

YFS Intelligent Wealth Investment Funds ICVC

Interim Report including long form financial statements
for the six months ended 31 October 2022

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Authorised status

YFS Intelligent Wealth Investment Funds ICVC (the 'Company') is an authorised umbrella investment company with variable capital (ICVC) under regulation 12 (Authorisation) of the Open-Ended Investment Companies Regulations 2001 and is managed in accordance with the Financial Conduct Authority's (FCA) Investment Funds Sourcebook (FUND) and Collective Investment Schemes Sourcebook (COLL). YFS Intelligent Wealth Fund is the only sub-fund currently available for investment but there may be other sub-funds of the umbrella company available in the future.

The sub-fund (the 'Fund') is a Non-UCITS Retail Schemes (NURS) which comply with the requirements of the FCA FUND and COLL including the extended investment and borrowing powers in Chapter 5.

The Alternative Investment Fund Manager (AIFM) is responsible for managing the Fund (the Alternative Investment Fund (AIF)) and undertakes risk management for the Fund, in accordance with the AIFM Directive, the Alternative Investment Fund Managers Regulations 2013 and the FCA Rules. This role is performed by the Authorised Corporate Director (ACD), and references to the ACD in this Long Report include the AIFM as applicable.

Shareholders are not liable for the debts of the Company.

Approval of the interim report by the Authorised Corporate Director (ACD)

In accordance with the requirements of a NURS which complies with the FCA FUND and COLL Sourcebooks and in accordance with COLL 4.5.8B R, I hereby approve the report on behalf of Yealand Fund Services Limited for the six months ended 31 October 2022.

*Rob Leedham
On behalf of Yealand Fund Services Limited,
the Authorised Corporate Director
30 December 2022*

Fund information

Investment objective and policy

The investment objective of the Fund is to achieve capital growth.

The Fund will predominantly (at least 80%) invest in a diversified portfolio of equities, held either directly or indirectly through exchange traded funds and collective investment schemes ('CIS') investing in those sectors described below. The Fund may also invest in bonds (both corporate and government debt securities), money market instruments, cash and near cash, warrants and other transferable securities. It is the ACD's intention that derivatives and forward currency transactions will only be used for the purposes of efficient portfolio management, including hedging.

Direct equity exposure will be achieved through investment in companies that are shaping our future by causing disruption in today's established marketplace, changing the way we work, shop and interact, or improving our healthcare or environment (though the Fund has no particular social or environmental goals). Intelligent or creative thinking leads to innovation. The Fund aims to invest in companies that harness such innovation to achieve growth by creating new markets or disrupting established ones.

Exchange traded funds and CIS that invest in industry sectors where innovation is driving major transformation will also be held by the Fund. Once a sector no longer evidences innovative and disruptive characteristics it will be removed as an investment theme and the exchange traded funds or CIS that operate in that sector will be sold.

There is no intended geographical focus, though, as it is home to numerous innovative and disruptive companies, US stocks held either directly or through collective investment arrangements may feature heavily in the portfolio. Similarly, innovative companies are often small with highly motivated, involved and committed management, so smaller companies held either directly or through collective investment arrangements may also feature to an extent greater than in other funds. Innovative and disruptive companies will comprise the predominant element of the portfolio.

The Fund may invest in CIS which have different investment strategies or restrictions than the Fund, including the ability to invest in derivatives for investment purposes and to gain exposure to assets which are not expressly listed above. Investment in CIS will usually be limited to those which invest primarily in the assets listed above and without exception, CIS will only be held in so far as the rules permit the Fund to gain exposure to the assets held by those CIS. The CIS in which the Fund will invest may include schemes which are managed or operated by the ACD or an associate of the ACD.

A Glossary of Definitions which provides definitions to some of the technical language used in this document is available from www.yealand.com/policies.

Comparator benchmark

To gauge the relative performance of the Fund, Shareholders may compare the Fund's performance against the Investment Association's Global Sector. This is not a performance target nor constrains the way in which the Fund is managed. For further information on the Sector and its intended use, please refer to the Fund's Prospectus.

Target market

The Fund is available to retail investors, as well as institutional investors and may be suitable for such investors seeking a fund that aims to deliver growth through investment in global companies that offer significant growth prospects with a long term investment horizon as a core or component of a portfolio of investments. Retail or institutional investors should understand and appreciate the risks associated with investing in such companies or will have received advice from an appropriately qualified professional adviser. The Fund is unlikely to be compatible with the requirements of an investor:

- looking for income or a guaranteed return; or
- seeking full capital protection; or
- who does not have sufficient resources to bear any loss resulting from the investment; or
- who is not able to evaluate the risks and merits of the Fund; or
- with a short or medium-term (less than five years) investment horizon.

