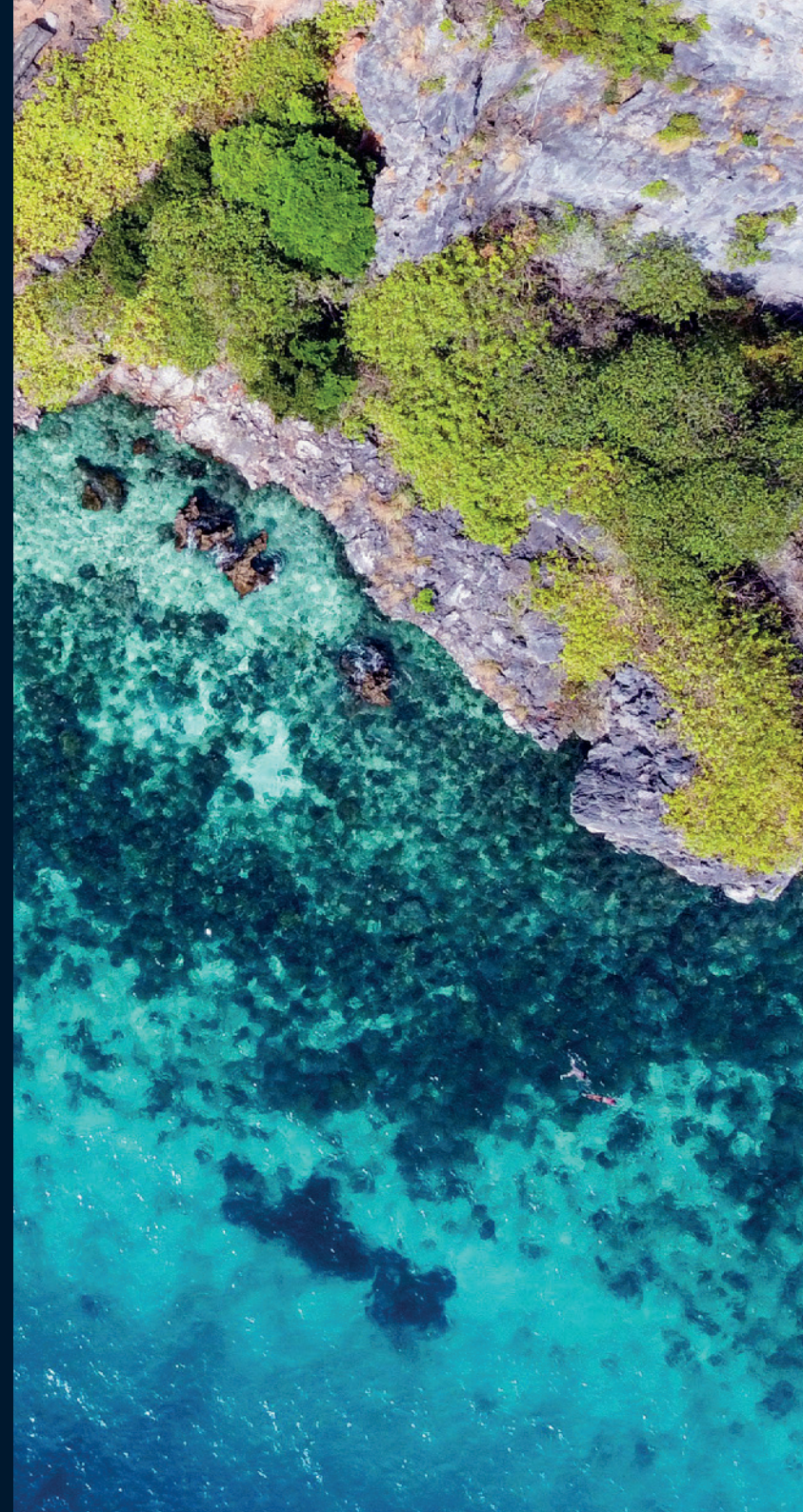


Investment Fund Services

Value assessment report

IFSL Marlborough funds

30 September 2024



Please refer to our website for further information on any of the funds in this assessment.

ifslfunds.com

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Introduction

Welcome to Investment Fund Services, also known as IFSL. We are an Authorised Fund Manager (AFM) and have responsibility for operating the funds detailed in this report.

I am Katherine Damsell and act as an independent chair to the Investment Fund Services Board of Directors. Along with the board, I have a duty to you, our customer, to ensure we manage our funds in your best interests. Part of this responsibility includes carrying out each year an assessment of value on our funds and determining whether the fees and charges are justified as part of the overall value we deliver to you. We then publish our findings in a value assessment report, to provide you with the relevant information needed to help you make informed decisions about your investment.

This report is split into two sections, the first contains the results of our assessment, which covers the last 12 months up until the 31st May 2024. The second part of the report includes a helpful guide about the value assessment, including the specific criteria we assess our funds against.

We hope you find this report useful and if you have any suggestions on how we could make improvements or help make things clearer, we would love to hear from you, please get in touch using the details in the 'Contact us' section at the end of this report.

Katherine Damsell
Chair of the Board of Directors | Investment Fund Services

Each year, we complete an assessment of value on our funds and report whether fees and charges are justified as part of the overall value we deliver to you, our customers.



Assessment criteria

The seven minimum criteria we must consider when assessing value are:

01

Quality of service

Does the range and quality of service offer value?

02

Performance

How did the Fund perform after the deduction of all payments? This should be over an appropriate timescale, taking into consideration the investment objective, policy and strategy.

03

AFM costs

Do our charges for the AFM service we provide represent value?

04

Economies of scale

Are economies of scale being generated and, where relevant, are these being passed on to our customers?

05

Comparable services

Are the Fund's charges reasonable in comparison to other comparable services offered by the AFM?

06

Comparable market rates

How do the Fund's charges compare against similar funds in the market?

07

Share classes

Are customers in the cheapest or most relevant available unit class based on their characteristics?

We are not limited to the seven criteria, but to date have found these seven to be comprehensive enough to complete a thorough value assessment. However, Investment Fund Services continuously keep this under review and will incorporate further criteria if we think it would help customers to make informed decisions about their investments in the context of value being delivered.

Fund assessments

Fund information

IFSL Marlborough Multi Cap Income Fund

Launch Date	01/07/2011
Investment objective	<p>The aim of the Fund is to provide income, as well as deliver capital growth, over a minimum of 5 years, however, there is no certainty this will be achieved.</p> <p>The Fund also aims to deliver a yield, (the percentage of income returned on an investment), greater than the yield of the FTSE All-Share Index, over any 3-year period.</p>
Method for assessing fund performance	<p>The FTSE All-Share Index has been chosen as the income target benchmark as it is the level of income the Fund aims to deliver.</p> <p>The IA UK Equity Income sector has been chosen as the Fund's comparator benchmark, this is used to compare the Fund's capital growth performance against other funds of a similar nature.</p> <p>Whilst the IA UK Equity Income Sector and the FTSE All-Share Index represents the general nature of the Fund, the IFSL Marlborough Multi-Cap Income Fund has a higher weighting to shares of smaller companies compared to the average of the sector and index.</p> <p>This difference may lead to a performance deviation from the sector and index. We take this into consideration when assessing the performance of the Fund.</p>
Fund size (£m)	472

IFSL Marlborough Multi-Cap Growth Fund

Launch Date	03/07/1995
Investment objective	<p>The aim of the Fund is to provide capital growth over a minimum of 5 years, however, there is no certainty this will be achieved.</p> <p>The Fund also aims to outperform the FTSE All-Share Index over any 5 year period after charges.</p>
Method for assessing fund performance	<p>The FTSE All-Share Index has been chosen as the capital growth target benchmark as it is the level of return the Fund aims to deliver. The composition of the index is broadly similar to the holdings in the Fund.</p> <p>The IA UK All Companies sector has been chosen as the Fund's comparator benchmark, this is used to compare the Fund's capital growth performance against other funds of a similar nature.</p> <p>Whilst the IA UK All Companies sector represents the general nature of the Fund, the IFSL Marlborough Multi-Cap Growth Fund has a higher weighting to shares of smaller companies compared to the average of the sector and index.</p> <p>This difference may lead to a performance deviation from the sector and index. We take this into consideration when assessing the performance of the Fund.</p>
Fund size (£m)	181

Fund information (continued)

IFSL Marlborough Special Situations Fund

Launch Date 12/07/1995

Investment objective The aim of the Fund is to provide capital growth over a minimum of 5 years, however, there is no certainty this will be achieved.

Method for assessing fund performance The IA UK All Companies sector has been chosen as the Fund's comparator benchmark, this is used to compare the Fund's capital growth performance against as it is representative of the general nature of the Fund.

