directive (AIFMD) we are required to disclose the 'leverage' of the sub-fund. Leverage is defined as any method by which the sub-fund increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined in two ways: 'gross method' and 'commitment method'. The sub-fund must not exceed maximum exposures under both methods. 'Gross method' exposure is calculated as the sum of all positions of the sub-fund (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes. 'Commitment method' is also calculated as the sum of all positions of the sub-fund (both positive and negative), but after netting off any derivative and security positions as specified by AIFMD rules.

The total amount of leverage calculated for each sub-fund as at 31 March 2022 is as follows:

	Gross Method	Commitment Method
IFSL Optima Balanced Fund	-	-
IFSL Optima Growth Fund	-	-
IFSL Optima Income Fund	-	-

The total amount of leverage calculated for each sub-fund as at 31 March 2021 is as follows:

	Gross Method	Commitment Method
IFSL Optima Balanced Fund	99.15%	97.73%
IFSL Optima Growth Fund	106.95%	99.68%
IFSL Optima Income Fund	98.23%	96.27%

The maximum level of leverage which may be employed on behalf of the sub-funds when calculated in accordance with the gross method is 300%.

The maximum level of leverage which may be employed on behalf of the sub-funds when calculated in accordance with the commitment method is 200%.

IFSL OPTIMA FUND

AUTHORISED STATUS AND GENERAL INFORMATION

Remuneration policy

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

The quantitative remuneration disclosures as at 30 September 2021 (the AIFM's year-end) are set out below:

	Number of identified staff	Total remuneration paid	Fixed remuneration paid	Variable remuneration paid
		£	£	£
Remuneration paid to staff of the AIFM who have a material impact on the risk profile of the AIF				
Senior management	9	691,881	575,404	116,477
Risk takers and other identified staff	3	109,323	85,625	23,698
Allocation of total remuneration of the employees of the AIFM to the AIF				
Senior management	0.04	5,823	4,843	980
Risk takers and other identified staff	0.01	920	721	199

The total number of staff employed by the AIFM's group was 226 as at 30 September 2021. The total remuneration paid to those staff was £9,995,870 of which £4,893,167 is attributable to the AIFM. The information is provided for the purpose of Regulation 107(1)(a) of the AIFM regulations but not for the purposes of Regulations 107(1)(b) and (c) of the AIFM regulations.

The allocation of remuneration to the AIFM is based on Assets Under Management (AUM). The allocation of remuneration to the AIF is based on AUM where staff are not directly allocated to the AIF and the figures disclosed only include remuneration paid to individuals directly employed by the AIFM's group. The way these disclosures are calculated may change in future.

IFSL OPTIMA FUND

DIRECTORS' STATEMENT

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



ALLAN HAMER
DIRECTOR



HELEN DERBYSHIRE
DIRECTOR

INVESTMENT FUND SERVICES LIMITED

29 July 2022

STATEMENT OF AUTHORISED FUND MANAGER'S RESPONSIBILITIES

The Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL) requires the Authorised Fund Manager (AFM) to prepare financial statements for each accounting year which give a true and fair view of the financial position of the Trust and of the net (expense)/revenue and net capital gains on the property of the Trust for the year.

In preparing those financial statements the AFM is required to:

- comply with the disclosure requirements of the Statement of Recommended Practice relating to UK Authorised Funds issued in May 2014 and amended in June 2017;
- follow United Kingdom Generally Accepted Accounting Practice and applicable accounting standards;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to do so. For the reasons stated in the Authorised Status and General Information Section and in Note 1 of the accounting policies, the financial statements of the Trust have not been prepared on a going concern basis.

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

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

IFSL OPTIMA FUND

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

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Unitholders of the IFSL Optima Fund ("the Trust") for the period ended 31 March 2022.

The Depositary in its capacity as Trustee of IFSL Optima Fund must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

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

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

The Depositary must ensure that:

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

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

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

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents of the Trust; and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the Regulations and the Scheme documents of the Trust.

HSBC BANK PLC

LONDON

29 July 2022

IFSL OPTIMA FUND

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF IFSL OPTIMA FUND

Opinion

We have audited the financial statements of IFSL Optima Fund ("the Trust") comprising its sub-funds for the year ended 31 March 2022, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Trust, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust comprising its sub-funds as at 31 March 2022 and of the net (expense)/revenue and the net capital gains on the scheme property of the Trust for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

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

Emphasis of matter – financial statements prepared on a break-up basis

We draw attention to Note 1 to the financial statements which explains that the Manager commenced the termination of the sub-funds and winding up of the Trust immediately following the transfer of the sub-funds by a scheme of arrangement into the IFSL Sanlam OEIC and therefore does not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a break up basis as described in Note 1. Our opinion is not modified in respect of this matter.

Other information

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

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

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

We have nothing to report in this regard.

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

In our opinion:

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

IFSL OPTIMA FUND

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF IFSL OPTIMA FUND

Matters on which we are required to report by exception

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

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

Responsibilities of the Manager

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Our approach was as follows:

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

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

IFSL OPTIMA FUND

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF IFSL OPTIMA FUND

Use of our report

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

Ernst & Young LLP
Statutory Auditor
Edinburgh

29 July 2022

Notes:

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

IFSL OPTIMA FUND

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

for the year ended 31 March 2022

1.1 ACCOUNTING POLICIES

During the year under review IFSL Optima Fund consisted of three sub-funds: IFSL Optima Balanced Fund; IFSL Optima Growth Fund; and IFSL Optima Income Fund.

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

Basis of accounting

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

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

The financial statements are being prepared on a break up basis as the authorised fund manager commenced the termination of the sub-funds and winding up of the Trust immediately following the transfer of the sub-funds by a scheme of arrangement into the IFSL Sanlam OEIC and therefore does not consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. Under a break up basis, assets are recorded at their recoverable value, and liabilities are recorded at their expected settlement value. Any additional costs in respect of the termination of the Trust will be borne by the authorised fund manager.

There have been no adjustments to the figures in the financial statements as a result of the change to the basis of accounting.

Revenue

Dividends from equities, preference shares and distributions receivable from onshore collective investment schemes are recognised when the security is quoted ex-dividend.

Income from offshore collective investment schemes is recorded on the ex-dividend date and additional reported income is recognised when reported.

Interest on debt securities is recognised on an accruals basis. Accrued interest purchased and sold on debt securities is excluded from the capital cost of these securities and is treated as revenue. Interest earned from debt securities is accounted for on an effective yield basis. Effective yield is where the interest arising on the security that is purchased at a discount or premium to the maturity value is amortised and recognised at a consistent rate over the life of the security.

Bank interest is accounted for on an accruals basis.

Allocation of revenue

Revenue, attributable after expenses to multiple unit classes, with the exception of the authorised fund manager's periodic charge, which is directly attributable to individual unit classes, is allocated to unit classes pro-rata to the value of the net assets of the relevant unit class on the day that the revenue is incurred.

Expenses

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

Management fee rebates

Rebates on collective investment schemes' management fees are accounted for on an accruals basis and are subsequently attributed to the revenue or capital of the sub-funds depending on the fee structure of the underlying collective investment scheme.

Distributions from Collective Investment Schemes

Distributions received from investments in collective investment schemes may include an element of equalisation which represents the average amount of revenue included in the price paid for the shares. Equalisation is treated as a return of capital for taxation purposes and does not carry a tax credit.

Exchange rates

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at 12:00 on 31 March 2022 being the last valuation point of the accounting year. Revenue and expenditure transactions are translated at the rates of exchange ruling on the dates of the transactions. Exchange differences on such transactions follow the same treatment at the principal amounts.

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

for the year ended 31 March 2022

Valuation

The final valuation point was 12:00 on 30 July 2021 being the last valuation point prior to the transfer of assets under the merger scheme of arrangement.

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

Unlisted, unapproved, illiquid or suspended securities are valued at the ACD's best estimate of the amount that would be received from the immediate transfer at arm's length in a manner designed to show fair value.

Where applicable, investment valuations exclude any element of accrued revenue.

Investments in collective investment schemes have been valued at cancellation price for dual-priced funds or the single price for single priced funds, using the latest available published prices at the period end.

Taxation

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

1.2 DISTRIBUTION POLICIES

The distribution policy for each sub-fund is to accumulate all available revenue, after deduction of expenses properly chargeable against revenue. Gains and losses on non-derivative instruments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution. Revenue recognised from holdings in accumulation shares in collective investment schemes, and from stock and special dividends is included in the amount available for distribution.

For distribution purposes, all the expense for: the IFSL Optima Growth sub-fund are borne by the income account of the sub-fund; the IFSL Optima Balanced sub-fund, the managers periodic charge is borne by the capital account and the other expenses are borne by the income account of the sub-fund; and for IFSL Optima Income sub-fund, all the expenses are borne by the capital account of the sub-fund.

None of the sub-funds were more than 60% invested in qualifying investments (as defined by SI 2006/964, Reg. 20) and paid dividend distributions.

Equalisation

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

1.3 RISK MANAGEMENT POLICIES

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

The main risks arising from the sub-funds' financial instruments and the authorised fund manager's policies for managing these risks are summarised below. The authorised fund manager reviews (and agrees with the Trustee) the policies for managing each of these risks. The policies have remained unchanged since the beginning of the year to which these financial statements relate.

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

Market price risk

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

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

for the year ended 31 March 2022

Foreign currency risk

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

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

To manage foreign currency risk the sub-funds are permitted to invest in forward foreign currency contracts for the purpose of reducing the exposure of the sub-funds to a foreign currency.

The foreign currency exposure within the sub-funds is monitored to ensure that this is manageable and sensible.

Interest rate risk

Interest rate risk is the risk that the value of the sub-funds' investment holdings will fluctuate as a result of changes in interest rates. The sub-funds' cash holdings are held in deposit accounts, whose rates are determined by the banks concerned on a daily basis.

Interest rate risk is managed through a limit framework and investment guidelines with which the sub-funds must comply. These include restrictions on position size, and the level of interest rate risk. The Investment Manager continuously reviews interest rates and inflation expectations, the assessment of this may result in a change in investment strategy.

Liquidity risk

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

The authorised fund manager has an approved list of counterparties it uses for investment transactions which is reviewed on a regular basis.

Concentration risk

Some of the underlying collective investment schemes invest solely in certain markets, such as UK shares or fixed interest securities. This allows them to focus on those markets' potential but means that they are not spread amongst a range of markets. Securities in the same market tend to be affected by the same factors, so the collective investment schemes may experience greater fluctuations in price. The asset allocations aim to minimise this risk whenever possible, whilst still meeting the objectives of the sub-funds.

Derivatives and other financial instruments

The authorised fund manager is permitted to use derivatives for the purposes of efficient portfolio management. Forward currency transactions may also be entered to hedge the portfolio against currency movement. Investment performance of derivatives can be volatile and may present greater risks than traditional investments.

The authorised fund manager is obliged through FCA rules to put in place a risk management policy which sets out how the authorised fund manager measures and monitors these risks.

IFSL OPTIMA FUND
IFSL OPTIMA BALANCED FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the period from 1 April 2021 to 30 July 2021

During the period in scope, from 1 April 2021 to 30 July 2021, market movements have been heavily influenced by ongoing Coronavirus-related news. The stock market recovery continued throughout the time-period as aggressive stimulus action spearheaded by the US Treasury and Federal Reserve has encouraged investors to bid up prices. Fears of the renewed lockdowns in the spring quickly abated as roadmaps to lift social restrictions were lifted.