Fund information
continued

Investment manager

The investment manager of the Fund is Minerva Money Management Limited.

Distribution

All shareholders own income shares, which entitle them to a share in any distribution made by the Fund. Normal distribution dates are 31 December and 30 June for income accrued as at 31 October and 30 April respectively.

Future distributions may fluctuate depending on the mix of assets over any specific reporting period.

Annual management charge

The annual charge for the Retail Share Class is 0.95% and for the Institutional Share Class is 0.75%.

Investment manager's report for the six months ended 31 October 2022

Market review

In the UK the biggest event of the last few months in terms of market impact was the so called 'mini-budget'. Not only did it cost Prime Minister Liz Truss her job but it also sent markets into a frenzy. Gilt yields rose sharply and some pension funds were in trouble before the Bank of England stepped in to buy Gilts.

Now, most of the 'mini-budget' has been scrapped and there is a new Prime Minister in Rishi Sunak. In the US, like the UK and Europe, inflation remained high and the Federal Reserve continued to increase interest rates to counter this. Although Gross Domestic Product (GDP) growth continues to slow, the labour market is still strong.

The war in Ukraine has continued to impact energy prices and Europe announced new plans to tackle the energy crisis including price caps and a new fiscal stimulus package.

Storage tanks are now full especially in Germany and with unseasonably warm weather, gas prices are starting to move lower.

Over in China at the 20th Party Congress President Xi was reappointed as expected. Other changes in party leadership created some volatility in Chinese stock markets, with internet companies hit especially hard.

Real GDP growth rebounded to 3.9% year on year in the third quarter, beating market expectations. The manufacturing sectors have led the recovery, although the service sectors are still suffering from sporadic lockdowns across the country.

Headline inflation remains subdued at 2.8% year on year creating room for the People's Bank of China to pursue more accommodative monetary policy with new rate cuts expected in 2023.

With inflation still stubbornly high in most of the world's most developed countries, interest rates continue to rise which is having a negative impact on equity returns.

The Intelligent Wealth Fund value ended the last six months up to 31 October 2022 down 10.23%.

Investment activities

Global economic and geopolitical uncertainty, as well as tightening policy, have affected YFS Intelligent Wealth Fund's performance over the past six months.

Our philosophy has always been to invest in extraordinary businesses run by visionary founders who are solving our society's most pressing problems.

We have increased our existing holdings in Twilio Inc, and Shopify Inc, because we think they are building an extraordinary business that has a flywheel effect in the long run.

We have also increased our holdings in Micron Technology Inc, a leading designer and manufacturer of digital memory. The company is facing a tail wind supported by policy makers and digitalisation.

We have sold our holding in Nice Holdings Co and Taiwan Semiconductor Manufacturing due to geopolitical tension and other uncertainty because of opportunity costs elsewhere.

In today's world technology plays a key role in our lives and businesses. While we do not have privileged access to the future, history teaches us to remain invested because time in the market beats timing in the market.

Outlook

Interest rates will likely continue to rise in the short term however we believe inflation could be falling by the middle of next year and this could lead to much more market optimism.

The Fund continues to invest in companies with great business models and good prospects for growth once market sentiment changes.

*Minerva Money Management Limited
13 November 2022*

Source: FE Analytics.

Net asset value per income share, price record and comparative tables

Change in net asset value per income share

All prices quoted are based on bid price

	Institutional shares			Retail shares		
	Six months ended 31 October 2022 p	Year ended 30 April 2022 p	Year ended 30 April 2021 p	Six months ended 31 October 2022 p	Year ended 30 April 2022 p	Year ended 30 April 2021 p
Opening net asset value per share	105.22	139.90	86.97	104.97	139.33	86.64
Return before operating charges [†]	(7.29)	(32.31)	54.73	(8.58)	(32.83)	54.15
Operating charges	(0.57)	(1.30)	(1.23)	(0.57)	(1.53)	(1.19)
Return after operating charges[†]	(7.87)	(33.61)	53.50	(9.15)	(34.36)	52.96
Distributions on income shares						
Interim	(0.70)	-	(0.25)	(0.04)	-	(0.16)
Final	-	(1.07)	(0.32)	-	-	(0.11)
Total distributions on income shares	(0.70)	(1.07)	(0.57)	(0.04)	0.00	(0.27)
Closing net asset value per share	96.65	105.22	139.90	95.78	104.97	139.33
[†] after direct transaction costs of	0.02	0.29	0.30	0.02	0.34	0.29