Whilst the IA UK All Companies sector represents the general nature of the Fund, the IFSL Marlborough Special Situations Fund has a higher weighting to shares of smaller companies compared to the average of the sector.

This difference may lead to a performance deviation from the sector but we take this into consideration when assessing the performance of the Fund.

Fund size (£m) 707

IFSL Marlborough UK Micro-Cap Growth Fund

Launch Date 04/10/2004

Investment objective The aim of the Fund is to provide capital growth over a minimum of 5 years, however, there is no certainty this will be achieved.

Method for assessing fund performance The FTSE AIM All-Share Index has been chosen as the comparator benchmark, this is used to compare the Fund's capital growth performance against because the composition of the Index is broadly similar to that of the Fund.

Fund size (£m) 658

Fund information (continued)

IFSL Marlborough Nano-Cap Growth Fund

Launch Date	31/10/2013
Investment objective	The aim of the Fund is to provide capital growth over a minimum of 5 years, however, there is no certainty this will be achieved.
Method for assessing fund performance	The FTSE AIM All-Share Index has been chosen as the Fund's comparator benchmark, this is used to compare the Fund's capital growth performance against because the composition is broadly similar to that of the Fund.
Fund size (£m)	153

IFSL Marlborough US Focus Fund*

Launch Date	01/10/1983
Investment objective	The aim of the Fund is to provide capital growth and income over a minimum of 5 years, however there is no certainty this will be achieved.
Method for assessing fund performance	The IA North America sector has been chosen as the Fund's comparator benchmark, this is used to compare the Fund's capital growth and income performance against because it is representative of the general nature of the Fund.
Fund size (£m)	47

* Previously known as IFSL Marlborough US Multi-Cap Income Fund

Fund information (continued)

IFSL Marlborough European Special Situations Fund

Launch Date	22/05/1986
Investment objective	The aim of the Fund is to provide capital growth over a minimum of 5 years, however, there is no certainty this will be achieved.
Method for assessing fund performance	<p>The IA Europe Excluding UK sector has been chosen as the Fund's comparator benchmark, this is used to compare the Fund's capital growth performance against because it is representative of the European focus of the Fund.</p> <p>Whilst the IA Europe Excluding UK Sector represents the European focus of the Fund, the IFSL Marlborough European Special Situations Fund has a higher weighting to shares of smaller companies compared to the average of the sector.</p> <p>The difference may lead to a performance deviation from the sector but we take this into consideration when assessing the performance of the Fund.</p>
Fund size (£m)	294

IFSL Marlborough Far East Growth Fund

Launch Date	21/11/2005
Investment objective	<p>The aim of the Fund is to provide capital growth over a minimum of 5 years.</p> <p>The Fund aims to outperform the average of the IA Asia Pacific excluding Japan sector over any 5 year period, after any charges have been taken out of the Fund.</p> <p>There is no certainty that either aim of the Fund will be achieved.</p>
Method for assessing fund performance	<p>The IA Asia Pacific excluding Japan sector has been chosen as the Fund's target benchmark, this is used to assess if the Fund has achieved its target of outperforming the average of the sector.</p> <p>The Morningstar OIP Asia Ex Japan Net Return Index is the Fund's chosen comparator benchmark. The index is used by the investment team as a reference point for portfolio construction and risk management purposes however the Fund is not constrained by this index.</p>
Fund size (£m)	18

Fund information (continued)

IFSL Marlborough Global Innovation Fund

Launch Date	19/05/2003
Investment objective	The aim of the Fund is to provide capital growth over a minimum of 5 years. However, there is no certainty this will be achieved.
Method for assessing fund performance	<p>The IA Global sector has been chosen as the Fund's comparator benchmark, this is used to compare the Fund's capital growth performance against other funds that are also of a global nature.</p> <p>Whilst the IA Global Sector represents the global nature of the Fund, the IFSL Marlborough Global Innovation Fund has a higher weighting to shares of smaller companies compared to the average of the sector.</p> <p>The Fund's investment focus on innovative companies means the Fund may have less or more exposure to certain market segments than the average fund in the sector.</p> <p>These differences may lead to a performance deviation from the sector. We take this into consideration when assessing the performance of the Fund.</p>
Fund size (£m)	45

IFSL Marlborough Global Essential Infrastructure

Launch Date	20/09/2022
Investment objective	The aim of the Fund is to provide capital growth as well as to provide income over a minimum of 5 years. However, there is no certainty this will be achieved.
Method for assessing fund performance	The IA Infrastructure sector has been chosen as the Fund's comparator benchmark, this is used to compare the Fund's capital growth and income performance against other funds of a similar nature.
Fund size (£m)	4

Fund information (continued)

IFSL Marlborough Global SmallCap Fund

Launch Date	20/09/2022
Investment objective	<p>The aim of the Fund is to provide capital growth over a minimum of 5 years.</p> <p>The Fund aims to deliver greater returns than the MSCI World Small Cap Index in GBP over any 5 year period after charges.</p>
Method for assessing fund performance	<p>The MSCI World Small Cap Index has been chosen as the performance target benchmark as the composition of the index is broadly similar to the holdings in the Fund.</p> <p>The IA Global sector has been chosen as the Fund's comparator benchmark, this is used to compare the Fund's performance against other funds that are also of a global nature.</p> <p>Whilst the IA Global Sector represents the global nature of the Fund, the IFSL Marlborough Global SmallCap Fund has a higher weighting to shares of smaller companies compared to the average of the sector.</p> <p>The difference may lead to a performance deviation from the sector but we take this into consideration when assessing the performance of the Fund.</p>
Fund size (£m)	5

IFSL Marlborough Extra Income Fund

Launch Date	01/08/1995
Investment objective	<p>The aim of the Fund is to deliver a greater income than the average of the FTSE All Share Index over any 3-year period whilst taking less risk, after any charges have been taken out of the Fund.</p> <p>The Fund also aims to deliver capital growth over a period of 5 or more years. There is no certainty that either aim of the Fund will be achieved.</p>
Method for assessing fund performance	<p>The FTSE All Share Index has been chosen as the performance target benchmark. We have chosen this as it is a reasonable reflection of what can be achieved by a Fund.</p> <p>The IA Mixed Investment 40-85% Shares sector has been chosen as the Fund's comparator benchmark, this is used to assess the Fund's performance against other funds that are of a similar nature.</p> <p>Not all funds in this sector have income or volatility targets but the sector represents the general nature of the Fund.</p> <p>The difference may lead to a performance deviation from the sector but we take this into consideration when assessing the performance of the Fund.</p>
Fund size (£m)	36

Fund information (continued)

IFSL Marlborough Conservative Fund

Launch Date	18/01/2021
Investment objective	<p>The aim of the Fund is to increase the value of your investment over any 5 year period, through a combination of capital growth and some income.</p> <p>The Fund aims to outperform the average of the IA Mixed Investment 0-35% Shares sector, after charges, over any 5 year period. However, there is no certainty this will be achieved.</p>
Method for assessing fund performance	<p>The IA Mixed Investment 0-35% Shares sector has been chosen as the performance target benchmark.</p> <p>This Fund aims to be in the top half of all funds included in the sector.</p>
Fund size (£m)	5

IFSL Marlborough Cautious Fund

Launch Date	01/06/1994
Investment objective	<p>The aim of the Fund is to increase the value of your investment over any 5 year period, through a combination of income and some capital growth.</p> <p>The Fund aims to outperform the average of the IA Mixed Investment 20-60% Shares sector, after charges, over any 5 year period. However, there is no certainty this will be achieved.</p>
Method for assessing fund performance	<p>The IA Mixed Investment 20-60% Shares sector has been chosen as the target benchmark as it is the level of return the Fund aims to deliver.</p> <p>This Fund aims to be in the top half of all funds included in the IA Mixed Investment 20-60% Shares sector.</p>
Fund size (£m)	5

Fund information (continued)

IFSL Marlborough Balanced Fund

Launch Date	01/03/1993
Investment objective	<p>The aim of the Fund is to increase the value of your investment over any 5 year period, through a combination of capital growth and some income.</p> <p>The Fund aims to outperform the average of the IA Mixed Investment 40-85% Shares sector, after charges, over any 5 year period. However, there is no certainty this will be achieved.</p>
Method for assessing fund performance	<p>The IA Mixed Investment 40-85% Shares sector has been chosen as the target benchmark as it is the level of return the Fund aims to deliver.</p> <p>This Fund aims to be in the top half of all funds included in the IA Mixed Investment 40-85% Shares sector.</p>
Fund size (£m)	64

IFSL Marlborough Global Fund

Launch Date	18/05/1992
Investment objective	<p>The aim of the Fund is to increase the value of your investment, over any 5 year period.</p> <p>The Fund aims to outperform the average of the IA Global sector, after charges, over any 5 year period. However, there is no certainty this will be achieved.</p>
Method for assessing fund performance	<p>The IA Global sector has been chosen as the target benchmark as it is the level of return the Fund aims to deliver.</p> <p>This Fund aims to be in the top half of all funds included in the IA Global sector.</p>
Fund size (£m)	16