Developed markets led the way in vaccine deployment and higher infection rates have not subsequently transformed into a surge in hospitalisations. The rise of numerous dangerous variants led to waves in cases across the globe hitting consumer sentiment, spending on travel, tourism, and hospitality. Significant progress has been made with predictions that herd immunity will be reached soon. We continue to have emergency level monetary and fiscal policy with government's remaining active and eager to deploy stimulus. As economic freedom was restored to people, this began to flow through into positive corporate earnings which made its way through to equity markets. As economies have reflat, this has begun to raise questions as to when monetary policy needs to be tightened.

In July, Beijing embarked on an unprecedented regulatory clampdown in several sectors causing a sell-off in sectors deemed "socially sensible". Perhaps what may have caught investors off-guard is the scale and timing of the regulation. In the latest five-year plan released in July, Xi Jinping outlined further details on strategies to control key industries and introduce governance based on Confucian values.

Within the sub-fund, returns were driven by several timely decisions. Our careful selection of fixed income securities enabled us to avoid some of the volatility in the bond market grinding out consistent returns. The investments in low-beta property and infrastructure assets performed very well, outpacing fixed income, and justifying the decision to take a bit more risk in these sectors at the expense of government bonds which we continue to avoid. Despite the elevated valuations for equities our decision to maintain a healthy level of exposure based on our business cycle analysis allowed us to participate in the strong recovery.

Portfolios are positioned for structurally higher, but modest inflation with weight allocated to equities (companies with pricing power can raise prices in response to inflation), property (with high-yielding, inflation linked income streams), infrastructure (whose cash flows are directly linked to actual inflation) and gold (which is a claim on the pot of actual wealth). Equities are expensive, but for investors with longer time frames, they remain the asset class with the highest return potential. Given the lack of alternatives, supportive fiscal and monetary policy, and a tail wind from the business cycle we guard against being too defensive. Portfolios are positioned aggressively underweight government bonds with the proceeds predominantly invested in short duration corporate bonds, infrastructure, property, gold, and absolute return strategies.

Despite equity valuations being at elevated levels, we are confident in our value conscious strategy of investing in well managed businesses, which we feel are well poised to potentially deliver attractive returns.

Sanlam Private Investments (UK) Limited
19 November 2021

Termination of the sub-fund

On 30 July 2021, IFSL Optima Balanced Fund (the sub-fund) was transferred by a scheme of arrangement into IFSL Sanlam Cautious Fund following approval by the Financial Conduct Authority on 2 June 2021, and unitholder approval obtained at an extra-ordinary general meeting of the unitholders held on 15 July 2021.

The termination of the sub-fund commenced immediately following the transfer and completed on 31 March 2022.

Distributions

	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>Income (pence per unit)</u>			
Income paid 28 February	0.4860	0.5291	0.7549
Income paid 31 May	0.5640	0.2256	0.6681
Income paid 31 August	0.4677	0.1818	1.1418
Income paid 30 September	0.2914	N/A	N/A
Income paid 30 November		0.9328	0.8191
<u>Accumulation (pence per unit)</u>			
Income paid 28 February	0.6818	0.7309	1.0162
Income paid 31 May	0.7943	0.3546	0.9036
Income paid 31 August	0.6598	0.2529	1.5545
Income paid 30 September	0.4134	N/A	N/A
Income paid 30 November		1.3002	1.1240

IFSL OPTIMA FUND
IFSL OPTIMA BALANCED FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the period from 1 April 2021 to 30 July 2021

Distributions (continued)

	Year 2021	Year 2020	Year 2019
<u>B Income (pence per unit)</u>			
Income paid 28 February	0.5193	0.5609	0.7954
Income paid 31 May	0.6040	0.2717	0.7042
Income paid 31 August	0.5011	0.1940	1.2084
Income paid 30 September	0.3126	N/A	N/A
Income paid 30 November		0.9957	0.8676
<u>B Accumulation (pence per unit)</u>			
Income paid 28 February	0.7236	0.7695	1.0507
Income paid 31 May	0.8446	0.3744	0.9461
Income paid 31 August	0.7019	0.2679	1.6325
Income paid 30 September	0.4402	N/A	N/A
Income paid 30 November		1.3772	1.1828
<u>C Income (pence per unit)</u>			
Income paid 28 February	0.5241	0.5665	-
Income paid 31 May	0.6099	0.2737	-
Income paid 31 August	0.5070	0.1956	0.1952
Income paid 30 September	0.3163	N/A	N/A
Income paid 30 November		1.0067	0.8768
<u>C Accumulation (pence per unit)</u>			
Income paid 28 February	0.7327	0.7773	1.0682
Income paid 31 May	0.8559	0.3786	0.9527
Income paid 31 August	0.7128	0.2714	1.6459
Income paid 30 September	0.4470	N/A	N/A
Income paid 30 November		1.3941	1.1935

Portfolio changes

	Cost (£'000)
Purchases	
HANetf The Royal Mint Physical Gold ETC Securities	1,394
Grainger 3.375% 24.04.28	1,091
NatWest Group 3.622% 14.08.30	1,069
Virgin Money UK 2.625% 19.08.31	965
RL Finance Bonds No. 3 6.125% 13.11.28	749
Tencent Holdings Ltd	712
Becton, Dickinson and Company	652
Alibaba Group Holding Ltd - SP ADR	587
Akamai Technologies	577
Koninklijke Philips	485
Other purchases	13,452
Total purchases for the period	21,733
Sales	
	Proceeds (£'000)
Sanlam Multi Strategy 'Founder' GBP	6,073
Sanlam Global High Quality 'C' GBP	5,670
Sanlam Active UK 'D' GBP	2,902
Almalia Sanlam Active Shariah Global Equity UCITS ETF	2,536
iShares Physical Gold ETC	1,555
Sanlam Hybrid Capital Bond 'B' GBP	1,407
Liontrust Strategic Bond 'M' Gross	1,396
Federated Hermes Global High Yield Credit 'M2' GBP	1,349
Allianz Strategic Bond 'I' GBP	1,320
Brookfield Infrastructure Partners	395
Other sales	307
Total sales for the period	24,910

IFSL OPTIMA FUND
IFSL OPTIMA BALANCED FUND

COMPARATIVE TABLE

Income units	Period to 30.07.2021^A	Period to 31.03.2021	Period to 31.03.2020	Period to 31.03.2019
Change in net assets per unit	pence	pence	pence	pence
Opening net asset value per unit	131.71	113.69	122.60	121.26
Return before operating charges*	4.75	23.05	(3.64)	7.04
Operating charges	(1.01)	(2.87)	(2.52)	(2.42)
Return after operating charges*	3.74	20.18	(6.16)	4.62
Distributions on income units	(0.76)	(2.16)	(2.75)	(3.28)
Closing net asset value per unit	134.69	131.71	113.69	122.60
* after direct transaction costs of:	0.15	0.09	0.22	0.11
Performance				
Return after charges ^B	2.84%	17.75%	(5.02%)	3.81%
Other information				
Closing net asset value (£'000)	2,806	2,963	3,774	4,915
Closing number of units	2,083,382	2,249,494	3,319,587	4,008,986
Operating charges	2.25% ^C	2.25%	2.00%	1.96%
Direct transaction costs	0.33% ^C	0.07%	0.18%	0.09%
Prices				
Highest unit price	136.10p	133.60p	132.47p	128.00p
Lowest unit price	131.80p	112.27p	108.76p	117.00p
Accumulation units				
Change in net assets per unit	Period to 30.07.2021^A	Period to 31.03.2021	Period to 31.03.2020	Period to 31.03.2019
	pence	pence	pence	pence
Opening net asset value per unit	186.21	158.04	166.75	160.59
Return before operating charges*	6.86	32.15	(5.25)	9.40
Operating charges	(1.42)	(3.98)	(3.46)	(3.24)
Return after operating charges*	5.44	28.17	(8.71)	6.16
Distributions on accumulation units	(1.07)	(3.03)	(3.76)	(4.40)
Retained distributions on accumulation units	1.07	3.03	3.76	4.40
Closing net asset value per unit	191.65	186.21	158.04	166.75
* after direct transaction costs of:	0.21	0.13	0.31	0.15
Performance				
Return after charges ^B	2.92%	17.82%	(5.22%)	3.84%
Other information				
Closing net asset value (£'000)	3,209	3,488	7,755	8,585
Closing number of units	1,674,582	1,873,201	4,906,831	5,148,724
Operating charges	2.25% ^C	2.25%	2.00%	1.96%
Direct transaction costs	0.33% ^C	0.07%	0.18%	0.09%
Prices				
Highest unit price	193.20p	188.11p	183.79p	169.50p
Lowest unit price	186.30p	156.11p	150.89p	157.20p

^A The final valuation point of the sub-fund.

^B The return after charges is calculated using the underlying investments bid prices.

^C These figures have been annualised.

IFSL OPTIMA FUND
IFSL OPTIMA BALANCED FUND

COMPARATIVE TABLE

<u>B Income units</u>	Period to 30.07.2021^A	Period to 31.03.2021	Period to 31.03.2020	Period to 31.03.2019
Change in net assets per unit	pence	pence	pence	pence
Opening net asset value per unit	141.06	120.86	129.38	127.00
Return before operating charges*	4.97	24.55	(3.94)	7.41
Operating charges	(0.72)	(2.04)	(1.67)	(1.57)
Return after operating charges*	4.25	22.51	(5.61)	5.84
Distributions on income units	(0.81)	(2.31)	(2.91)	(3.46)
Closing net asset value per unit	144.50	141.06	120.86	129.38
* after direct transaction costs of:	0.16	0.10	0.24	0.12
Performance				
Return after charges ^B	3.01%	18.62%	(4.34%)	4.60%
Other information				
Closing net asset value (£'000)	4,128	4,750	5,080	3,959
Closing number of units	2,856,765	3,367,530	4,203,292	3,060,118
Operating charges	1.50% ^C	1.50%	1.25%	1.21%
Direct transaction costs	0.33% ^C	0.07%	0.18%	0.09%
Prices				
Highest unit price	146.00p	142.95p	140.79p	134.20p
Lowest unit price	141.20p	119.42p	115.65p	123.20p
<u>B Accumulation units</u>				
Change in net assets per unit	Period to 30.07.2021^A	Period to 31.03.2021	Period to 31.03.2020	Period to 31.03.2019
	pence	pence	pence	pence
Opening net asset value per unit	198.17	166.99	174.87	167.12
Return before operating charges*	6.92	34.04	(5.60)	9.85
Operating charges	(1.01)	(2.86)	(2.28)	(2.10)
Return after operating charges*	5.91	31.18	(7.88)	7.75
Distributions on accumulation units	(1.14)	(3.21)	(3.96)	(4.58)
Retained distributions on accumulation units	1.14	3.21	3.96	4.58
Closing net asset value per unit	204.08	198.17	166.99	174.87
* after direct transaction costs of:	0.23	0.14	0.32	0.16
Performance				
Return after charges ^B	2.98%	18.67%	(4.51%)	4.64%
Other information				
Closing net asset value (£'000)	7,334	7,896	4,429	3,886
Closing number of units	3,593,547	3,984,257	2,652,299	2,222,125
Operating charges	1.50% ^C	1.50%	1.25%	1.21%
Direct transaction costs	0.33% ^C	0.07%	0.18%	0.09%
Prices				
Highest unit price	205.70p	199.94p	194.05p	176.80p
Lowest unit price	198.30p	164.96p	159.40p	164.50p

^A The final valuation point of the sub-fund.

^B The return after charges is calculated using the underlying investments bid prices.

^C These figures have been annualised.