Performance

Return after operating charges	(7.5)%	(24.0)%	61.5%	(8.7)%	(24.7)%	61.1%
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Other information

Closing net asset value (NAV)	£66,667	£71,790	£1,399	£11,652,688	£14,076,968	£14,475,376
Closing number of shares	68,978	68,226	1,000	12,165,579	13,410,309	10,389,250
Operating charges	0.97%	0.93%	0.96%	1.17%	1.17%	1.16%
Portfolio turnover ratio	-	-	-	4.55%	75.47%	179.31%
Direct transaction costs	0.02%	0.19%	0.29%	0.02%	0.25%	0.28%

Prices (p)

Highest	111.90	147.20	140.30	110.90	146.20	139.40
Lowest	92.81	104.80	85.50	92.00	104.00	85.17

NURS-KII risk and reward profile

The numerical risk and reward indicator as published in the latest Non-UCITS Retail Scheme Key Investor Information (NURS-KII) document is in category 6.

Both share classes are ranked in risk category 6 as its price has experienced much higher than average price rises and falls historically (2021: category 6).

For further information on the Fund's risk and reward profile please refer to the most up to date NURS-KII which is available at www.yealand.com.

Value assessment report

We are required to undertake a formal review of the Fund in order to assess the value which Shareholders are receiving from their investments. This assessment considers elements such as the fees which are paid, the quality of services provided and the investment performance obtained. We are required to publish a report which summarises the outcome of the review and, if relevant, to take steps to address any instances of poor value. We publish a single value assessment report covering all our funds by 31 January each year. Copies of these reports can be obtained from <https://yealand.com/policies/>.

Portfolio statement
as at 31 October 2022

Holding	Investment	Market value £'000	% of total net assets
	DEBT SECURITIES - 4.92% (3.72%)		
	United States Dollar Denominated Bonds - 4.92% (3.72%)		
662,298	Juvenescence Convertible Bond	577	4.92
	TOTAL DEBT SECURITIES	577	4.92
	EQUITIES - 93.35% (93.80%)		
	Asia & Australasia - 0.00% (5.23%)		
	South Korea - 0.00% (1.99%)		
	Taiwan - 0.00% (3.24%)		
	Emerging Markets - 4.52% (5.07%)		
	Israel - 4.52% (5.07%)		
8,240	Nova Measuring Instruments	529	4.52
	Total Emerging Markets	529	4.52
	Europe (ex UK) - 2.69% (2.02%)		
	Germany - 0.38% (0.42%)		
17,275	ATAI Life Sciences	44	0.38
	Poland - 2.31% (1.60%)		
13,480	LiveChat Software SA	271	2.31
	Total Europe (ex UK)	315	2.69
	North America - 50.24% (42.69%)		
	Canada - 3.47% (2.47%)		
13,630	Shopify	407	3.47
	United States - 46.77% (40.22%)		
3,840	Alphabet 'A'	316	2.70
63,131	Beckley Psytech	218	1.86
2,785	Coinbase Global	161	1.37
40,486	Juvenescence	872	7.44
1,935	KLA	533	4.55
11,172	Micron Technology	527	4.50
1,180	Microsoft	239	2.04
75,525	Nano Dimension ADR	163	1.39
3,892	Nvidia	458	3.91
5,570	PayPal Holdings	406	3.46
23,450	Pinterest 'A'	503	4.29
133,679	Somero Enterprises	501	4.28
5,125	Twilio 'A'	332	2.83
22,835	UiPath	252	2.15
		5,481	46.77
	Total North America	5,888	50.24