Fund information (continued)

IFSL Marlborough Bond Income Fund

Launch Date	09/09/1998
Investment objective	<p>The aim of the Fund is to provide income with the potential for some capital growth.</p> <p>The Fund aims to outperform the average of the IA Sterling Corporate Bond sector over any 5 year period, after any charges have been taken out of the Fund.</p> <p>There is no certainty that either aim of the Fund will be achieved.</p>
Method for assessing fund performance	<p>The IA Sterling Corporate Bond has been chosen as the target benchmark as it is the level of income and growth the Fund aims to deliver.</p> <p>This Fund aims to be in the top half of all funds included in this sector, as published by Morningstar.</p>
Fund size (£m)	8

IFSL Marlborough High Yield Fixed Interest Fund

Launch Date	29/11/2004
Investment objective	<p>The aim of the Fund is to provide income with the potential for some capital growth over a period of five or more years, after any charges have been taken out of the Fund, however, there is no certainty this will be achieved.</p>
Method for assessing fund performance	<p>The IA Sterling High Yield sector has been chosen as the Fund's comparator benchmark, this is used to compare the Fund's performance against other funds that have similar characteristics.</p>
Fund size (£m)	24

Fund information (continued)

IFSL Marlborough Global Bond Fund

Launch Date	29/04/1988
Investment objective	<p>The aim of the Fund is to provide both income and capital growth.</p> <p>The Fund aims to outperform the average of the IA Global Mixed Bond sector over any 5 year period, after any charges have been taken out of the Fund.</p> <p>There is no certainty that either aim of the Fund will be achieved.</p>
Method for assessing fund performance	<p>The IA Global Mixed Bond sector has been chosen as the capital growth target benchmark as it is the level of return the Fund aims to deliver.</p> <p>This Fund aims to be in the top half of all funds included in this sector, as published by Morningstar.</p>
Fund size (£m)	170

Fund information (continued)

Here is a list of the parties that provide services to the Funds

Authorised fund manager	Investment Fund Services
Sponsor	Marlborough
Investment manager	Marlborough
Sub-investment manager	Canaccord Genuity Asset Management Ltd Boston Financial Management LLC BEA Union Investment Management Limited Aberdeen Asset Managers Limited Ausbil Investment Management Limited
Administrator	Investment Fund Services*
Depository	HSBC Bank plc
Custodian	HSBC Bank plc
Auditor	Ernst & Young

For more information of the types of services these parties provide please refer to **Our assessment process**

* On 1st June 2024 Investment Fund Services entered into an arrangement with SS&C to provide administration services. This means, SS&C will provide administration services for these Funds from this date which will be reflected in next year's assessment.



Assessment summary

This assessment is based on the 12 months preceding 31st May 2024.

UK equities

Fund	Quality of service	Performance*	AFM costs	Economies of scale	Comparable market rates	Comparable services	Share classes
IFSL Marlborough Multi Cap Income Fund	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■
IFSL Marlborough Multi-Cap Growth Fund	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■
IFSL Marlborough Special Situations Fund	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■
IFSL Marlborough UK Micro-Cap Growth Fund	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■
IFSL Marlborough Nano-Cap Growth Fund	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■

Global equities

Fund	Quality of service	Performance*	AFM costs	Economies of scale	Comparable market rates	Comparable services	Share classes
IFSL Marlborough US Focus Fund	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■
IFSL Marlborough European Special Situations Fund	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■
IFSL Marlborough Far East Growth Fund	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■
IFSL Marlborough Global Innovation Fund	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■
IFSL Marlborough Global Essential Infrastructure Fund	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■
IFSL Marlborough Global SmallCap Fund	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■

Rating definition

■ ■ ■ Fees justified

■ ■ ■ Fees justified but targeting improvement

■ ■ ■ Requires improvement

■ ■ ■ Too soon to rate*

* Funds with a shorter-term performance record are not assessed against the performance criteria until they have reached the minimum timeframe detailed within their objective.

Assessment summary (continued)

This assessment is based on the 12 months preceding 31st May 2024.

Multi-asset

Fund	Quality of service	Performance*	AFM costs	Economies of scale	Comparable market rates	Comparable services	Share classes
IFSL Marlborough Extra Income Fund	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■
IFSL Marlborough Conservative Fund	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■
IFSL Marlborough Cautious Fund	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■
IFSL Marlborough Balanced Fund	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■
IFSL Marlborough Global Fund	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■

Fixed interest

Fund	Quality of service	Performance*	AFM costs	Economies of scale	Comparable market rates	Comparable services	Share classes
IFSL Marlborough Bond Income Fund	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■
IFSL Marlborough High Yield Fixed Interest Fund	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■
IFSL Marlborough Global Bond Fund	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■	■ ■ ■

Rating definition

■ ■ ■ Fees justified

■ ■ ■ Fees justified but targeting improvement

■ ■ ■ Requires improvement

■ ■ ■ Too soon to rate*

* Funds with a shorter-term performance record are not assessed against the performance criteria until they have reached the minimum timeframe detailed within their objective.

Assessment summary (continued)

Identified actions

→ **Performance**

We will continue to monitor closely the performance of the IFSL Marlborough Global Innovation Fund and work with the investment manager to target improvements.

→ **Quality**

Our customer communications testing requires development and will be addressed during the next assessment period.

Overall conclusion

We are satisfied that the charges taken from the Funds above are justified in the context of the overall value delivered to investors.

Quality of service

We have assessed each party that provides services to the Funds, categorising each into the following areas:

Our services

- ▀ The quality of governance and due diligence completed by our teams that oversee the sponsor, investment manager and administrator.
- ▀ Our risk management and mitigation processes.
- ▀ Our product governance processes and where appropriate, relevant action taken to deliver good outcomes for customers.
- ▀ Our quality and timeliness of communications to our customers so they can make informed decisions about their investments.
- ▀ Complaint analysis and resolution.

The services of the investment management and sponsor

- ▀ The quality of the investment manager's processes, their adherence to key investment parameters and service level agreements.
- ▀ The effectiveness of the sponsor, including any developments made to the Funds and how they have been distributed.

Administration

- ▀ The upkeep and maintenance of customer records.
- ▀ Timelines and quality of transactions following customer requests.
- ▀ Quality of fund administration processes and adherence to service level agreements.
- ▀ Quality of customer services including response times to investor queries.

Services of the independent third parties

- ▀ The depositary/trustee and custodian fees against the service they provide.
- ▀ The scope of the auditor services, our interactions with them and how this compares to their fees.

Our conclusion

We are satisfied a good level of service is being provided to our investors by all parties involved in operating the Funds, however we identified that our testing of customer communications requires enhancement. Developing our testing capabilities further will enable us to continually monitor and enhance our customer communications where necessary. We aim to address this during the next assessment period.

Performance

02

IFSL Marlborough Multi Cap Income Fund

Dividend yield	2024	2023	2022	2021
IFSL Marlborough Multi Cap Income Fund	6.1%	5.2%	4.4%	3.3%
FTSE All-Share Index	3.8%	3.7%	3.3%	2.7%
IA UK Equity Income	5.5%	4.8%	4.0%	3.2%

Annual Dividend Return at 31/05/24.

Performance	1 year	3 years	5 years	10 years
IFSL Marlborough Multi Cap Income P	17.3%	2.4%	13.3%	48.7%
IFSL Marlborough Multi Cap Income A	16.4%	-0.1%	9.0%	38.0%
IA UK Equity Income	15.3%	19.3%	33.1%	67.4%

Cumulative returns at 31/05/24.

Conclusion

The Fund achieved its objective of delivering income greater than the FTSE All-Share Index over the last 3-year period.

The Fund also delivered capital growth over the last 5 years. The returns in the table are net of fees, so the A share class shows less growth due to its higher annual management charge (AMC). Investors in this older class receive a rebate, but it's not reflected in the performance returns shown above.

When comparing the Fund's performance against the IA UK Equity Income sector over 5 years, both share classes underperformed the average of the sector. This underperformance was due to the Fund having a greater weighting to shares of smaller companies than the average fund in the sector and during 2022 and 2023 these companies did not perform as well as shares in larger companies.

We mentioned last year that the investment manager had confidence that agile and dynamic smaller companies will outperform their larger counterparts over the longer term, and over the last 12 months we note that performance has improved with the Fund performing better than the average of the sector. In our assessment we have considered the Fund's weighting to shares of smaller companies against what we considered reasonable and the performance meets our expectations.

Overall, taking the above into consideration, we are satisfied with performance delivered to investors over the period.