IFSL OPTIMA FUND
IFSL OPTIMA BALANCED FUND

COMPARATIVE TABLE

C Income units	Period to 30.07.2021^A	Period to 31.03.2021	Period to 31.03.2020^B	Period to 31.03.2019^C
Change in net assets per unit	pence	pence	pence	pence
Opening net asset value per unit	142.71	122.00	130.80	128.16
Return before operating charges*	4.98	24.77	(5.77)	6.80
Operating charges	(0.61)	(1.72)	(1.12)	(0.38)
Return after operating charges*	4.37	23.05	(6.89)	6.42
Distributions on income units	(0.82)	(2.34)	(1.91)	(1.21)
Last net asset value per unit	-	-	-	133.37
Closing net asset value per unit	146.26	142.71	122.00	-
* after direct transaction costs of:	0.16	0.10	0.20	-
Performance				
Return after charges ^D	3.06%	18.89%	(5.27%)	5.01%
Other information				
Closing net asset value (£'000)	6,004	5,892	5,640	-
Closing number of units	4,104,933	4,128,637	4,623,061	-
Operating charges	1.25% ^E	1.25%	1.00%	0.97%
Direct transaction costs	0.33% ^E	0.07%	0.18%	0.00%
Prices				
Highest unit price	147.70p	144.55p	142.06p	135.50p
Lowest unit price	142.80p	120.56p	116.75p	123.20p
C Accumulation units	Period to 30.07.2021^A	Period to 31.03.2021	Period to 31.03.2020	Period to 31.03.2019
Change in net assets per unit	pence	pence	pence	pence
Opening net asset value per unit	200.92	168.93	176.41	168.20
Return before operating charges*	6.97	34.42	(5.65)	9.89
Operating charges	(0.85)	(2.40)	(1.83)	(1.68)
Return after operating charges*	6.12	32.02	(7.48)	8.21
Distributions on accumulation units	(1.16)	(3.25)	(4.00)	(4.63)
Retained distributions on accumulation units	1.16	3.25	4.00	4.63
Closing net asset value per unit	207.04	200.95	168.93	176.41
* after direct transaction costs of:	0.23	0.14	0.32	0.16
Performance				
Return after charges ^D	3.05%	18.95%	(4.24%)	4.88%
Other information				
Closing net asset value (£'000)	1,465	1,439	1,042	2,037
Closing number of units	707,463	716,182	617,073	1,154,402
Operating charges	1.25% ^E	1.25%	1.00%	0.96%
Direct transaction costs	0.33% ^E	0.07%	0.18%	0.09%
Prices				
Highest unit price	208.60p	202.60p	196.20p	178.10p
Lowest unit price	201.00p	166.85p	161.20p	165.90p

^A The final valuation point of the sub-fund.

^B C Income units became active on 6 June 2019.

^C C Income units became inactive on 20 August 2018.

^D The return after charges is calculated using the underlying investments bid prices.

^E These figures have been annualised.

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

In line with the Investment Association's "Disclosure of Fund Charges and Costs" circular published on July 2020, the operating charges quoted for the year ended 31 March 2021 and for the period ended 30 July 2021 include costs associated with investment in Packaged Retail and Insurance-based Investment Products (PRIIPs) that were previously excluded from the OCF calculation.

IFSL OPTIMA FUND
IFSL OPTIMA BALANCED FUND

STATEMENT OF TOTAL RETURN
for the year ended 31 March 2022

	Notes	31 March 2022		31 March 2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	2		814		4,603
Revenue	4	75		521	
Expenses	5	(81)		(300)	
Interest payable and similar charges		-		(1)	
Net (expense)/revenue before taxation		<u>(6)</u>		<u>220</u>	
Taxation	6	<u>(1)</u>		<u>(2)</u>	
Net (expense)/revenue after taxation			<u>(7)</u>		<u>218</u>
Total return before distributions			807		4,821
Distributions	7		(146)		(484)
Change in net assets attributable to unitholders from investment activities			<u>661</u>		<u>4,337</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
for the year ended 31 March 2022

	31 March 2022		31 March 2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		26,428		27,720
Amounts receivable on issue of units	358		2,160	
Amounts payable on cancellation of units	(2,533)		(8,019)	
Amounts payable to successor fund	<u>(24,982)</u>		<u>-</u>	
		(27,157)		(5,859)
Change in net assets attributable to unitholders from investment activities		661		4,337
Retained distribution on accumulation units		68		230
Closing net assets attributable to unitholders		<u>-</u>		<u>26,428</u>

IFSL OPTIMA FUND
IFSL OPTIMA BALANCED FUND

BALANCE SHEET
as at 31 March 2022

	Notes	31 March 2022 £'000	31 March 2021 £'000
Assets:			
Fixed Assets:			
Investments	15	-	25,879
Current Assets:			
Debtors	8	1	60
Cash and cash equivalents		18	922
Total assets		<u>19</u>	<u>26,861</u>
Liabilities:			
Creditors:			
Distribution payable on income units		-	58
Other creditors	9	19	375
Total liabilities		<u>19</u>	<u>433</u>
Net assets attributable to unitholders		<u>-</u>	<u>26,428</u>

IFSL OPTIMA FUND
IFSL OPTIMA BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES

Please refer to the notes applicable to the Company on pages 9 to 11.

2 NET CAPITAL GAINS

The net gains on investments during the year comprise:

	31 March 2022	31 March 2021
	£'000	£'000
Realised gains on non-derivative securities	2,208	813
Unrealised (losses)/gains on non-derivative securities	(1,426)	3,806
Other currency gains/(losses)	32	(7)
Management fee rebates	-	(8)
Transaction charges	-	(1)
Net capital gains	814	4,603

Where realised gains/(losses) include gains/(losses) arising in prior years, a corresponding gain/(loss) is included in unrealised gains/(losses).

3 PURCHASES, SALES AND TRANSACTION COSTS

(All purchases and sales from 1 April 2021 to 30 July 2021)

	31 March 2022	31 March 2021
	£'000	£'000
Purchases excluding transaction costs:		
Collective Investment Schemes	-	24,461
Debt Securities	9,311	-
Equities	12,395	5,023
	<u>21,706</u>	<u>29,484</u>

Collective Investment Schemes	Commissions	-	14
Debt Securities	Commissions	3	-
Equities	Commissions	3	2
Equities	Taxes and other charges	21	2
Total purchase transaction costs		<u>27</u>	<u>18</u>
Purchases including transaction costs		<u>21,733</u>	<u>29,502</u>

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

Collective Investment Schemes	Commissions	0.00%	0.06%
Debt Securities	Commissions	0.03%	0.00%
Equities	Commissions	0.02%	0.04%
Equities	Taxes and other charges	0.17%	0.04%

Sales excluding transaction costs:

Collective Investment Schemes	20,116	29,628
Equities	4,795	5,950
	<u>24,911</u>	<u>35,578</u>

Equities	Commissions	(1)	(2)
Total sale transaction costs		<u>(1)</u>	<u>(2)</u>
Sales net of transaction costs		<u>24,910</u>	<u>35,576</u>

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

Equities:	Commissions	0.02%	0.03%
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Total purchases and sales transaction costs expressed as a percentage of the average net asset value over the year:

Commissions	0.03%	0.06%
Taxes and other charges	0.08%	0.01%
	<u>0.11%</u>	<u>0.07%</u>

Average portfolio dealing spread

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

Average portfolio dealing spread at the balance sheet date	<u>0.00%</u>	<u>0.06%</u>
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IFSL OPTIMA FUND
IFSL OPTIMA BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

4 REVENUE

	31 March 2022 £'000	31 March 2021 £'000
UK dividends	8	39
UK dividends (unfranked)	-	76
Overseas dividends	33	330
Overseas dividends (unfranked)	2	-
Interest from debt securities	3	-
Interest distributions	26	76
Property income distributions	3	-
Total revenue	<u>75</u>	<u>521</u>

5 EXPENSES

	31 March 2022 £'000	31 March 2021 £'000
Payable to the authorised fund manager or associate:		
Manager's periodic charge	74	266
Registration fees	(1)	6
KIID fees	2	-
	<u>75</u>	<u>272</u>
Other expenses:		
Trustee's fee	3	10
Safe custody fees	(5)	7
Audit fee	8	8
Legal and professional fees	-	3
	<u>6</u>	<u>28</u>
Total expenses	<u>81</u>	<u>300</u>

6 TAXATION

	31 March 2022 £'000	31 March 2021 £'000
a Analysis of the tax charge for the year		
Overseas tax	1	2
Total tax charge (see note 6b)	<u>1</u>	<u>2</u>

b Factors affecting the tax charge for the year

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

Net revenue before taxation	(6)	220
Corporation tax at 20% (2021: 20%)	(1)	44
Effects of:		
Revenue not subject to taxation	(8)	(72)
Tax effect of capitalised management fee rebate	-	(2)
Unrelieved excess management expenses	9	30
Overseas tax	1	2
Total tax charge (see note 6a)	<u>1</u>	<u>2</u>

c During the year, following a scheme of arrangement in which IFSL Optima Balanced Fund merged into IFSL Sanlam Cautious Fund, IFSL Optima Balanced Fund's excess management expenses corresponding to a deferred tax asset of £104,085 (31 March 2021: £112,195) was transferred into IFSL Sanlam Cautious Fund.

IFSL OPTIMA FUND
IFSL OPTIMA BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

7 DISTRIBUTIONS

	31 March 2022	31 March 2021
	£'000	£'000
The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprise:		
First quarter	88	42
Final distribution of income by way of scheme of arrangement	54	N/A
Second quarter	N/A	208
Third quarter	N/A	107
Final quarter	N/A	113
Amounts deducted on cancellation of units	5	18
Amounts added on issue of units	(1)	(4)
Distributions	<u>146</u>	<u>484</u>
Movement between net revenue and distributions:		
Net revenue after taxation	102	218
Manager's periodic charge borne by capital	73	266
Tax effect of Manager's periodic charge borne by capital	(22)	-
Transfer surplus to capital	(7)	-
	<u>146</u>	<u>484</u>

8 DEBTORS

	31 March 2022	31 March 2021
	£'000	£'000
Amounts receivable for issue of units	-	41
Accrued income	-	19
Taxation recoverable	1	-
Total debtors	<u>1</u>	<u>60</u>

9 OTHER CREDITORS

	31 March 2022	31 March 2021
	£'000	£'000
Amounts payable for cancellation of units	-	338
Amounts payable from scheme of arrangement	11	-
Accrued expenses	8	37
Total other creditors	<u>19</u>	<u>375</u>

10 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities as at 31 March 2022 (2021: nil).

11 RELATED PARTIES

The authorised fund manager is involved in all transactions in the units of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to unitholders and note 9. Amounts due to/from the authorised fund manager in respect of unit transactions at the year end are disclosed in notes 10 and 11. Amounts paid to the authorised fund manager in respect of the manager's periodic charge and registration fees are disclosed in note 7. Amounts due to the authorised fund manager at the year end are nil (2021: £20,255)

12 UNIT CLASSES

During the period up to the scheme of arrangement on 30 July 2021, the unit classes in issue for the sub-fund and the annual management charge for each unit class were as follows:

Income	1.50%
Accumulation	1.50%
B Income	0.75%
B Accumulation	0.75%
C Income	0.50%
C Accumulation	0.50%

IFSL OPTIMA FUND
IFSL OPTIMA BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

13 UNITHOLDERS' FUNDS RECONCILIATION

During the year the authorised fund manager has issued, cancelled and converted units from one unit class to another as set out below:

	Income	Accumulation	B Income
Opening units in issue at 1 April 2021	2,249,494	1,873,201	3,367,530
Unit issues	-	1	69,534
Unit cancellations	(166,112)	(198,620)	(580,299)
Unit conversions	-	-	-
In specie transactions	(2,083,382)	(1,674,582)	(2,856,765)
Closing units in issue at 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>

	B Accumulation	C Income	C Accumulation
Opening units in issue at 1 April 2021	3,984,257	4,128,637	716,182
Unit issues	94,033	13,914	22,822
Unit cancellations	(484,743)	(37,618)	(31,541)
Unit conversions	-	-	-
In specie transactions	(3,593,547)	(4,104,933)	(707,463)
Closing units in issue at 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>

During the year, following a scheme of arrangement IFSL Optima Balanced Fund merged into IFSL Sanlam Cautious Fund. The in specie transactions that occurred during the year represent the units transferred as a result of the merger.