Portfolio statement
as at 31 October 2022
continued

Holding	Investment	Market value £'000	% of total net assets
EQUITIES - 93.35% (93.80%) - continued			
United Kingdom - 35.90% (38.79%)			
1,445,000	Agronomics	210	1.79
471,660	Alphawave IP Group	532	4.54
37,292	ASOS	209	1.78
116,349	D4T4 Solutions	291	2.48
360,420	DotDigital Group	274	2.34
381,800	Fonix Mobile	668	5.70
5,414	Games Workshop Group	346	2.95
29,835	Gamma Communications	317	2.71
51,255	Kainos Group	634	5.41
217,500	SDI Group	341	2.91
34,457	Softcat	385	3.29
		4,207	35.90
	TOTAL EQUITIES	10,939	93.35
FUTURES & DERIVATIVES - 0.07% (0.80%)			
Warrants - 0.07% (0.80%)			
3,181,818	Agronomics Warrant 23/04/2023	8	0.07
	TOTAL FUTURES & DERIVATIVES	8	0.07
	Portfolio of investments	11,524	98.34
	Net other assets	195	1.66
	Net Assets	11,719	100.00
	Summary portfolio of investments	Market value £'000	% of Investments
	Debt Securities	577	5.01
	Equities	10,939	94.92
	Futures & Derivatives	8	0.07
	Portfolio of investments	11,524	100.00

Figures in brackets refer to the proportion of the Fund invested in the equivalent investments as at 30 April 2022.

All investments are in ordinary stocks and shares except where otherwise stated.

(Inc) relates to income shares/units.

(Acc) relates to accumulation shares/units.

Summary of major portfolio changes

The total purchases and sales for the reporting period

Purchases	Cost £'000	Sales	Proceeds £'000
Twilio 'A'	198	Taiwan Semiconductor Manufacturing	435
Coinbase Global	101	Games Workshop Group	321
Micron Technology	100	KLA	279
Shopify	100	Nice Holdings	197
		Fonix Mobile	155
		Alphawave IP Group	99
		Microsoft	81
		Micron Technology	79
		Nova Measuring Instruments	75

Statement of total return (unaudited)
 for the six months ended 31 October 2022

	31 October 2022		31 October 2021	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)		(1,176)		(436)
Revenue	80		63	
Expenses	(71)		(100)	
Interest payable and similar charges	-		-	
Net revenue/(expense) before taxation	9		(37)	
Taxation	(4)		(4)	
Net revenue/(expense) after taxation		5		(41)
Total return before distributions		(1,171)		(477)
Distributions		(5)		-
Change in net assets attributable to shareholders from investment activities		(1,176)		(477)

Statement of change in net assets attributable to shareholders (unaudited)
 for the six months ended 31 October 2022

	31 October 2022		31 October 2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		14,149		14,476
Amounts receivable on issue of shares	207		6,244	
Amounts payable on cancellation of shares	(1,461)		(2,888)	
		(1,254)		3,356
Change in net assets attributable to shareholders from investment activities (see above)		(1,176)		(477)
Closing net assets attributable to shareholders		11,719		17,355

Balance sheet (unaudited)
 as at 31 October 2022

	31 October 2022	30 April 2022
	£'000	£'000
Assets:		
Investments	11,524	13,910
Current assets:		
Debtors	8	66
Cash and bank balances	209	392
	<u>217</u>	<u>458</u>
Total assets	<u>11,741</u>	<u>14,368</u>
Liabilities:		
Provisions for liabilities:		
Net distributions payable on income shares	(5)	(1)
Creditors	(17)	(218)
	<u>(22)</u>	<u>(219)</u>
Total liabilities	<u>(22)</u>	<u>(219)</u>
Net assets attributable to shareholders	<u>11,719</u>	<u>14,149</u>

Notes to the financial statements (unaudited)

as at 31 October 2022

Accounting policies

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014, updated June 2017.

The financial statements have been prepared on the going concern basis.

Distribution table

for the six months ended 31 October 2022 in pence per share

Institutional shares

Interim dividend

Group 1 shares - Shares purchased prior to 1 May 2022

Group 2 shares - Shares purchased from 1 May 2022 to 31 October 2022

	Net revenue	Equalisation	Payable on 30 December 2022	Paid on 31 December 2021
Group 1	0.7031	-	0.7031	-
Group 2	0.1527	0.5504	0.7031	-

Retail shares

Interim dividend

Group 1 shares - Shares purchased prior to 1 May 2022

Group 2 shares - Shares purchased from 1 May 2022 to 31 October 2022

	Net revenue	Equalisation	Payable on 30 December 2022	Paid on 31 December 2021
Group 1	0.0383	-	0.0383	-
Group 2	0.0353	0.0030	0.0383	-

Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). 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 income tax, but must be deducted from the cost of shares for capital gains tax purposes.

General information

Buying and selling shares

On purchasing shares, you will receive a contract note confirming your purchase, which will be issued the business day after the deal has been priced. As proof of ownership, your name will be recorded on the register following receipt of payment and full registration details.