Performance (continued)

IFSL Marlborough Multi-Cap Growth Fund

Performance	1 year	3 years	5 years	10 years
IFSL Marlborough Multi-Cap Growth Fund P	16.2%	-1.3%	25.4%	109.3%
IFSL Marlborough Multi-Cap Growth Fund A	15.3%	3.5%	20.8%	95.3%
FTSE All-share Index	15.4%	25.5%	37.3%	66.0%
IA UK All companies	13.5%	10.3%	28.4%	77.6%

Cumulative Returns at 31/05/24.

Conclusion

The Fund's objective is to provide capital growth over a minimum of 5 years. The Fund also aims to outperform the FTSE All-Share Index over any 5 year period after charges*.

The Fund achieved its objective of providing capital growth however it did not outperform the FTSE All-Share Index over the last 5-year period. When comparing the Fund's performance to the IA UK All Companies Sector, which is the Fund's comparator benchmark, the Fund also underperformed but to a lesser extent. The IA UK All Companies sector is representative of the general nature of the Fund, however the sector contains other funds that invest across the market capitalisation spectrum from large companies to small companies. Whilst the Fund invests in a range of small, medium and large companies, the Fund does have a greater weighting to shares of smaller companies than both the

average fund in the sector and the index and during 2022 and 2023 these companies did not perform as well as shares in larger companies.

The returns in the table are net of fees, so the A share class shows less growth due to its higher AMC. Investors in this older class receive a rebate, but it's not reflected in the performance returns shown above.

Over the most recent 12 months, the Fund's P share class performed better than the index and the sector, this reflects a recent recovery in the performance of smaller companies.

Overall, taking the most recent performance into consideration and our expectations of a Fund with a higher allocation to smaller companies, we are satisfied with the performance delivered to investors over the period.

* On the 11th June we wrote to customers informing them that we will be amending the term of the performance target of the IFSL Marlborough Multi-Cap Growth Fund, which was to outperform the FTSE All-Share Index over any 3-year period. The term has now changed to a 5-year target to align with the Fund's 5-year growth objective and investment strategy.

Performance (continued)

02

IFSL Marlborough Special Situations Fund

Performance	1 year	3 years	5 years	10 years
IFSL Marlborough Special Situations P	15.1%	-21.6%	15.4%	94.6%
IFSL Marlborough Special Situations A	14.3%	-23.4%	11.2%	81.2%
IA UK All Companies*	13.5%	10.3%	28.4%	66.0%

Cumulative Returns at 31/05/24.

Conclusion

The aim of the Fund is to provide capital growth, that is, to increase the value of your investment, over a minimum of 5 years.

Over the last 5 years the Fund has delivered a positive return, though when compared to its comparator benchmark, the IA UK All Companies Sector, the Fund underperformed across both share classes.

As noted in last year's assessment, the longer-term underperformance was largely due to the Fund's 60% minimum exposure to smaller companies.

These smaller companies held by the Fund were particularly volatile during 2022 and 2023 so experienced large price fluctuations, which resulted in them under-performing against their larger counterparts. During the most recent 12-months, performance of smaller companies has improved, and the Fund delivered a positive return that outperformed the average of the sector.

The returns in the table are net of fees, so the A share class shows less growth due to its higher AMC. Investors in this older class receive a rebate, but it's not reflected in the performance returns shown above.

The IA UK All Companies sector is representative of the general nature of the Fund but contains other funds investing across the market capitalisation spectrum from large companies to small companies. Due to the Fund investing at least 60% in smaller companies, we expect that the Fund is likely to have periods of over or under performance compared to the sector. Therefore, in our assessment, we have considered the performance of the Fund against other measures which are more closely aligned with the Fund's investment policy of investing primarily in UK smaller companies. Using this like for like comparison, we note the Fund's performance is in line with our expectations.

Taking the above into consideration, we are satisfied with the performance delivered to investors over the period.

* As of 2 August 2021, the comparator benchmark of the Fund is the IA UK All Companies sector. Prior to this the comparator benchmark was the IA UK Smaller Companies sector.

Performance (continued)

02

IFSL Marlborough UK Micro-Cap Growth Fund

Performance	1 year	3 years	5 years	10 years
IFSL Marlborough UK Micro-Cap Growth P	13.3%	-26.8%	15.7%	96.1%
IFSL Marlborough UK Micro-Cap Growth A	12.5%	-28.4%	11.5%	82.9%
FTSE AIM All-Share	5.0%	-32.8%	-10.2%	13.2%

Cumulative Returns at 31/05/24.

Conclusion

The aim of the Fund is to provide capital growth, that is, to increase the value of your investment, over a minimum of 5 years, however, there is no certainty this will be achieved*.

Over the last 5 years the Fund has delivered a positive return and when compared to its comparator benchmark, the FTSE AIM All-share index, both share classes of the Fund performed better.

Over the most recent 12 months, both share classes increased in value and this increase was again greater than the index.

The investment manager's strategy is to select smaller UK companies with long-term growth prospects. The index tracks the share price of companies that are smaller in nature and are predominantly 'growth stocks' (this means companies that are expected to grow at a faster rate than the average and have the potential to outperform the market over time). We have introduced this index as a new way to assess the Fund because of these shared characteristics.

We mentioned last year, the Fund suffered a period of underperformance because of the type of smaller company the Fund invests in (growth stocks mentioned above). The investment manager selects these companies as they believe they will deliver growth over the longer term but can suffer from periods of volatility where the underlying prices of each company can fluctuate. These fluctuations can be substantial and last year this affected the overall performance of the Fund. During the last 12 months performance has started to recover but the 3-year performance figures continue to reflect the large price movements that the Fund experienced in 2022 and 2023.

The returns in the table are net of fees, so the A share class shows less growth due to its higher AMC. Investors in this older class receive a rebate, but it's not reflected in the performance returns shown above.

Overall, we are satisfied with the performance delivered to investors over the period.

* On the 11th June we wrote to customers informing them that we would be removing the performance target of the Fund which was the FTSE SmallCap Index. The change was made because it did not align to the Fund's investment policy and strategy and as a result there was a high potential for significant deviation in performance against this target. The removal of the performance target did not change the way the Fund is managed.

Performance (continued)

02

IFSL Marlborough Nano-Cap Growth Fund

Performance	1 year	3 years	5 years	10 years
IFSL Marlborough Nano-Cap Growth Fund P	10.4%	-21.8%	29.9%	122.3%
FTSE AIM All-Share	5.0%	-32.8%	-10.2%	13.2%

Cumulative Returns at 31/05/24.

Conclusion

The aim of the Fund is to provide capital growth, that is, to increase the value of your investment, over a minimum of 5 years, however, there is no certainty this will be achieved*.

Over the last 5 years the Fund has provided capital growth and when compared to its comparator benchmark, the FTSE AIM All-share index, the Fund performed better than the index.

At least 80% of the Fund will be invested in the shares of very small companies. Small companies can experience periods of high volatility, meaning their share price can fluctuate. These fluctuations can be substantial and in 2022 and 2023 the Fund was impacted by one of these periods. This is reflected in the 3 year performance record where the Fund (and the index) produced a negative return.

Over the most recent 12-month period, share prices of UK smaller companies have started to recover and as a result the Fund delivered a positive return. This return was greater than the index.

Overall, we are satisfied with the performance delivered to investors over the period.

* On the 11th June we wrote to customers informing them that we would be removing the performance target of the Fund which was the FTSE SmallCap Index. The change was made because it did not align to the Fund's investment policy and strategy and as a result there was a high potential for significant deviation in performance against this target. The removal of the performance target did not change the way the Fund is managed.

Performance

IFSL Marlborough US Focus Fund*

Dividend yield	2024	2023	2022	2021	2020
IFSL Marlborough US Focus Fund	1.3%	1.9%	1.6%	1.3%	1.5%
IA North America Sector	0.3%	0.4%	0.3%	0.3%	0.6%

Annual Dividend Return at 31/05/24.

Performance	1 year	3 years	5 years	10 years
IFSL Marlborough US Focus Fund P	18.3%	33.4%	76.0%	263.4%
IFSL Marlborough US Focus Fund A	17.4%	30.4%	69.6%	235.4%
IA North America Sector	21.4%	32.3%	83.1%	255.3%

Cumulative returns at 31/05/24.

Conclusion

The aim of the Fund is to provide income, with the potential for some increase in the value of your investment, over a minimum of 5 years.**

The Fund provided a consistent level of income in each year over the past 5 years and has grown in value. The level of income delivered is the same or better than the average of the Fund's comparator benchmark, which is the IA North America sector.

Over both the 5 year and 1 year assessment period, the Fund increased in value. Though when compared to its comparator benchmark, the IA North America Sector, the Fund's increase was less than the sector average.