14 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by nil (2021: £1,293,960). A five per cent decrease would have an equal and opposite effect.

Foreign currency risk

There is no exposure to foreign currency risk as at 31 March 2022.

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

Foreign currency exposure at 31 March 2021:	Investments £'000	Net current assets £'000	Total £'000
US Dollar	818	7	825
	<u>818</u>	<u>7</u>	<u>825</u>

Foreign currency risk sensitivity

A one per cent decrease in the value of sterling relative to the foreign currencies above would have the effect of increasing the return and net assets by nil (2021: £8,254). A five per cent increase would have an equal and opposite effect.

Interest rate risk

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

	31 March 2022 £'000	31 March 2021 £'000
Financial assets floating rate	18	922
Financial assets non-interest bearing instruments	1	25,879
Financial liabilities non-interest bearing instruments	(19)	-
	<u>-</u>	<u>26,801</u>

For the prior year, short term debtors and creditors are excluded in the interest rate risk analysis above.

IFSL OPTIMA FUND
IFSL OPTIMA BALANCED FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

RISK DISCLOSURES (continued)

Liquidity risk

31 March 2022
£'000

31 March 2021
£'000

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

Within one year:

Distribution payable on income units

Other creditors

-	58
19	375
<u>19</u>	<u>433</u>

15 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	31 March 2022		31 March 2021	
	Assets (£'000)	Liabilities (£'000)	Assets (£'000)	Liabilities (£'000)
Level 1 - Quoted prices	-	-	6,284	-
Level 2 - Observable market data	-	-	19,595	-
Level 3 - Unobservable data	-	-	-	-
	<u>-</u>	<u>-</u>	<u>25,879</u>	<u>-</u>

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

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

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

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

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

Level 3 - Valuation techniques using unobservable inputs.

IFSL OPTIMA FUND
IFSL OPTIMA BALANCED FUND

DISTRIBUTION TABLE

First quarter distribution for the period from 1 April 2021 to 30 June 2021

Group 1: Shares purchased prior to 1 April 2021

Group 2: Shares purchased on or after 1 April 2021

		Net revenue 30 June 2021 pence per share	Equalisation 30 June 2021 pence per share	Distribution paid 31 August 2021 pence per share	Distribution paid 31 August 2020 pence per share
Income	Group 1	0.4677p	-	0.4677p	0.1818p
	Group 2	0.3677p	0.1000p	0.4677p	0.1818p
Accumulation	Group 1	0.6598p	-	0.6598p	0.2529p
	Group 2	0.1598p	0.5000p	0.6598p	0.2529p
B Income	Group 1	0.5011p	-	0.5011p	0.1940p
	Group 2	0.2425p	0.2586p	0.5011p	0.1940p
B Accumulation	Group 1	0.7019p	-	0.7019p	0.2679p
	Group 2	0.3223p	0.3796p	0.7019p	0.2679p
C Income	Group 1	0.5070p	-	0.5070p	0.1956p
	Group 2	0.2708p	0.2362p	0.5070p	0.1956p
C Accumulation	Group 1	0.7128p	-	0.7128p	0.2714p
	Group 2	0.2814p	0.4314p	0.7128p	0.2714p

Final distribution of income by way of scheme of arrangement

Group 1: Shares purchased prior to 1 July 2021

Group 2: Shares purchased on or after 1 July 2021

		Net revenue 30 July 2021 pence per share	Equalisation 30 July 2021 pence per share	Distribution paid 30 September 2021 pence per share	Distribution paid 30 November 2020 pence per share
Income	Group 1	0.2914p	-	0.2914p	0.9328p
	Group 2	0.2914p	-	0.2914p	0.9328p
Accumulation	Group 1	0.4134p	-	0.4134p	1.3002p
	Group 2	0.4134p	-	0.4134p	1.3002p
B Income	Group 1	0.3126p	-	0.3126p	0.9957p
	Group 2	0.3126p	-	0.3126p	0.9957p
B Accumulation	Group 1	0.4402p	-	0.4402p	1.3772p
	Group 2	0.4402p	-	0.4402p	1.3772p
C Income	Group 1	0.3163p	-	0.3163p	1.0067p
	Group 2	0.3163p	-	0.3163p	1.0067p
C Accumulation	Group 1	0.4470p	-	0.4470p	1.3941p
	Group 2	0.1790p	0.2680p	0.4470p	1.3941p

IFSL OPTIMA FUND
IFSL OPTIMA GROWTH FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the period from 1 April 2021 to 30 July 2021

During the period in scope, from 1 April 2021 to 30 July 2021, market movements have been heavily influenced by ongoing Coronavirus-related news. The stock market recovery continued throughout the time-period as aggressive stimulus action spearheaded by the US Treasury and Federal Reserve has encouraged investors to bid up prices. Fears of the renewed lockdowns in the spring quickly abated as roadmaps to lift social restrictions were lifted.

Developed markets led the way in vaccine deployment and higher infection rates have not subsequently transformed into a surge in hospitalisations. The rise of numerous dangerous variants led to waves in cases across the globe hitting consumer sentiment, spending on travel, tourism, and hospitality. Significant progress has been made with predictions that herd immunity will be reached soon. We continue to have emergency level monetary and fiscal policy with government's remaining active and eager to deploy stimulus. As economic freedom was restored to people, this began to flow through into positive corporate earnings which made its way through to equity markets. As economies have reflat, this has begun to raise questions as to when monetary policy needs to be tightened.

In July, Beijing embarked on an unprecedented regulatory clampdown in several sectors causing a sell-off in sectors deemed "socially sensible". Perhaps what may have caught investors off-guard is the scale and timing of the regulation. In the latest five-year plan released in July, Xi Jinping outlined further details on strategies to control key industries and introduce governance based on Confucian values.

Within the sub-fund, returns were driven by several timely decisions. Our careful selection of fixed income securities enabled us to avoid some of the volatility in the bond market grinding out consistent returns. The investments in low-beta property and infrastructure assets performed very well, outpacing fixed income, and justifying the decision to take a bit more risk in these sectors at the expense of government bonds which we continue to avoid. Despite the elevated valuations for equities our decision to maintain a healthy level of exposure based on our business cycle analysis allowed us to participate in the strong recovery.

Portfolios are positioned for structurally higher, but modest inflation with weight allocated to equities (companies with pricing power can raise prices in response to inflation), property (with high-yielding, inflation linked income streams), infrastructure (whose cash flows are directly linked to actual inflation) and gold (which is a claim on the pot of actual wealth). Equities are expensive, but for investors with longer time frames, they remain the asset class with the highest return potential. Given the lack of alternatives, supportive fiscal and monetary policy, and a tail wind from the business cycle we guard against being too defensive. Portfolios are positioned aggressively underweight government bonds with the proceeds predominantly invested in short duration corporate bonds, infrastructure, property, gold, and absolute return strategies.

Despite equity valuations being at elevated levels, we are confident in our value conscious strategy of investing in well managed businesses, which we feel are well poised to potentially deliver attractive returns.

Sanlam Private Investments (UK) Limited
19 November 2021

Termination of the sub-fund

On 30 July 2021, IFSL Optima Growth Fund (the sub-fund) was transferred by a scheme of arrangement into IFSL Sanlam Growth Fund following approval by the Financial Conduct Authority on 2 June 2021, and unitholder approval obtained at an extra-ordinary general meeting of the unitholders held on 15 July 2021.

The termination of the sub-fund commenced immediately following the transfer and completed on 31 March 2022.

Distributions

	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>Income (pence per unit)</u>			
Income paid 28 February	-	-	-
Income paid 31 May	-	-	0.1830
Income paid 31 August	-	-	0.7620
Income paid 30 September	0.9824	N/A	N/A
Income paid 30 November	-	-	0.3726
<u>Accumulation (pence per unit)</u>			
Income paid 28 February	-	-	-
Income paid 31 May	-	-	0.2006
Income paid 31 August	-	-	0.7876
Income paid 30 September	1.0229	N/A	N/A
Income paid 30 November	-	-	0.3790

IFSL OPTIMA FUND
IFSL OPTIMA GROWTH FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the period from 1 April 2021 to 30 July 2021

Distributions (continued)

	Year 2021	Year 2020	Year 2019
<u>B Income (pence per unit)</u>			
Income paid 28 February	0.2760	-	0.2924
Income paid 31 May	-	-	0.6171
Income paid 31 August	0.2425	-	1.1938
Income paid 30 September	1.1932	N/A	N/A
Income paid 30 November		0.6252	0.8105
<u>B Accumulation (pence per unit)</u>			
Income paid 28 February	0.2850	-	0.2967
Income paid 31 May	-	-	0.6335
Income paid 31 August	0.2494	-	1.2059
Income paid 30 September	1.2276	N/A	N/A
Income paid 30 November		0.6715	0.7950
<u>C Accumulation (pence per unit)</u>			
Income paid 28 February	0.4190	0.1196	0.4318
Income paid 31 May	0.0680	-	0.7534
Income paid 31 August	0.3942	0.0549	1.3406
Income paid 30 September	1.3002	N/A	N/A
Income paid 30 November		0.8321	0.8936

Portfolio changes

Purchases	Cost (£'000)
Tencent Holdings Ltd	546
Becton, Dickinson and Company	507
Akamai Technologies	491
Alibaba Group Holding Ltd - SP ADR	448
Unilever	410
Yum! Brands	368
HANeff The Royal Mint Physical Gold ETC Securities	365
Koninklijke Philips	360
Howden Joinery Group	354
Taylor Wimpey	353
Other purchases	6,663
Total purchases for the period	10,865
Sales	Proceeds (£'000)
Sanlam Global High Quality 'C' GBP	4,716
Sanlam Active UK 'D' GBP	4,536
Sanlam Multi Strategy 'Founder' GBP	1,936
Almalia Sanlam Active Shariah Global Equity UCITS ETF	912
iShares Physical Gold ETC	434
Brookfield Infrastructure Partners	343
Digital Realty Trust	66
Unite Group	60
HICL Infrastructure	22
Total sales for the period	13,025

IFSL OPTIMA FUND
IFSL OPTIMA GROWTH FUND

COMPARATIVE TABLE

Income units	Period to 30.07.2021^A	Period to 31.03.2021	Period to 31.03.2020	Period to 31.03.2019
Change in net assets per unit	pence	pence	pence	pence
Opening net asset value per unit	196.02	157.10	181.34	175.39
Return before operating charges*	6.21	43.24	(19.19)	10.53
Operating charges	(1.58)	(4.32)	(3.92)	(3.75)
Return after operating charges*	4.63	38.92	(23.11)	6.78
Distributions on income units	(0.98)	-	(1.13)	(0.83)
Closing net asset value per unit	199.67	196.02	157.10	181.34
* after direct transaction costs of:	0.33	0.10	0.76	0.22
Performance				
Return after charges ^B	2.36%	24.77%	(12.74%)	3.87%
Other information				
Closing net asset value (£'000)	340	426	437	557
Closing number of units	170,302	217,497	277,806	307,291
Operating charges	2.37% ^C	2.37%	2.09%	2.06%
Direct transaction costs	0.51% ^C	0.07%	0.40%	0.12%
Prices				
Highest unit price	203.60p	196.08p	202.12p	190.60p
Lowest unit price	195.80p	154.37p	145.44p	168.20p
Accumulation units				
Change in net assets per unit	Period to 30.07.2021^A	Period to 31.03.2021	Period to 31.03.2020	Period to 31.03.2019
	pence	pence	pence	pence
Opening net asset value per unit	203.02	162.69	186.71	179.74
Return before operating charges*	6.46	44.77	(19.96)	10.82
Operating charges	(1.64)	(4.44)	(4.06)	(3.85)
Return after operating charges*	4.82	40.33	(24.02)	6.97
Distributions on accumulation units	(1.02)	-	(1.17)	(0.91)
Retained distributions on accumulation units	1.02	-	1.17	0.91
Closing net asset value per unit	207.84	203.02	162.69	186.71
* after direct transaction costs of:	0.35	0.13	0.78	0.22
Performance				
Return after charges ^B	2.37%	24.79%	(12.86%)	3.88%
Other information				
Closing net asset value (£'000)	2,462	2,777	5,226	6,773
Closing number of units	1,184,776	1,366,124	3,210,219	3,627,178
Operating charges	2.37% ^C	2.37%	2.09%	2.06%
Direct transaction costs	0.51% ^C	0.07%	0.40%	0.12%
Prices				
Highest unit price	211.10p	203.09p	209.41p	195.90p
Lowest unit price	203.10p	159.88p	150.61p	173.00p

^A The final valuation point of the sub-fund.