The Fund is valued daily at 10:00 am Monday to Friday. The prices calculated at these valuations will determine the price at which your deal is transacted. The Funds are priced on a forward basis, i.e. all deals struck before the 10:00 am valuation point receive prices calculated at that valuation point.

The current Fund prices are available online at www.yealand.com (together with yield information) or at the registered office of the ACD. Also available from the website and ACD is the distribution information and the latest Non-UCITS Key Investor Information (NURS-KII) document, which includes risk and reward numerical indicators of the Fund. The full report and accounts are available free of charge on request from the ACD.

The ACD may vary the initial charge up to the maximum by giving the Depositary notice of the change and amending the Prospectus.

Subject to the FUND and COLL Sourcebooks, the basis upon which prices may be calculated and any discounts on the initial charge are at the discretion of the ACD.

The minimum initial investment in the 'R' shares is £10,000. The minimum subsequent transaction size is £1,000 and the minimum holding is £10,000. The minimum initial investment in the 'I' shares is £250,000. The minimum subsequent transaction size is £25,000 and the minimum holding is £250,000. Shares may be purchased or sold by telephoning 0345 850 0255 or writing to: Yealand Fund Services Limited, Stuart House, St John's Street, Peterborough PE1 5DD. For your protection calls are recorded.

A contract note will be issued to confirm any sale of shares with payment being issued on the third business day following the pricing of the sale and all necessary renunciation documentation being received by the ACD.

The dealing time for telephone deals is 09:00 - 17:00 every business day.

ACD's approach to dilution

Unusually high levels of buying and selling may increase the Fund's dealing costs and affect the value of its assets. This is known as 'dilution'. To prevent this and to protect the interests of the majority of shareholders, the ACD at its discretion may charge a dilution levy. If charged, the dilution levy will be paid into the Fund for the benefit of shareholders and will become part of the property of the Fund.

Revenue

The Funds offers income shares which entitle shareholders to a share in any distribution of the revenue made by the Fund, less expenses and applicable taxation, provided they retain those shares until and including the Fund's dividend dates i.e. 31 October and 30 April each year. Any revenue to be distributed to shareholders is paid out on the Fund pay dates i.e. 31 December and 30 June each year. The revenue may be paid to shareholders, directly to certain bank and building society accounts (BACS), by cheque or reinvested in the Fund.

Tax

Capital gains

Authorised funds are currently exempt from capital gains tax on the disposal of their investments. UK residents who are individuals or trusts may be liable to UK taxation of capital gains arising from the sale or other disposal of shares in the Fund if their total gains from all sources exceed the exemption limit for the tax year in which the disposal takes place.

UK corporates will be subject to corporation tax on chargeable gains on profits made on the disposal of their shares in the Fund.

Income tax

The following paragraphs summarise the basis of taxation on distributions, based on current legislation.

UK resident individuals are taxed on the sum of their distributions in excess of the tax-free dividend allowance of £2,000. Basic rate taxpayers will pay 8.75% income tax on dividends received in excess of the dividend allowance, higher rate taxpayers will pay 33.75% income tax, and additional rate taxpayers will pay 39.35% income tax. The dividend allowance is not available to Trusts.

Potential investors are advised to seek professional advice.

General information

continued

Corporate holders

For corporate shareholders, where the gross income from which the dividend distribution is made is not wholly franked investment income, part of the distribution is received as an annual payment.

Corporate shareholders will be subject to corporation tax on the non-franked element of distributions, which will be covered by the tax withheld by the fund.

The amount of tax recoverable on dividends deemed to be annual payments will match the corporation tax paid by the Fund.

It should be noted that levels and bases of tax may be subject to change.

If investors are in any doubt as to their taxation position they should consult their professional advisor.

Protected Cell Regime

On 21 December 2011, the Protected Cell Regime was introduced for umbrella ICVC's. The effect of this segregated liability is to ring-fence the assets of each sub-fund of the Company. If the assets attributable to any sub-fund are insufficient to meet its liabilities, the shortfall will not be met out of the assets attributable to any other sub-fund of the umbrella company.

Further information

Further details of the sub-funds are included in the Prospectus, which is available upon request from: Yealand Fund Services Limited, Stuart House, St. John's Street, Peterborough PE1 5DD.

Directory

Authorised Corporate Director (the ACD)

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Website: www.yealand.com

*(Authorised and regulated by
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Fund administration, dealing and registration

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