This is due to the Fund focusing on delivering income with some increase in value and therefore seeking investments into companies that only pay dividends.

As detailed in the footnote below the Fund changed its objective on 12th August 2024 and these changes will give the investment manager additional flexibility to invest in companies that don't currently pay a dividend but have high growth potential.

The returns in the table are net of fees, so the A share class shows less growth due to its higher AMC. Investors in this older class receive a rebate, but it's not reflected in the performance returns shown above.

Taking the above into consideration, we are satisfied with the performance delivered to investors over the period.

* The IFSL Marlborough US Multi-Cap Income Fund was renamed to IFSL US Focus Fund on 12th August 2024.

** On 12th August 2024 Investors voted to change the Fund's objective to achieve capital growth and income. The Fund going forward will have a greater emphasis on delivering capital growth but as this change was made after the assessment period, this assessment is based on the previous objective to provide income with some capital.

Performance (continued)

02

IFSL Marlborough European Special Situations Fund

Performance	1 year	3 years	5 years	10 years
IFSL Marlborough European Special Situations Fund P	16.6%	6.4%	88.4%	233.7%
IFSL Marlborough European Special Situations Fund A	15.8%	4.0%	81.5%	209.2%
IA Europe (Excluding UK)	15.8%	19.7%	57.4%	117.4%

Cumulative Returns at 31/05/24.

Conclusion

The aim of the Fund is to provide capital growth, that is, to increase the value of your investment, over a minimum of 5 years

Over the last 5 years the Fund has delivered a positive return and when compared to its comparator benchmark, the IA Europe (Excluding UK) Sector, both share classes performed better than the average of the sector.

During the 12-month assessment period the Fund delivered a positive return, with the P share class outperforming the sector and the A share class matching the performance of the sector.

The returns in the table are net of fees, so the A share class shows less growth due to its higher AMC. Investors in this older class receive a rebate, but it's not reflected in the performance returns shown above.

Taking the above into consideration, we are satisfied with the performance delivered to investors over the period.

Performance (continued)

02

IFSL Marlborough Far East Growth Fund

Performance	1 year	3 years	5 years	10 years
IFSL Marlborough Far East Growth P	20.4%	-3.9%	25.2%	96.3%
IFSL Marlborough Far East Growth A	19.5%	-6.1%	20.6%	81.7%
IA Asia Pacific Sector (Ex. Japan)	6.3%	-6.6%	25.4%	97.8%
Morningstar OIP Asia Ex Japan Net Return Index	9.9%	-5.4%	27.0%	103.5%

Cumulative Returns at 31/05/24.

Conclusion

The aim of the Fund is to provide capital growth, that is, to increase the value of your investment, over a minimum of 5 years. The Fund also aims to outperform the average of the IA Asia Pacific excluding Japan Sector over any 5-year period.

Over the last 5 years the Fund has provided capital growth across both share classes. When compared to its target benchmark, the IA Asia Pacific (Ex. Japan) Sector, the P share class delivered performance similar to the average of the sector, though the A share class underperformed it.

The returns in the table are net of fees, so the A share class shows less growth due to its higher AMC. Investors in this older class receive a rebate, but it's not reflected in the performance returns shown above.

During the 12-month assessment period, the Fund delivered a positive return across both share classes and outperformed its target benchmark.

When comparing the Fund to its comparator benchmark, the Morningstar OIP Asia Ex Japan Net Return Index, the Fund underperformed over 5 years. However, over the more recent 12 months it outperformed. Last year we noted that in January 2022 Marlborough had appointed a new investment team to manage the Fund, BEA Union, who had taken steps to improve the performance. As noted above, we have seen an improvement in the short-term performance since this change was made.

Taking the above into consideration, we are satisfied with the performance delivered to investors over the period.

Performance (continued)

02

IFSL Marlborough Global Innovation Fund

Performance	1 year	3 years	5 years	10 years
IFSL Marlborough Global Innovation Fund P	11.8%	-17.3%	64.5%	170.8%
IA Global Sector	15.6%	17.8%	57.6%	152.6%

Cumulative Returns at 31/05/24.

Conclusion

The aim of the Fund is to provide capital growth, that is, to increase the value of your investment over a minimum of 5 years.

Over the last 5 years the Fund has provided capital growth and compared to its comparator benchmark, which is the IA Global Sector, the Fund outperformed the average of the sector.

Over the most recent 12 months the Fund provided capital growth however underperformed against the average of the sector.

The IA Global Sector contains a mix of funds that invest globally in companies of all sizes but the Fund invests a minimum of 50% in smaller companies.

These smaller companies held by the Fund were particularly volatile during 2022 and 2023 so experienced large price fluctuations, which resulted in the Fund underperforming its counterparts holding larger companies. This is reflected in the 3 year performance record where the Fund produced a negative return and was significantly behind the comparator benchmark.

Over the most recent 12-month period, share prices of global smaller companies have started to recover but performance is still behind the sector. For this reason we are not satisfied with performance and are already working with the investment manager to target improvement, we will closely monitor the steps taken over the next period.

Performance (continued)

02

IFSL Marlborough Global Essential Infrastructure Fund

Performance	1 year	3 years	5 years	Since launch
IFSL Marlborough Global Essential Infrastructure Fund X*	-1.5%	-	-	1.5%
IA Infrastructure	1.2%	-	-	2.5%

Cumulative Returns at 31/05/24. * Share class less than 2 years old

Conclusion

The aim of the Fund is to provide capital growth, that is, to increase the value of your investment, as well as to provide income, that is, money paid out from an investment as dividends from shares, over a minimum of 5 years.

Due to the Fund launching in September 2022, it has not been possible to assess the Fund over its minimum timeframe of 5 years therefore it is too soon to make a meaningful assessment of performance.

However, we note that during the most recent 12-month period the Fund did not deliver a positive return and when comparing the Fund to its comparator benchmark, the IA Infrastructure Sector, the Fund underperformed. Over the period since the Fund launched, it delivered a positive return but underperformed the sector average.

As we progress into the next period, we will closely monitor the performance and will engage with the Investment Manager as necessary.

Performance (continued)

02

IFSL Marlborough Global SmallCap Fund

Performance	1 year	3 years	5 years	Since launch
IFSL Marlborough Global SmallCap Fund - X*	33.7%	-	-	33.0%
IA Global	15.6%	-	-	24.7%
MSCI World Small Cap Index	15.2%	-	-	15.7%

Cumulative Returns at 31/05/24. * Share class less than 2 years old

Conclusion

The aim of the Fund is to provide capital growth, that is, to increase the value of your investment, over a minimum of 5 years. The Fund also aims to deliver greater returns than the MSCI World Small Cap Index in GBP over any 5-year period.

Due to the Fund launching in September 2022, it has not been possible to assess the Fund over its minimum timeframe of 5 years therefore it is too soon to make a meaningful assessment of performance.

However, we note that during the most recent 12-month period and also the period since the Fund launched, it delivered a positive return. When comparing the Fund to its comparator benchmark, the IA Global Sector, and the target benchmark, the MSCI World Small Cap Index, the Fund outperformed both.

Performance (continued)

02

IFSL Marlborough Extra Income Fund

Dividend yield	2024	2023	2022	2021
IFSL Marlborough Extra Income Fund	4.0%	4.1%	3.9%	2.9%
FTSE All-Share Index	3.8%	3.7%	3.3%	2.7%

Annual Dividend Return at 31/05/24.

Performance	1 year	3 years	5 years	10 years
IFSL Marlborough Extra Income Fund P	10.9%	14.9%	36.6%	79.2%
IA Mixed Investment 40-85% Shares Sector	10.6%	7.8%	28.0%	71.1%

Cumulative returns at 31/05/24.

Conclusion

The aim of the Fund is to deliver a greater income than the average of the FTSE All Share Index over any 3-year period whilst taking less risk. The Fund also aims to deliver capital growth, that is to increase the value of your investment, over a period of 5 or more years.

The Fund has achieved its target by delivering a level of income greater than the FTSE All Share Index over the last 3 years.

Over the last 5 years the Fund has delivered a positive return and when compared to its comparator benchmark, the IA Mixed Investment 40-85% Shares Sector, the Fund performed better than the average of the sector.

Over the most recent 12-month assessment period, the Fund delivered a positive return and outperformed the sector.

Taking the above into consideration, we are satisfied with the performance delivered to investors over the period.

Performance (continued)

02

IFSL Marlborough Conservative Fund

Performance	1 year	3 years	5 years	Since launch
IFSL Marlborough Conservative Fund P	5.5%	-1.9%	-	-1.5%
IA Mixed Investment 0-35% Shares	6.2%	-2.1%	-	-1.6%

Cumulative Returns at 31/05/24.