^B The return after charges is calculated using the underlying investments bid prices.

^C These figures have been annualised.

**IFSL OPTIMA FUND
IFSL OPTIMA GROWTH FUND**

COMPARATIVE TABLE

<u>B Income units</u>	Period to 30.07.2021^A	Period to 31.03.2021	Period to 31.03.2020	Period to 31.03.2019
Change in net assets per unit	pence	pence	pence	pence
Opening net asset value per unit	209.43	167.42	192.48	191.17
Return before operating charges*	6.70	46.07	(20.39)	6.20
Operating charges	(1.16)	(3.16)	(2.67)	(2.52)
Return after operating charges*	5.54	42.91	(23.06)	3.68
Distributions on income units	(1.44)	(0.90)	(2.00)	(2.37)
Closing net asset value per unit	213.53	209.43	167.42	192.48
* after direct transaction costs of:	0.36	0.14	0.80	0.23
Performance				
Return after charges ^B	2.65%	25.63%	(11.98%)	1.92%
Other information				
Closing net asset value (£'000)	2,051	2,044	1,550	631
Closing number of units	960,673	975,295	924,990	327,679
Operating charges	1.62% ^C	1.62%	1.34%	1.31%
Direct transaction costs	0.51% ^C	0.07%	0.40%	0.12%
Prices				
Highest unit price	217.70p	209.42p	215.19p	202.60p
Lowest unit price	209.30p	164.57p	155.02p	178.90p
<u>B Accumulation units</u>				
Change in net assets per unit	Period to 30.07.2021^A	Period to 31.03.2021	Period to 31.03.2020	Period to 31.03.2019
	pence	pence	pence	pence
Opening net asset value per unit	216.28	172.03	195.92	187.17
Return before operating charges*	6.90	47.52	(21.14)	11.30
Operating charges	(1.19)	(3.27)	(2.75)	(2.55)
Return after operating charges*	5.71	44.25	(23.89)	8.75
Distributions on accumulation units	(1.48)	(0.96)	(2.00)	(2.43)
Retained distributions on accumulation units	1.48	0.96	2.00	2.43
Closing net asset value per unit	221.99	216.28	172.03	195.92
* after direct transaction costs of:	0.37	0.14	0.83	0.23
Performance				
Return after charges ^B	2.64%	25.72%	(12.19%)	4.67%
Other information				
Closing net asset value (£'000)	6,201	7,150	5,960	5,006
Closing number of units	2,793,617	3,304,446	3,462,428	2,555,057
Operating charges	1.62% ^C	1.62%	1.34%	1.31%
Direct transaction costs	0.51% ^C	0.07%	0.40%	0.12%
Prices				
Highest unit price	225.10p	216.25p	221.28p	204.00p
Lowest unit price	216.10p	169.08p	159.26p	181.20p

^A The final valuation point of the sub-fund.

^B The return after charges is calculated using the underlying investments bid prices.

^C These figures have been annualised.

IFSL OPTIMA FUND
IFSL OPTIMA GROWTH FUND

COMPARATIVE TABLE

C Accumulation units	Period to 30.07.2021^A	Period to 31.03.2021	Period to 31.03.2020	Period to 31.03.2019
Change in net assets per unit	pence	pence	pence	pence
Opening net asset value per unit	219.42	174.12	197.82	188.51
Return before operating charges*	6.99	48.09	(21.45)	11.39
Operating charges	(1.02)	(2.79)	(2.25)	(2.08)
Return after operating charges*	5.97	45.30	(23.70)	9.31
Distributions on accumulation units	(1.69)	(1.31)	(2.35)	(2.97)
Retained distributions on accumulation units	1.69	1.31	2.35	2.97
Closing net asset value per unit	225.39	219.42	174.12	197.82
* after direct transaction costs of:	0.38	0.14	0.83	0.23
Performance				
Return after charges ^B	2.72%	26.02%	(11.98%)	4.94%
Other information				
Closing net asset value (£'000)	1,112	1,070	828	1,099
Closing number of units	493,406	487,202	475,383	555,563
Operating charges	1.37% ^C	1.37%	1.09%	1.06%
Direct transaction costs	0.51% ^C	0.07%	0.40%	0.12%
Prices				
Highest unit price	228.50p	219.39p	223.79p	205.60p
Lowest unit price	219.20p	171.13p	161.16p	182.80p

^A The final valuation point of the sub-fund.

^B The return after charges is calculated using the underlying investments bid prices.

^C These figures have been annualised.

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

In line with the Investment Association's "Disclosure of Fund Charges and Costs" circular published on July 2020, the operating charges quoted for the year ended 31 March 2021 and for the period ended 30 July 2021 include costs associated with investment in Packaged Retail and Insurance-based Investment Products (PRIIPs) that were previously excluded from the OCF calculation.

IFSL OPTIMA FUND
IFSL OPTIMA GROWTH FUND

STATEMENT OF TOTAL RETURN
for the year ended 31 March 2022

	Notes	31 March 2022		31 March 2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	2		362		3,211
Revenue	4	30		190	
Expenses	5	(40)		(164)	
Net (expense)/revenue before taxation		<u>(10)</u>		<u>26</u>	
Taxation	6	<u>-</u>		<u>(2)</u>	
Net (expense)/revenue after taxation			<u>(10)</u>		<u>24</u>
Total return before distributions			352		3,235
Distributions	7		(79)		(52)
Change in net assets attributable to unitholders from investment activities			<u>273</u>		<u>3,183</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
for the year ended 31 March 2022

	31 March 2022		31 March 2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		13,467		14,001
Amounts receivable on issue of units	115		2,126	
Amounts payable on cancellation of units	(1,734)		(5,886)	
Amounts payable to successor fund	<u>(12,183)</u>		<u>-</u>	
		(13,802)		(3,760)
Change in net assets attributable to unitholders from investment activities		273		3,183
Retained distribution on accumulation units		62		43
Closing net assets attributable to unitholders		<u>-</u>		<u>13,467</u>

IFSL OPTIMA FUND
IFSL OPTIMA GROWTH FUND

BALANCE SHEET
as at 31 March 2022

	Notes	31 March 2022 £'000	31 March 2021 £'000
Assets:			
Fixed Assets:			
Investments	15	-	13,418
Current Assets:			
Debtors	8	-	40
Cash and cash equivalents		19	981
Total assets		<u>19</u>	<u>14,439</u>
Liabilities:			
Creditors:			
Distribution payable on income units		-	3
Other creditors	9	19	969
Total liabilities		<u>19</u>	<u>972</u>
Net assets attributable to unitholders		<u>-</u>	<u>13,467</u>

IFSL OPTIMA FUND
IFSL OPTIMA GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES

Please refer to the notes applicable to the Company on pages 9 to 11.

2 NET CAPITAL GAINS

The net gains on investments during the year comprise:

	31 March 2022	31 March 2021
	£'000	£'000
Realised gains on non-derivative securities	1,182	58
Unrealised (losses)/gains on non-derivative securities	(844)	3,162
Other currency gains/(losses)	25	(7)
Transaction charges	(1)	(2)
Net capital gains	362	3,211

Where realised gains/(losses) include gains/(losses) arising in prior years, a corresponding gain/(loss) is included in unrealised gains/(losses).

3 PURCHASES, SALES AND TRANSACTION COSTS

Purchases excluding transaction costs:

	31 March 2022	31 March 2021
	£'000	£'000
Collective Investment Schemes	-	11,111
Debt Securities	1,289	-
Equities	9,555	1,715
	<u>10,844</u>	<u>12,826</u>

Collective Investment Schemes	Commissions	-	4
Collective Investment Schemes	Taxes and other charges	-	1
Equities	Commissions	3	1
Equities	Taxes and other charges	18	2
Total purchase transaction costs		<u>21</u>	<u>8</u>
Purchases including transaction costs		<u>10,865</u>	<u>12,834</u>

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

Collective Investment Schemes	Commissions	0.00%	0.04%
Collective Investment Schemes	Taxes and other charges	0.00%	0.01%
Equities	Commissions	0.03%	0.06%
Equities	Taxes and other charges	0.19%	0.12%

Sales excluding transaction costs:

Collective Investment Schemes	11,188	11,351
Equities	1,837	4,544
	<u>13,025</u>	<u>15,895</u>

Equities	Commissions	-	(1)
Total sale transaction costs		<u>-</u>	<u>(1)</u>
Sales net of transaction costs		<u>13,025</u>	<u>15,894</u>

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

Equities:	Commissions	0.00%	0.02%
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Total purchases and sales transaction costs expressed as a percentage of the average net asset value over the year:

Commissions	0.02%	0.04%
Taxes and other charges	0.14%	0.03%
	<u>0.16%</u>	<u>0.07%</u>

Average portfolio dealing spread

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

Average portfolio dealing spread at the balance sheet date	<u>0.00%</u>	<u>0.05%</u>
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IFSL OPTIMA FUND
IFSL OPTIMA GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

4 REVENUE

	31 March 2022	31 March 2021
	£'000	£'000
UK dividends	4	23
Overseas dividends	32	167
Interest from debt securities	1	-
Interest distributions	(8)	-
Property income distributions	1	-
Total revenue	<u>30</u>	<u>190</u>

5 EXPENSES

	31 March 2022	31 March 2021
	£'000	£'000
Payable to the authorised fund manager or associate:		
Manager's periodic charge	38	138
Registration fees	-	3
KIID fees	2	-
	<u>40</u>	<u>141</u>
Other expenses:		
Trustee's fee	1	9
Safe custody fees	(9)	4
Audit fee	8	8
Legal and professional fees	-	2
	<u>-</u>	<u>23</u>
Total expenses	<u>40</u>	<u>164</u>

6 TAXATION

	31 March 2022	31 March 2021
	£'000	£'000
a Analysis of the tax charge for the year		
Overseas tax	-	2
Total tax charge (see note 6b)	<u>-</u>	<u>2</u>

b Factors affecting the tax charge for the year

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

Net revenue before taxation	<u>(10)</u>	<u>26</u>
Corporation tax at 20% (2021: 20%)	(2)	5
Effects of:		
Revenue not subject to taxation	(7)	(37)
Unrelieved excess management expenses	9	32
Overseas tax	-	2
Total tax charge (see note 6a)	<u>-</u>	<u>2</u>

c During the year, following a scheme of arrangement in which IFSL Optima Growth Fund merged into IFSL Sanlam Growth Fund, IFSL Optima Growth Fund's excess management expenses corresponding to a deferred tax asset of £318,652 (31 March 2021: £314,531) was transferred into IFSL Sanlam Growth Fund.