Conclusion

The aim of the Fund is to increase the value of your investment over any 5 year period, through a combination of capital growth, that is, profit on investments, and some income, that is, money paid out of an investment, such as interest from bonds or dividends from shares. The Fund also aims to outperform the average of the IA Mixed Investment 0-35% Shares sector, after charges, over any 5 year period.

Due to the Fund launching in January 2021, it has not been possible to assess the Fund over its minimum timeframe of 5 years therefore it is too soon to make a meaningful assessment of performance.

However, we note that during the most recent 12-month period the Fund delivered a positive return but underperformed when compared to the average of the IA Mixed Investment 0-35% Shares sector.

This under-performance compared to the sector was primarily due to the Fund's higher exposure to UK gilts and other government bonds, which didn't perform well over the period, combined with its lower exposure to high yield bonds which performed better.

Since the Fund launched, it has not delivered a positive return but did deliver performance similar to the sector.

As we progress into the next period, we will closely monitor performance and engage with the investment manager as necessary.

Performance (continued)

02

IFSL Marlborough Cautious Fund

Performance	1 year	3 years	5 years	10 years
IFSL Marlborough Cautious Fund P	7.7%	2.3%	11.0%	36.9%
IFSL Marlborough Cautious Fund A	6.9%	0.0%	7.0%	27.1%
IA Mixed Investment 20-60% Shares	8.5%	2.3%	15.5%	42.8%

Cumulative Returns at 31/05/24.

Conclusion

The aim of the Fund is to increase the value of your investment over any 5 year period, through a combination of income, that is, money paid out of an investment, such as interest from bonds or dividends from shares and some capital growth, that is, profit on investments. The Fund also aims to outperform the average of the IA Mixed Investment 20-60% Shares sector, after charges, over any 5 year period.

Over the last 5 years and also during the 12-month assessment period, the Fund has delivered a positive return. However, it did not outperform the average of the IA Mixed Investment 20-60% Shares Sector. This was due to the Fund having a higher exposure to UK and global bonds, relative to the sector, which didn't perform well over the period.

The returns in the table are net of fees, so the A share class shows less growth due to its higher AMC. Investors in this older class receive a rebate, but it's not reflected in the performance returns shown above.

As mentioned in last year's assessment, following a strategic review, the approach to the management of the Fund was modified which has continued to contribute to improvements in the shorter-term performance relative to the sector average. As we progress into the next period, we will continue to monitor the performance going forward but are satisfied that no further changes are required at this stage.

Taking the above into consideration, we are satisfied with the performance delivered to investors over the period.

Performance (continued)

02

IFSL Marlborough Balanced Fund

Performance	1 year	3 years	5 years	10 years
IFSL Marlborough Balanced Fund P	10.9%	7.6%	28.0%	76.3%
IFSL Marlborough Balanced Fund A	10.0%	5.2%	23.3%	63.9%
IA Mixed Investment 40-85% Shares Sector	10.6%	7.8%	28.0%	71.1%

Cumulative Returns at 31/05/24.

Conclusion

The aim of the Fund is to increase the value of your investment over any 5 year period, through a combination of capital growth, that is, profit on investments, and some income, that is, money paid out of an investment, such as interest from bonds or dividends from shares. The Fund also aims to outperform the average of the IA Mixed Investment 40-85% Shares sector, after charges, over any 5 year period.

Over the last 5 years, the Fund delivered a positive return and the performance of the P share class was similar to the average of the IA Mixed Investment 40-85% Shares Sector.

During the 12-month assessment period the Fund again delivered a positive return and the P share class outperformed the sector.

The returns in the table are net of fees, so the A share class shows less growth due to its higher AMC. Investors in this older class receive a rebate, but it's not reflected in the performance returns shown above.

As mentioned in last year's assessment, following a strategic review, the approach to the management of the Fund was modified which has continued to contribute to improvements in the shorter-term performance relative to the sector average. As we progress into the next period, we will continue to monitor the performance going forward, but are satisfied that no further changes are required at this stage.

Taking the above into consideration, we are satisfied with the performance delivered to investors over the period.

Performance (continued)

02

IFSL Marlborough Global Fund

Performance	1 year	3 years	5 years	10 years
IFSL Marlborough Global Fund P	17.3%	14.3%	47.6%	125.3%
IFSL Marlborough Global Fund A	16.4%	11.7%	42.1%	109.0%
IA Global Sector	15.6%	17.8%	57.6%	152.6%

Cumulative Returns at 31/05/24.

Conclusion

The aim of the Fund is to increase the value of your investment over any 5-year period. It also aims to outperform the average of the IA Global sector, after charges, over the same period.

Over the last 5 years, the Fund delivered a positive return, though when compared to the average of the IA Global Sector, the Fund underperformed. This underperformance was due to the Fund having a higher exposure to Japanese companies which didn't perform well over the period.

However, during the 12-month assessment period the Fund delivered a positive return and outperformed the sector on both share classes.

The returns in the table are net of fees, so the A share class shows less growth due to its higher AMC. Investors in this older class receive a rebate, but it's not reflected in the performance returns shown above.

As mentioned in last year's assessment, following a strategic review, the approach to the management of the Fund was modified which has continued to contribute to improvements in the shorter-term performance relative to the sector average. We are satisfied with performance delivered to investors over the period.

As we progress into the next period, we will continue to monitor the performance going forward but believe no further changes are required at this stage.

Performance (continued)

02

IFSL Marlborough Bond Income Fund

Dividend yield	2024	2023	2022	2021	2020
IFSL Marlborough Bond Income Fund P	4.0%	3.0%	2.7%	2.7%	2.7%
IFSL Marlborough Bond Income Fund A	4.0%	2.6%	2.3%	2.3%	2.4%
IA £ Corporate Bond	2.5%	3.2%	2.4%	2.2%	2.5%

Annual Dividend Return at 31/05/24.

Performance	1 year	3 years	5 years	10 years
IFSL Marlborough Bond Income P	8.1%	-9.5%	-2.8%	22.5%
IFSL Marlborough Bond Income A	7.3%	-11.5%	-6.4%	14.1%
IA £ Corporate Bond	8.0%	-8.8%	0.2%	25.5%

Cumulative returns at 31/05/24.

Conclusion

The aim of the Fund is to provide income with the potential for some capital growth. It also aims to outperform the average manager in the IA Sterling Corporate Bond Sector over any 5-year period.

The Fund has provided a consistent level of income over 5 years but has not produced any capital growth.

The Fund invests in bonds and loans, collectively known as fixed income, which have not performed strongly over the past 2 years. This has affected the longer-term performance record and why the Fund was not able to deliver any capital growth.

When comparing the Fund's capital growth performance to the IA Sterling Corporate Bond Sector, the Fund delivered similar performance over 1 and 3 years but failed to achieve its performance target over the past 5-year period.

This 5-year underperformance was due to the Fund's sensitivity to interest rate rises in 2022 and 2023. Since then the investment manager has improved the Fund's duration, which is a measure of the portfolio's sensitivity to interest rate changes. Over the last year, this has improved performance relative to the sector.

The returns in the table are net of fees, so the A share class shows less income and growth due to its higher AMC. Investors in this older class receive a rebate, but it's not reflected in the performance returns shown above.

There was a change of personnel within the investment manager's team in May 2024 and we note performance over the most recent 12-months has improved, we are therefore satisfied with the performance delivered to investors on both share classes over the period.

Performance (continued)

02

IFSL Marlborough High Yield Fixed Interest Fund

Dividend yield	2024	2023	2022	2021	2020
IFSL Marlborough High Yield Fixed Interest Fund P	5.8%	5.1%	4.8%	4.4%	4.5%
IFSL Marlborough High Yield Fixed Interest Fund A	5.8%	4.8%	4.4%	4.0%	4.1%
IA £ High Yield	4.4%	4.1%	3.7%	3.3%	4.0%

Annual Dividend Return at 31/05/24.

Performance	1 year	3 years	5 years	10 years
IFSL Marlborough High Yield Fixed Interest Fund P	11.6%	6.8%	21.2%	50.8%
IIFSL Marlborough High Yield Fixed Interest Fund A	10.8%	4.4%	16.8%	40.4%
IA £ High Yield	10.8%	4.5%	16.7%	38.0%

Cumulative returns at 31/05/24.

Conclusion

The aim of the Fund is to provide income, that is, money paid out from an investment as interest, with the potential for some capital growth, that is, to increase the value of your investment, over a period of 5 or more years, after any charges have been taken out of the Fund.

Over the last 5 years the Fund has provided income and also delivered a positive return. When compared to its comparator benchmark, the IA Sterling High Yield sector, both share classes performed better than the average of the sector for income and growth.

During the 12-month assessment period the Fund again delivered a positive return, with the P share class outperforming the sector and the A share class delivering similar performance to the average of the sector.

The returns in the table are net of fees, so the A share class shows less income and growth due to its higher AMC. Investors in this older class receive a rebate, but it's not reflected in the performance returns shown above.

Taking the above into consideration, we are satisfied with the performance delivered to investors over the period.

Performance (continued)

02

IFSL Marlborough Global Bond Fund

Dividend yield	2024	2023	2022	2021	2020
IFSL Marlborough Global Bond	3.3%	3.2%	2.8%	2.6%	2.7%
IFSL Marlborough Global Bond Fund A	3.1%	2.4%	2.0%	1.8%	1.9%
IA Global Mixed Bond	1.9%	1.6%	1.2%	1.1%	1.6%

Annual Dividend Return at 31/05/24.

Performance	1 year	3 years	5 years	10 years
IFSL Marlborough Global Bond Fund P	2.0%	-3.2%	-1.0%	35.7%
IFSL Marlborough Global Bond Fund A	1.2%	-5.4%	-4.6%	25.9%
IA Global Mixed Bond	3.6%	-4.4%	-0.2%	20.5%

Cumulative returns at 31/05/24.

Conclusion

The aim of the Fund is to provide both income, that is money paid out from an investment as interest, and capital growth, that is to increase the value of your investment. The Fund also aims to outperform the average of the IA Global Mixed Bond sector over any 5-year period, after any charges have been taken out of the Fund.

Over the last 5 years the Fund has provided income which has been greater than the comparator benchmark, the IA Global Mixed Bond Sector. However, the Fund did not deliver any capital growth and this was to a greater extent than the average of the sector.

During the 12-month assessment period the Fund delivered a positive return but underperformed the sector. The underperformance across both periods was due to the Fund's cautious approach to interest rates

exposure, meaning it missed out on gains when bond markets improved, combined with its higher exposure to US and European bonds which didn't perform as well over the period.

The returns in the table are net of fees, so the A share class shows less growth due to its higher AMC. Investors in this older class receive a rebate, but it's not reflected in the performance returns shown above.

There was a change in the personnel within the investment manager's team in May 2024. As we progress into the next period, we will continue to monitor the performance going forward but are satisfied that no further changes are required at this stage. Taking the above into consideration, we are satisfied with the performance delivered to investors over the period.

AFM costs

We have considered the following fees* taken from the funds. These exclude payments to your financial adviser and/or any other firm through which you invest, as those fees are paid directly by you. More detail on the amounts taken as fees can be found in the latest annual report and accounts, this is located on our website, www.ifslfunds.com.

Our fees

Annual management charge	This percentage fee (as set out in the prospectus) covers the cost of our services and allows us to pay the investment manager's fee. We have assessed the cost of providing these services and the costs of the investment manager and compared this to the income we received.
Registrar	Our fixed annual fee per shareholder account contributes to the costs of our administration service. We pay for these services directly but use the income generated from this fee to help cover this.

Fees of the independent third parties

Depository	In 2023 we agreed a lower fee with HSBC as part of a formal review. We are satisfied these fees continue to be competitive and reflect the level of service provided.
Custody	In 2023 we agreed a lower fee with HSBC as part of a formal review. We are satisfied that these fees continue to be competitive and reflect the level of service being provided.
Auditor	In 2023, Ernst and Young LLP increased their fee. The increased fee was assessed at the time as competitive but reflected the additional costs incurred by the auditor to maintain their service levels. We believe this fee remains competitive and reflects the level of service being provided.

* Further information on the fee descriptions can be found in the assessment guide later in this report.

AFM costs (continued)

Other fees

KIID	This fee covers the cost of the production and ongoing maintenance of the Key Investor Information Document. The charge reflects the costs involved.
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→ These Funds do not have any initial charges, exit charges or performance fees.

Investors can find a detailed breakdown of the amounts paid in the latest annual report and accounts.

Our conclusion

We are satisfied all the services and the charges applied are reasonable and appropriate.

Economies of scale

04

We have considered the size of the Funds, the profits made by each party and how this has changed over the period. We have also considered our size and scale as AFM and how this has been used to negotiate each fee.

The largest of the Funds in the range reduced in size over the period. For the small number of Funds that increased in scale there were no further economies identified.

Our conclusion

We are satisfied that economies of scale are being passed onto investors in both share classes of the Funds where these are being achieved.



Comparable market rates

We have considered the fees listed under AFM costs covered earlier in this report. We have assessed how these compare to those charged by other similar funds available in the market and show these in the table below.

Fund	Ongoing charge figure (OCF)	Market average*
IFSL Marlborough Multi Cap Income Fund P	0.78%	0.82%
IFSL Marlborough Multi Cap Income Fund A	1.53%	0.82%
IFSL Marlborough Multi-Cap Growth Fund P	0.81%	0.73%
IFSL Marlborough Multi-Cap Growth Fund A	1.56%	0.73%
IFSL Marlborough Special Situations Fund P	0.80%	0.73%
IFSL Marlborough Special Situations Fund A	1.55%	0.73%
IFSL Marlborough UK Micro-Cap Growth Fund P	0.79%	0.91%
IFSL Marlborough UK Micro-Cap Growth Fund A	1.54%	0.91%
IFSL Marlborough Nano-Cap Growth Fund P	0.79%	0.91%
IFSL Marlborough US Focus Fund P	0.82%	0.81%
IFSL Marlborough US Focus Fund A	1.57%	0.80%

*This is the mean OCF of each Fund's peer group as defined by the Investment Association.

Comparable market rates (continued)

05

Fund	Ongoing charge figure (OCF)	Market average*
IFSL Marlborough European Special Situations Fund P	0.80%	0.80%
IFSL Marlborough European Special Situations Fund A	1.55%	0.90%
IFSL Marlborough Far East Growth Fund P	1.02%	0.90%
IFSL Marlborough Far East Growth Fund A	1.77%	0.89%
IFSL Marlborough Global Innovation Fund P	0.84%	0.89%
IFSL Marlborough Global Innovation Fund A	1.59%	1.01%
IFSL Marlborough Global Essential Infrastructure X	0.55%	0.89%
IFSL Marlborough Global SmallCap Fund X	0.53%	0.91%
IFSL Marlborough Extra Income Fund P	0.88%	0.91%
IFSL Marlborough Conservative Fund P	1.04%	0.85%
IFSL Marlborough Cautious Fund P	1.26%	0.94%
IFSL Marlborough Cautious Fund A	2.01%	0.94%
IFSL Marlborough Balanced Fund P	1.18%	0.91%
IFSL Marlborough Balanced Fund A	1.93%	0.91%

Fund	Ongoing charge figure (OCF)	Market average*
IFSL Marlborough Global Fund P	1.20%	0.89%
IFSL Marlborough Global Fund A	1.95%	0.89%
IFSL Marlborough Bond Income Fund P	0.52%	0.45%
IFSL Marlborough Bond Income Fund A	1.27%	0.45%
IFSL Marlborough High Yield Fixed Interest Fund P	0.79%	0.66%
IFSL Marlborough High Yield Fixed Interest Fund A	1.54%	0.66%
IFSL Marlborough Global Bond Fund P	0.42%	0.65%
IFSL Marlborough Global Bond Fund A	1.17%	0.65%

Our conclusion

The OCF of the A share class is higher owing to its higher AMC. Investors in this share class receive a rebate, but it's not reflected in the OCF shown above. Taking this into consideration, we are satisfied that the fees are reasonable in comparison to their respective market rates.

*This is the mean OCF of each Fund's peer group as defined by the Investment Association.

Comparable services

06

We have compared the costs of the services provided to the funds with other funds in our range, of a similar size and nature.

Our conclusion

We are satisfied that the costs are reasonable and appropriate having regard to comparable services of a similar nature.