IFSL OPTIMA FUND
IFSL OPTIMA GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

7 DISTRIBUTIONS

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

	31 March 2022 £'000	31 March 2021 £'000
First quarter	12	-
Final distribution of income by way of scheme of arrangement	66	N/A
Second quarter	N/A	36
Third quarter	N/A	16
Final quarter	N/A	-
Amounts deducted on cancellation of units	1	1
Amounts added on issue of units	-	(1)
Distributions	<u>79</u>	<u>52</u>
Movement between net revenue and distributions:		
Net revenue after taxation	87	24
Transfer (surplus)/deficit to capital	(8)	28
	<u>79</u>	<u>52</u>

8 DEBTORS

	31 March 2022 £'000	31 March 2021 £'000
Amounts receivable for issue of units	-	40
Total debtors	<u>-</u>	<u>40</u>

9 OTHER CREDITORS

	31 March 2022 £'000	31 March 2021 £'000
Amounts payable for cancellation of units	-	939
Amounts payable from scheme of arrangement	11	-
Accrued expenses	8	30
Total other creditors	<u>19</u>	<u>969</u>

10 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities as at 31 March 2022 (2021: nil).

11 RELATED PARTIES

The authorised fund manager is involved in all transactions in the units of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to unitholders and note 9. Amounts due to/from the authorised fund manager in respect of unit transactions at the year end are disclosed in notes 10 and 11. Amounts paid to the authorised fund manager in respect of the manager's periodic charge and registration fees are disclosed in note 7. Amounts due to the authorised fund manager at the year end are nil (2021: £10,876)

12 UNIT CLASSES

During the period up to the scheme of arrangement on 30 July 2021, the unit classes in issue for the sub-fund and the annual management charge for each unit class were as follows:

Income	1.50%
Accumulation	1.50%
B Income	0.75%
B Accumulation	0.75%
C Accumulation	0.50%

IFSL OPTIMA FUND
IFSL OPTIMA GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

13 UNITHOLDERS' FUNDS RECONCILIATION

During the year the authorised fund manager has issued, cancelled and converted units from one unit class to another as set out below:

	Income	Accumulation	B Income
Opening units in issue at 1 April 2021	217,497	1,366,124	975,295
Unit issues	-	-	19,923
Unit cancellations	(47,195)	(181,348)	(34,545)
Unit conversions	-	-	-
In specie transactions	(170,302)	(1,184,776)	(960,673)
Closing units in issue at 31 March 2022	-	-	-

	B Accumulation	C Accumulation
Opening units in issue at 1 April 2021	3,304,446	487,202
Unit issues	19,844	12,735
Unit cancellations	(530,673)	(6,531)
Unit conversions	-	-
In specie transactions	(2,793,617)	(493,406)
Closing units in issue at 31 March 2022	-	-

During the year, following a scheme of arrangement IFSL Optima Growth Fund merged into IFSL Sanlam Growth Fund. The in specie transactions that occurred during the year represent the units transferred as a result of the merger.

14 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by nil (2021: £670,903). A five per cent decrease would have an equal and opposite effect.

Foreign currency risk

There is no exposure to foreign currency risk as at 31 March 2022.

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

Foreign currency exposure at 31 March 2021:	Investments £'000	Net current assets £'000	Total £'000
US Dollar	458	4	462
	458	4	462

Foreign currency risk sensitivity

A one per cent decrease in the value of sterling relative to the foreign currencies above would have the effect of increasing the return and net assets by nil (2021: £4,625). A five per cent increase would have an equal and opposite effect.

Interest rate risk

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

	31 March 2022 £'000	31 March 2021 £'000
Financial assets floating rate	19	981
Financial assets non-interest bearing instruments	-	13,418
Financial liabilities floating rate	-	(3)
Financial liabilities non-interest bearing instruments	(19)	-
	-	14,396

For the prior year, short term debtors and creditors are excluded in the interest rate risk analysis above.

IFSL OPTIMA FUND
IFSL OPTIMA GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

RISK DISCLOSURES (continued)

Liquidity risk

31 March 2022
£'000

31 March 2021
£'000

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

Within one year:

Distribution payable on income units

Other creditors

-	3
19	969
<u>19</u>	<u>972</u>

15 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	31 March 2022		31 March 2021	
	Assets (£'000)	Liabilities (£'000)	Assets (£'000)	Liabilities (£'000)
Level 1 - Quoted prices	-	-	2,528	-
Level 2 - Observable market data	-	-	10,890	-
Level 3 - Unobservable data	-	-	-	-
	<u>-</u>	<u>-</u>	<u>13,418</u>	<u>-</u>

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

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

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

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

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

Level 3 - Valuation techniques using unobservable inputs.

**IFSL OPTIMA FUND
IFSL OPTIMA GROWTH FUND**

DISTRIBUTION TABLE

First quarter distribution for the period from 1 April 2021 to 30 June 2021

Group 1: Shares purchased prior to 1 April 2021

Group 2: Shares purchased on or after 1 April 2021

		Net revenue 30 June 2021 pence per share	Equalisation 30 June 2021 pence per share	Distribution paid 31 August 2021 pence per share	Distribution paid 31 August 2020 pence per share
Income	Group 1	-	-	-	0.7620p
	Group 2	-	-	-	0.7620p
Accumulation	Group 1	-	-	-	0.7876p
	Group 2	-	-	-	0.7876p
B Income	Group 1	0.2425p	-	0.2425p	1.1938p
	Group 2	-	0.2425p	0.2425p	1.1938p
B Accumulation	Group 1	0.2494p	-	0.2494p	1.2059p
	Group 2	0.0023p	0.2471p	0.2494p	1.2059p
C Accumulation	Group 1	0.3942p	-	0.3942p	1.3406p
	Group 2	0.0962p	0.2980p	0.3942p	1.3406p

Final distribution of income by way of scheme of arrangement

Group 1: Shares purchased prior to 1 July 2021

Group 2: Shares purchased on or after 1 July 2021

		Net revenue 30 July 2021 pence per share	Equalisation 30 July 2021 pence per share	Distribution paid 30 September 2021 pence per share	Distribution paid 30 November 2020 pence per share
Income	Group 1	0.9824p	-	0.9824p	-
	Group 2	0.9824p	-	0.9824p	-
Accumulation	Group 1	1.0229p	-	1.0229p	-
	Group 2	1.0229p	-	1.0229p	-
B Income	Group 1	1.1932p	-	1.1932p	0.6252p
	Group 2	1.1932p	-	1.1932p	0.6252p
B Accumulation	Group 1	1.2276p	-	1.2276p	0.6715p
	Group 2	1.2276p	-	1.2276p	0.6715p
C Accumulation	Group 1	1.3002p	-	1.3002p	0.8321p
	Group 2	1.3002p	-	1.3002p	0.8321p

IFSL OPTIMA FUND
IFSL OPTIMA INCOME FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the period from 1 April 2021 to 30 July 2021

During the period in scope, from 1 April 2021 to 30 July 2021, market movements have been heavily influenced by ongoing Coronavirus-related news. The stock market recovery continued throughout the time-period as aggressive stimulus action spearheaded by the US Treasury and Federal Reserve has encouraged investors to bid up prices. Fears of the renewed lockdowns in the spring quickly abated as roadmaps to lift social restrictions were lifted.

Developed markets led the way in vaccine deployment and higher infection rates have not subsequently transformed into a surge in hospitalisations. The rise of numerous dangerous variants led to waves in cases across the globe hitting consumer sentiment, spending on travel, tourism, and hospitality. Significant progress has been made with predictions that herd immunity will be reached soon. We continue to have emergency level monetary and fiscal policy with government's remaining active and eager to deploy stimulus. As economic freedom was restored to people, this began to flow through into positive corporate earnings which made its way through to equity markets. As economies have reflat, this has begun to raise questions as to when monetary policy needs to be tightened.

In July, Beijing embarked on an unprecedented regulatory clampdown in several sectors causing a sell-off in sectors deemed "socially sensible". Perhaps what may have caught investors off-guard is the scale and timing of the regulation. In the latest five-year plan released in July, Xi Jinping outlined further details on strategies to control key industries and introduce governance based on Confucian values.

Within the sub-fund, returns were driven by several timely decisions. Our careful selection of fixed income securities enabled us to avoid some of the volatility in the bond market grinding out consistent returns. The investments in low-beta property and infrastructure assets performed very well, outpacing fixed income, and justifying the decision to take a bit more risk in these sectors at the expense of government bonds which we continue to avoid. Despite the elevated valuations for equities our decision to maintain a healthy level of exposure based on our business cycle analysis allowed us to participate in the strong recovery.

Portfolios are positioned for structurally higher, but modest inflation with weight allocated to equities (companies with pricing power can raise prices in response to inflation), property (with high-yielding, inflation linked income streams), infrastructure (whose cash flows are directly linked to actual inflation) and gold (which is a claim on the pot of actual wealth). Equities are expensive, but for investors with longer time frames, they remain the asset class with the highest return potential. Given the lack of alternatives, supportive fiscal and monetary policy, and a tail wind from the business cycle we guard against being too defensive. Portfolios are positioned aggressively underweight government bonds with the proceeds predominantly invested in short duration corporate bonds, infrastructure, property, gold, and absolute return strategies.

Despite equity valuations being at elevated levels, we are confident in our value conscious strategy of investing in well managed businesses, which we feel are well poised to potentially deliver attractive returns.

Sanlam Private Investments (UK) Limited
19 November 2021

Termination of the sub-fund

On 30 July 2021, IFSL Optima Income Fund (the sub-fund) was transferred by a scheme of arrangement into IFSL Sanlam Conservative Fund following approval by the Financial Conduct Authority on 2 June 2021, and unitholder approval obtained at an extraordinary general meeting of the unitholders held on 15 July 2021.

The termination of the sub-fund commenced immediately following the transfer and completed on 31 March 2022.

Distributions

	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>Income (pence per unit)</u>			
Income paid 28 February	0.2465	0.4658	0.6774
Income paid 31 May	0.8221	0.2914	0.4844
Income paid 31 August	0.3895	0.2604	0.7565
Income paid 30 September	0.2829	N/A	N/A
Income paid 30 November		0.9218	0.5682
<u>Accumulation (pence per unit)</u>			
Income paid 28 February	0.3631	0.6987	0.9896
Income paid 31 May	1.4128	0.4389	0.7125
Income paid 31 August	0.6014	0.3939	1.1900
Income paid 30 September	0.4410	N/A	N/A
Income paid 30 November		1.4217	0.8472

IFSL OPTIMA FUND
IFSL OPTIMA INCOME FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the period from 1 April 2021 to 30 July 2021

Distributions (continued)

	Year 2021	Year 2020	Year 2019
<u>B Income (pence per unit)</u>			
Income paid 28 February	0.2614	0.4558	0.6706
Income paid 31 May	0.7477	0.2702	0.4680
Income paid 31 August	0.4139	0.2374	0.7523
Income paid 30 September	0.3029	N/A	N/A
Income paid 30 November		1.0157	0.5650
<u>B Accumulation (pence per unit)</u>			
Income paid 28 February	0.3972	0.6767	0.9784
Income paid 31 May	1.1596	0.4041	0.6863
Income paid 31 August	0.6330	0.3549	1.1134
Income paid 30 September	0.4661	N/A	N/A
Income paid 30 November		1.5237	0.8281
<u>C Income (pence per unit)</u>			
Income paid 28 February	0.3707	0.6242	0.9323
Income paid 31 May	1.0097	0.3889	0.6492
Income paid 31 August	0.5899	0.3197	1.0605
Income paid 30 September	0.4329	N/A	N/A
Income paid 30 November		1.4584	0.7746
<u>C Accumulation (pence per unit)</u>			
Income paid 28 February	0.4063	0.6573	0.9616
Income paid 31 May	1.0906	0.3657	0.6742
Income paid 31 August	0.6396	0.3408	1.1023
Income paid 30 September	0.4723	N/A	N/A
Income paid 30 November		1.5522	0.8104

Portfolio changes

Purchases	Cost (£'000)
HANetf The Royal Mint Physical Gold ETC Securities	1,224
Grainger 3.375% 24.04.28	1,091
RL Finance Bonds No. 3 6.125% 13.11.28	999
NatWest Group 3.622% 14.08.30	695
Prudential 5.625% 20.10.51	667
Whitbread Group 3.375% 16.10.25	637
Legal & General Group 5.625% Perp	568
Intercontinental Hotels Group 3.75% 14.08.25	544
Just Group 8.125% 26.10.29	526
Virgin Money UK 2.625% 19.08.31	508
Other purchases	5,202
Total purchases for the period	12,661
Sales	Proceeds (£'000)
Sanlam Multi Strategy 'Founder' GBP	4,021
Liontrust Strategic Bond 'M' Gross	3,223
Allianz Strategic Bond 'I' GBP	3,165
Federated Hermes Global High Yield Credit 'M2' GBP	2,130
Sanlam Hybrid Capital Bond 'B' GBP	2,086
iShares Physical Gold ETC	1,583
Brookfield Infrastructure Partners	164
Oracle	146
Roche Holding	128
Meta Platforms 'A'	101
Other sales	455
Total sales for the period	17,202

IFSL OPTIMA FUND
IFSL OPTIMA INCOME FUND

COMPARATIVE TABLE

Income units	Period to 30.07.2021^A	Period to 31.03.2021	Period to 31.03.2020	Period to 31.03.2019
Change in net assets per unit	pence	pence	pence	pence
Opening net asset value per unit	95.92	86.11	91.61	91.64
Return before operating charges*	3.39	14.05	(1.51)	4.45
Operating charges	(0.68)	(1.99)	(1.91)	(1.89)
Return after operating charges*	2.71	12.06	(3.42)	2.56
Distributions on income units	(0.67)	(2.25)	(2.08)	(2.59)
Closing net asset value per unit	97.96	95.92	86.11	91.61
* after direct transaction costs of:	0.03	0.02	0.08	0.03
Performance				
Return after charges ^B	2.83%	14.01%	(3.73%)	2.79%
Other information				
Closing net asset value (£'000)	1,531	2,127	2,586	3,531
Closing number of units	1,563,056	2,217,208	3,003,589	3,854,284
Operating charges	2.09% ^C	2.09%	2.04%	2.05%
Direct transaction costs	0.09% ^C	0.02%	0.08%	0.04%
Prices				
Highest unit price	98.86p	98.76p	96.53p	94.49p
Lowest unit price	96.15p	85.77	83.47p	89.06p
Accumulation units				
Change in net assets per unit	Period to 30.07.2021^A	Period to 31.03.2021	Period to 31.03.2020	Period to 31.03.2019
	pence	pence	pence	pence
Opening net asset value per unit	148.76	130.28	135.52	131.79
Return before operating charges*	5.21	21.48	(2.39)	6.48
Operating charges	(1.05)	(3.00)	(2.85)	(2.75)
Return after operating charges*	4.16	18.48	(5.24)	3.73
Distributions on accumulation units	(1.04)	(3.59)	(2.87)	(3.76)
Retained distributions on accumulation units	1.04	3.59	2.87	3.76
Closing net asset value per unit	152.92	148.76	130.28	135.52
* after direct transaction costs of:	0.05	0.03	0.11	0.05
Performance				
Return after charges ^B	2.80%	14.18%	(3.87%)	2.83%
Other information				
Closing net asset value (£'000)	1,032	1,344	6,871	7,693
Closing number of units	675,029	909,306	5,275,203	5,677,522
Operating charges	2.09% ^C	2.09%	2.04%	2.05%
Direct transaction costs	0.09% ^C	0.02%	0.08%	0.04%
Prices				
Highest unit price	153.80p	151.81p	145.57p	136.10p
Lowest unit price	148.80p	129.81p	125.87p	130.70p

^A The final valuation point of the sub-fund.

^B The return after charges is calculated using the underlying investments bid prices.

^C These figures have been annualised.

IFSL OPTIMA FUND
IFSL OPTIMA INCOME FUND

COMPARATIVE TABLE

<u>B Income units</u>	Period to 30.07.2021^A	Period to 31.03.2021	Period to 31.03.2020	Period to 31.03.2019
Change in net assets per unit	pence	pence	pence	pence
Opening net asset value per unit	101.91	90.80	95.88	95.19
Return before operating charges*	3.58	14.72	(1.77)	4.50
Operating charges	(0.46)	(1.35)	(1.27)	(1.25)
Return after operating charges*	3.12	13.37	(3.04)	3.25
Distributions on income units	(0.72)	(2.26)	(2.04)	(2.56)
Closing net asset value per unit	104.31	101.91	90.80	95.88
* after direct transaction costs of:	0.03	0.02	0.08	0.04
Performance				
Return after charges ^B	3.06%	14.72%	(3.17%)	3.41%
Other information				
Closing net asset value (£'000)	5,289	5,796	5,800	3,108
Closing number of units	5,071,103	5,688,966	6,387,395	3,241,627
Operating charges	1.34% ^C	1.34%	1.29%	1.30%
Direct transaction costs	0.09% ^C	0.02%	0.08%	0.04%
Prices				
Highest unit price	105.20p	104.68p	101.71p	98.27p
Lowest unit price	102.20p	90.48p	87.99p	93.06p
<u>B Accumulation units</u>				
Change in net assets per unit	Period to 30.07.2021^A	Period to 31.03.2021	Period to 31.03.2020	Period to 31.03.2019
	pence	pence	pence	pence
Opening net asset value per unit	156.39	136.26	140.89	136.19
Return before operating charges*	5.48	22.19	(2.75)	6.51
Operating charges	(0.71)	(2.06)	(1.88)	(1.81)
Return after operating charges*	4.77	20.13	(4.63)	4.70
Distributions on accumulation units	(1.10)	(3.44)	(3.02)	(3.69)
Retained distributions on accumulation units	1.10	3.44	3.02	3.69
Closing net asset value per unit	161.16	156.39	136.26	140.89
* after direct transaction costs of:	0.05	0.04	0.12	0.05
Performance				
Return after charges ^B	3.05%	14.77%	(3.29%)	3.45%
Other information				
Closing net asset value (£'000)	9,252	10,526	5,154	3,985
Closing number of units	5,740,542	6,731,550	3,783,310	2,828,772
Operating charges	1.34% ^C	1.34%	1.29%	1.30%
Direct transaction costs	0.09% ^C	0.02%	0.08%	0.04%
Prices				
Highest unit price	162.10p	159.46p	152.17p	141.40p
Lowest unit price	156.70p	135.79p	131.65p	135.70p

^A The final valuation point of the sub-fund.

^B The return after charges is calculated using the underlying investments bid prices.

^C These figures have been annualised.

**IFSL OPTIMA FUND
IFSL OPTIMA INCOME FUND**

COMPARATIVE TABLE

C Income units	Period to 30.07.2021^A	Period to 31.03.2021	Period to 31.03.2020	Period to 31.03.2019
Change in net assets per unit	pence	pence	pence	pence
Opening net asset value per unit	145.27	129.15	136.02	130.39
Return before operating charges*	5.09	20.85	(2.59)	10.60
Operating charges	(0.54)	(1.57)	(1.45)	(1.42)
Return after operating charges*	4.55	19.28	(4.04)	9.18
Distributions on income units	(1.02)	(3.16)	(2.83)	(3.55)
Closing net asset value per unit	148.80	145.27	129.15	136.02
* after direct transaction costs of:	0.05	0.03	0.11	0.05
Performance				
Return after charges ^B	3.13%	14.93%	(2.97%)	7.04%
Other information				
Closing net asset value (£'000)	100	98	78	68
Closing number of units	67,339	67,452	60,208	49,866
Operating charges	1.09% ^C	1.09%	1.04%	1.05%
Direct transaction costs	0.09% ^C	0.02%	0.08%	0.04%
Prices				
Highest unit price	150.10p	149.08p	144.59p	139.07p
Lowest unit price	145.60p	128.70p	125.15p	132.00p
C Accumulation units				
Change in net assets per unit	Period to 30.07.2021^A	Period to 31.03.2021	Period to 31.03.2020	Period to 31.03.2019
	pence	pence	pence	pence
Opening net asset value per unit	158.01	137.40	141.78	136.78
Return before operating charges*	5.47	22.29	(2.86)	6.47
Operating charges	(0.58)	(1.68)	(1.52)	(1.47)
Return after operating charges*	4.89	20.61	(4.38)	5.00
Distributions on accumulation units	(1.11)	(3.39)	(2.96)	(3.64)
Retained distributions on accumulation units	1.11	3.39	2.96	3.64
Closing net asset value per unit	162.90	158.01	137.40	141.78
* after direct transaction costs of:	0.05	0.04	0.12	0.05
Performance				
Return after charges ^B	3.09%	15.00%	(3.09%)	3.66%
Other information				
Closing net asset value (£'000)	888	881	971	1,525
Closing number of units	544,897	557,366	706,420	1,075,526
Operating charges	1.09% ^C	1.09%	1.04%	1.05%
Direct transaction costs	0.09% ^C	0.02%	0.08%	0.04%
Prices				
Highest unit price	163.80p	161.00p	153.38p	142.30p
Lowest unit price	158.30p	136.89p	132.71p	136.50p

^A The final valuation point of the sub-fund.

^B The return after charges is calculated using the underlying investments bid prices.

^C These figures have been annualised.

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

In line with the Investment Association's "Disclosure of Fund Charges and Costs" circular published on July 2020, the operating charges quoted for the year ended 31 March 2021 and for the period ended 30 July 2021 include costs associated with investment in Packaged Retail and Insurance-based Investment Products (PRIIPs) that were previously excluded from the OCF calculation.

IFSL OPTIMA FUND
IFSL OPTIMA INCOME FUND

STATEMENT OF TOTAL RETURN
for the year ended 31 March 2022

	Notes	31 March 2022		31 March 2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	2		609		2,822
Revenue	4	110		523	
Expenses	5	(61)		(251)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		<u>49</u>		<u>271</u>	
Taxation	6	<u>(5)</u>		<u>(8)</u>	
Net revenue after taxation			<u>44</u>		<u>263</u>
Total return before distributions			653		3,085
Distributions	7		(146)		(516)
Change in net assets attributable to unitholders from investment activities			<u>507</u>		<u>2,569</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
for the year ended 31 March 2022

	31 March 2022		31 March 2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		20,772		21,460
Amounts receivable on issue of units	206		2,861	
Amounts payable on cancellation of units	(3,435)		(6,424)	
Amounts payable to successor fund	<u>(18,128)</u>		<u>-</u>	
		(21,357)		(3,563)
Change in net assets attributable to unitholders from investment activities		507		2,569
Retained distribution on accumulation units		78		306
Closing net assets attributable to unitholders		<u>-</u>		<u>20,772</u>

IFSL OPTIMA FUND
IFSL OPTIMA INCOME FUND

BALANCE SHEET
as at 31 March 2022

	Notes	31 March 2022 £'000	31 March 2021 £'000
Assets:			
Fixed Assets:			
Investments	15	-	20,020
Current Assets:			
Debtors	8	8	138
Cash and cash equivalents		26	1,070
Total assets		<u>34</u>	<u>21,228</u>
Liabilities:			
Creditors:			
Distribution payable on income units		-	61
Final capital repayment		11	-
Other creditors	9	23	395
Total liabilities		<u>34</u>	<u>456</u>
Net assets attributable to unitholders		<u>-</u>	<u>20,772</u>

IFSL OPTIMA FUND
IFSL OPTIMA INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

1 ACCOUNTING, DISTRIBUTION AND RISK MANAGEMENT POLICIES

Please refer to the notes applicable to the Company on pages 9 to 11.

2 NET CAPITAL GAINS

The net gains on investments during the year comprise:

	31 March 2022 £'000	31 March 2021 £'000
Realised gains on non-derivative securities	1,219	943
Unrealised (losses)/gains on non-derivative securities	(606)	1,886
Other currency losses	(4)	(6)
Transaction charges	-	(1)
Net capital gains	<u>609</u>	<u>2,822</u>

Where realised gains/(losses) include gains/(losses) arising in prior years, a corresponding gain/(loss) is included in unrealised gains/(losses).

3 PURCHASES, SALES AND TRANSACTION COSTS

(All purchases and sales from 1 April 2021 to 30 July 2021)

Purchases excluding transaction costs:

	31 March 2022 £'000	31 March 2021 £'000
Collective Investment Schemes	-	14,327
Debt Securities	10,340	-
Equities	2,315	3,344
	<u>12,655</u>	<u>17,671</u>

Debt Securities	Commissions	3	-
Equities	Commissions	1	2
Equities	Taxes and other charges	2	2
Total purchase transaction costs		<u>6</u>	<u>4</u>
Purchases including transaction costs		<u>12,661</u>	<u>17,675</u>

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

Debt Securities	Commissions	0.03%	0.00%
Equities	Commissions	0.04%	0.06%
Equities	Taxes and other charges	0.09%	0.06%

Sales excluding transaction costs:

Collective Investment Schemes	14,625	18,128
Equities	2,578	3,573
	<u>17,203</u>	<u>21,701</u>

Equities	Commissions	(1)	(1)
Total sale transaction costs		<u>(1)</u>	<u>(1)</u>
Sales net of transaction costs		<u>17,202</u>	<u>21,700</u>

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

Equities:	Commissions	0.04%	0.03%
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Total purchases and sales transaction costs expressed as a percentage of the average net asset value over the year:

Commissions	0.03%	0.01%
Taxes and other charges	0.01%	0.01%
	<u>0.04%</u>	<u>0.02%</u>

Average portfolio dealing spread

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

Average portfolio dealing spread at the balance sheet date	<u>0.00%</u>	<u>0.02%</u>
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IFSL OPTIMA FUND
IFSL OPTIMA INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

4 REVENUE

	31 March 2022 £'000	31 March 2021 £'000
UK dividends	15	28
UK dividends (unfranked)	-	172
Overseas dividends	16	206
Overseas dividends (unfranked)	1	-
Interest from debt securities	4	-
Interest distributions	72	117
Property income distributions	2	-
Total revenue	<u>110</u>	<u>523</u>

5 EXPENSES

	31 March 2022 £'000	31 March 2021 £'000
Payable to the authorised fund manager or associate:		
Manager's periodic charge	55	221
Registration fees	-	4
KIID fees	2	-
	<u>57</u>	<u>225</u>
Other expenses:		
Trustee's fee	1	9
Safe custody fees	(5)	5
Audit fee	8	8
Legal and professional fees	-	4
	<u>4</u>	<u>26</u>
Total expenses	<u>61</u>	<u>251</u>

6 TAXATION

	31 March 2022 £'000	31 March 2021 £'000
a Analysis of the tax charge for the year		
Corporation tax	3	3
Overseas tax	2	5
Total tax charge (see note 6b)	<u>5</u>	<u>8</u>

b Factors affecting the tax charge for the year

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

Net revenue before taxation	49	271
Corporation tax at 20% (2021: 20%)	<u>10</u>	<u>54</u>
Effects of:		
Double taxation relief	-	(1)
Revenue not subject to taxation	(7)	(45)
Unrelieved excess management expenses	-	(5)
Overseas tax	2	5
Total tax charge (see note 6a)	<u>5</u>	<u>8</u>

c No provision for deferred tax has been made in the current year or in the prior year.

IFSL OPTIMA FUND
IFSL OPTIMA INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

7 DISTRIBUTIONS

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

	31 March 2022	31 March 2021
	£'000	£'000
First quarter	73	60
Final distribution of income by way of scheme of arrangement	52	N/A
Second quarter	N/A	225
Third quarter	N/A	56
Final quarter	N/A	158
Final capital repayment	11	-
Amounts deducted on cancellation of units	10	26
Amounts added on issue of units	-	(9)
Distributions	<u>146</u>	<u>516</u>

Movement between net revenue and distributions:

Net revenue after taxation	44	263
Expenses borne by capital	60	251
Tax effect of Manager's periodic charge borne by capital	(12)	-
Equalisation uplift on RDR conversions	-	2
Transfer to capital	54	-
	<u>146</u>	<u>516</u>

8 DEBTORS

	31 March 2022	31 March 2021
	£'000	£'000
Amounts receivable for issue of units	-	84
Accrued income	-	47
Taxation recoverable	8	7
Total debtors	<u>8</u>	<u>138</u>

9 OTHER CREDITORS

	31 March 2022	31 March 2021
	£'000	£'000
Amounts payable for cancellation of units	-	358
Amounts payable from scheme of arrangement	12	-
Accrued expenses	8	34
Corporation tax payable	3	3
Total other creditors	<u>23</u>	<u>395</u>

10 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities as at 31 March 2022 (2021: nil).

11 RELATED PARTIES

The authorised fund manager is involved in all transactions in the units of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to unitholders and note 9. Amounts due to/from the authorised fund manager in respect of unit transactions at the year end are disclosed in notes 10 and 11. Amounts paid to the authorised fund manager in respect of the manager's periodic charge and registration fees are disclosed in note 7. Amounts due to the authorised fund manager at the year end are nil (2021: £16,171).

12 UNIT CLASSES

During the period up to the scheme of arrangement on 30 July 2021, the unit classes in issue for the sub-fund and the annual management charge for each unit class were as follows:

Income	1.50%
Accumulation	1.50%
B Income	0.75%
B Accumulation	0.75%
C Income	0.50%
C Accumulation	0.50%

IFSL OPTIMA FUND
IFSL OPTIMA INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

13 UNITHOLDERS' FUNDS RECONCILIATION

During the year the authorised fund manager has issued, cancelled and converted units from one unit class to another as set out below:

	Income	Accumulation	B Income
Opening units in issue at 1 April 2021	2,217,208	903,306	5,688,966
Unit issues	2	-	157,349
Unit cancellations	(654,154)	(228,277)	(775,212)
Unit conversions	-	-	-
In specie transactions	(1,563,056)	(675,029)	(5,071,103)
Closing units in issue at 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>

	B Accumulation	C Income	C Accumulation
Opening units in issue at 1 April 2021	6,731,550	67,452	557,366
Unit issues	14,421	-	12,469
Unit cancellations	(1,005,429)	(113)	(24,938)
Unit conversions	-	-	-
In specie transactions	(5,740,542)	(67,339)	(544,897)
Closing units in issue at 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>

During the year, following a scheme of arrangement IFSL Optima Income Fund merged into IFSL Sanlam Conservative Fund. The in specie transactions that occurred during the year represent the units transferred as a result of the merger.

14 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by nil (2021: £1,100,996). A five per cent decrease would have an equal and opposite effect.

Foreign currency risk

There is no exposure to foreign currency risk as at 31 March 2022.

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

Foreign currency exposure at 31 March 2021:	Investments £'000	Net current assets £'000	Total £'000
Euro	313	-	313
Hong Kong Dollar	46	-	46
Japanese Yen	58	-	58
Swiss Franc	134	1	135
US Dollar	1,778	4	1,782
	<u>2,329</u>	<u>5</u>	<u>2,334</u>

Foreign currency risk sensitivity

A one per cent decrease in the value of sterling relative to the foreign currencies above would have the effect of increasing the return and net assets by nil (2021: £23,340). A five per cent increase would have an equal and opposite effect.

Interest rate risk

31 March 2022
£'000

31 March 2021
£'000

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

Financial assets floating rate	26	1,070
Financial assets non-interest bearing instruments	8	20,020
Financial liabilities non-interest bearing instruments	(34)	-
	<u>-</u>	<u>21,090</u>

For the prior year, short term debtors and creditors are excluded in the interest rate risk analysis above.

IFSL OPTIMA FUND
IFSL OPTIMA INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

RISK DISCLOSURES (continued)

Liquidity risk

31 March 2022
£'000

31 March 2021
£'000

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

Within one year:

Distribution payable on income units	-	61
Final capital repayment	11	-
Other creditors	23	395
	<u>34</u>	<u>456</u>

15 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	31 March 2022		31 March 2021	
	Assets (£'000)	Liabilities (£'000)	Assets (£'000)	Liabilities (£'000)
Level 1 - Quoted prices	-	-	5,669	-
Level 2 - Observable market data	-	-	14,351	-
Level 3 - Unobservable data	-	-	-	-
	<u>-</u>	<u>-</u>	<u>20,020</u>	<u>-</u>

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

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

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

- Level 1 - Unadjusted quoted price in an active market for an identical instrument;
- Level 2 - Valuation techniques using observable inputs other than quoted prices within level 1; and
- Level 3 - Valuation techniques using unobservable inputs.

IFSL OPTIMA FUND
IFSL OPTIMA INCOME FUND

DISTRIBUTION TABLE

First quarter distribution for the period from 1 April 2021 to 30 June 2021

Group 1: Shares purchased prior to 1 April 2021

Group 2: Shares purchased on or after 1 April 2021

		Net revenue 30 June 2021 pence per share	Equalisation 30 June 2021 pence per share	Distribution paid 31 August 2021 pence per share	Distribution paid 31 August 2020 pence per share
Income	Group 1	0.3895p	-	0.3895p	0.2604p
	Group 2	0.3895p	-	0.3895p	0.2604p
Accumulation	Group 1	0.6014p	-	0.6014p	0.3939p
	Group 2	0.6014p	-	0.6014p	0.3939p
B Income	Group 1	0.4139p	-	0.4139p	0.2374p
	Group 2	0.2066p	0.2073p	0.4139p	0.2374p
B Accumulation	Group 1	0.6330p	-	0.6330p	0.3549p
	Group 2	0.2750p	0.3580p	0.6330p	0.3549p
C Income	Group 1	0.5899p	-	0.5899p	0.3197p
	Group 2	0.5899p	-	0.5899p	0.3197p
C Accumulation	Group 1	0.6396p	-	0.6396p	0.3408p
	Group 2	0.3665p	0.2731p	0.6396p	0.3408p

Final distribution of income by way of scheme of arrangement

Group 1: Shares purchased prior to 1 July 2021

Group 2: Shares purchased on or after 1 July 2021

		Net revenue 30 July 2021 pence per share	Equalisation 30 July 2021 pence per share	Distribution paid 30 September 2021 pence per share	Distribution paid 30 November 2020 pence per share
Income	Group 1	0.2829p	-	0.2829p	0.9218p
	Group 2	0.2829p	-	0.2829p	0.9218p
Accumulation	Group 1	0.4410p	-	0.4410p	1.4217p
	Group 2	0.2410p	0.2000p	0.4410p	1.4217p
B Income	Group 1	0.3029p	-	0.3029p	1.0157p
	Group 2	0.3029p	-	0.3029p	1.0157p
B Accumulation	Group 1	0.4661p	-	0.4661p	1.5237p
	Group 2	0.4661p	-	0.4661p	1.5237p
C Income	Group 1	0.4329p	-	0.4329p	0.7746p
	Group 2	0.4329p	-	0.4329p	0.7746p
C Accumulation	Group 1	0.4723p	-	0.4723p	1.5522p
	Group 2	0.4723p	-	0.4723p	1.5522p

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