Share classes

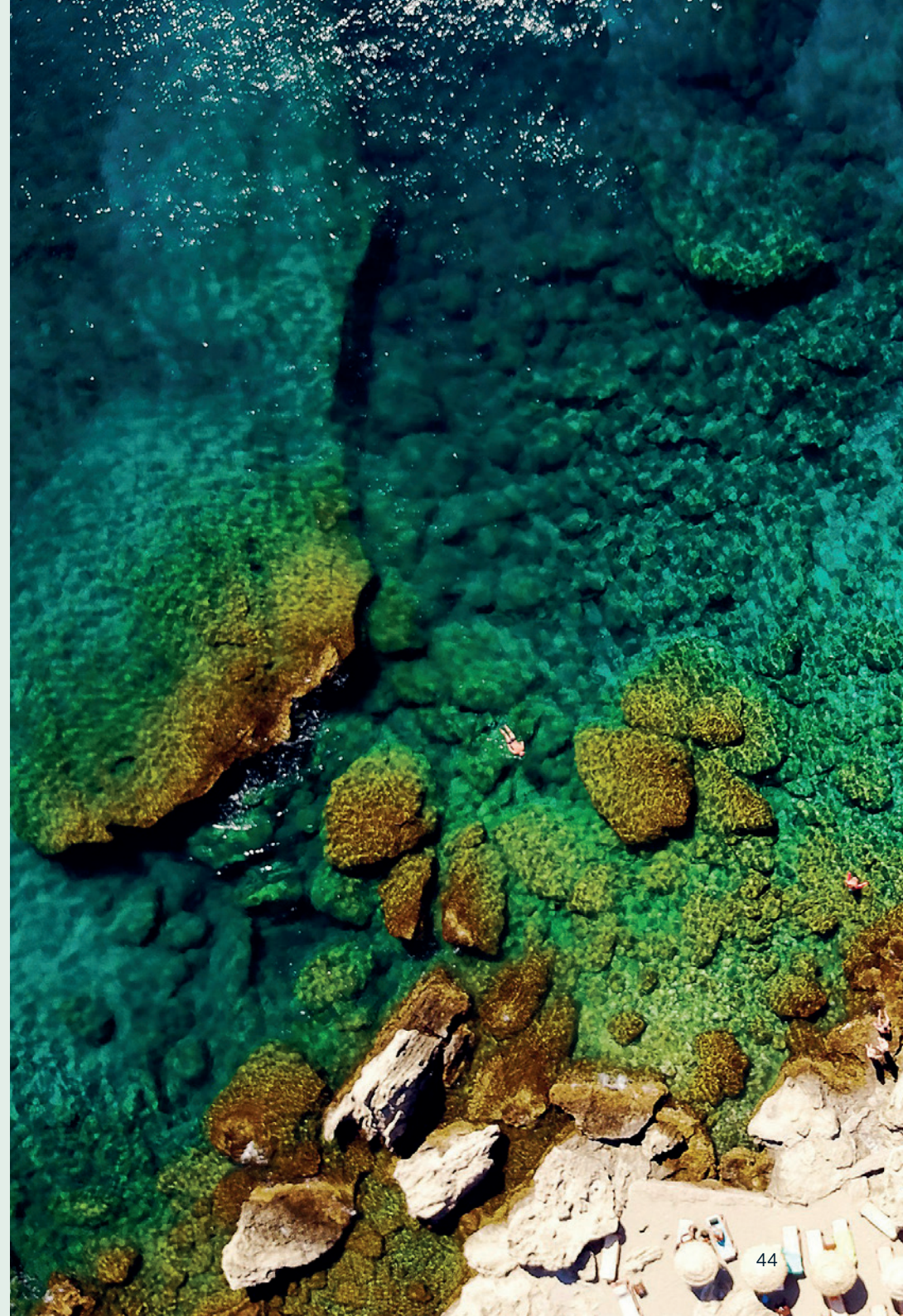
07

The share classes in the Funds differ in the way that they treat income payments (either by distributing income or by accumulating them and reflecting this in the price).

They also differ by the level of AMC applied to them. The A share class has a higher AMC. This is an older share class, held by a limited number of people, and in all cases, the difference between the AMCs of the share classes is rebated back to these customers.

Our conclusion

Having reviewed the different charging levels across the two share classes and the customers that are invested in them, we are satisfied that all customers are in the appropriate share class based on their circumstances.



Important information

Capital is at risk. Past performance is not a guide to the future performance. Investments can go down as well as up and investors may not get back the amount originally invested. This can be as a result of market movements and exchange rates between currencies.

The Funds will be exposed to stock markets and market conditions can change rapidly. Prices can move irrationally and be affected unpredictably by diverse factors, including political and economic events.

Inflation will, over time, reduce the value of your investments in real terms. This is especially true at times of high inflation. You should consider the impact of inflation when reviewing your investments.

A more detailed description of the risks that apply to the Funds can be found in the prospectus. You are required to read the Key Investor Information Document (KIID) before making an investment.

The KIID and prospectus for all funds are available free of charge at www.ifslfunds.com or by calling 0808 178 9321.

Our assessment process

What is the value assessment?

The rules of the Financial Conduct Authority (FCA) require all AFMs to assess whether the payments out of each fund, as set out in the prospectus, are justified in the context of the overall value delivered to customers.

These assessments must be conducted at least annually using the FCA's minimum criteria, of which there are currently seven. Where a fund is not providing value for money, AFMs must explain what action they are taking to address this.

The Chair of our Board of Directors has responsibility to ensure we carry out the value assessment and is actively engaged in the process. The board of Investment Fund Services includes two independent non-executive directors who provide an unbiased perspective and challenge during the assessment process, with a keen focus on safeguarding the interests of our customers by delivering good outcomes.

Quality of service

01

Our services

This section covers the services provided by Investment Fund Services as **AFM**. We have ultimate responsibility for running each fund and we require good governance and risk management processes to be in place to ensure funds perform as expected and deliver good value.

We produce all key information about the funds, focusing on clear and timely communications that enable customers to make informed decisions about their investments.

We set the distribution strategy of each fund and oversee how the funds are promoted so that they are reaching the right customers (the target market). We also delegate some roles to other firms and oversee these firms to make sure they are performing as expected, we consider the effectiveness of the following areas in the assessment of ourselves.

- ▀ Our resource and expertise
- ▀ Our risk framework and effectiveness of controls
- ▀ How we oversee the firms we delegate to and address any issues
- ▀ Our communications with customers, including those with vulnerable characteristics
- ▀ Any product complaints or grumbles and how these were resolved

Investment managers and sponsors

As an independent AFM, we delegate the investment management to other firms and oversee these firms to ensure they provide a good service and meet expectations. The **investment manager** is responsible for the investment decisions of each fund in pursuit of the fund's aim (its objective). They also manage the level of risk taken, making sure they keep within the parameters of the investment policy. Sometimes investment managers appoint other firms to help them, we call these sub investment managers or investment advisers. These firms are also assessed in the same way as the investment managers.

The **sponsor** is a firm that collaborates with Investment Fund Services to design and promote a fund, we call this co-manufacturing. They play a key role in the commercial success of a fund because they take a lead in its promotion and distribution to the target market. Investment Fund Services oversee the sponsor, making sure their role is being performed to a good standard. Sometimes the sponsor is the same firm as the investment manager.

We base our assessment on how well they perform their respective roles, using a mix of criteria including but not limited to:

- ▀ The quality of their processes and procedures
- ▀ Their resource, research and expertise
- ▀ The effectiveness of their controls
- ▀ The effectiveness of their risk management framework
- ▀ Their adherence to the set investment parameters
- ▀ How well they managed transactional costs
- ▀ The quality and quantity of any distribution activities and literature

Quality of service (continued)

Administration

The administration responsibilities fall into two distinct areas.

Customer administration

This is all things related to customer requests, such as opening an account and investing your money through to selling your investment when you are ready to close your account. Do we keep your records up to date, making sure things like your address and personal details are correct? Are we on hand to deal with your questions and do we point you in the right direction if you wish to make a change to your account? We base our assessment on how well these services have been delivered.

Fund administration

This function calculates and publishes the value of each fund every business day. This is so we can calculate the correct value of your investment. We record and process transactions made by the investment manager and calculate the running cost of each fund so that you know what cost you incur, helping you to consider and compare costs before making informed investment decisions. We prepare half yearly financial statements that contain important information on each fund like its performance (once all charges have been deducted), any income distributed, and any tax that had to be paid.

We base our assessment on how well we perform these tasks and how efficiently we carry out these activities against the service levels we expect. We use a mix of criteria including but not limited to:

- ▀ Customer feedback
- ▀ Adherence to agreed service levels
- ▀ Breaches and complaints records
- ▀ Scope of systems and controls
- ▀ Quality and efficiency of their processes and procedures
- ▀ Quality, speed and accuracy of customer interactions

Services provided by independent third parties

These services are from the depositary, custodian and independent auditor. Depending on the type of fund and the assets held, this can sometimes also include services provided by a hedging agent or an independent valuation service.

The **depositary** is independent and has various regulatory responsibilities, the key one being overseeing us and the Fund's assets to ensure they are safeguarded for customers. We as AFM, select the Depositary and negotiate their fees.

The **custodian** has responsibility for holding the Fund's assets, ensuring they are protected which minimises the risk of assets being lost or stolen. The custodian is appointed by the Depositary, but we are party to the selection and negotiate their fee.

The **auditor** is an independent entity responsible for auditing the statutory accounts of the funds. They are selected and appointed by us, and we negotiate the fee they charge.

We base our assessment on a mix of criteria including but not limited to:

- ▀ Size and reputation within the industry
- ▀ Expertise, scale and involvement with regulatory and industry change
- ▀ Geographical relevance, scale and suitability
- ▀ Resource and expertise
- ▀ Quality of interactions

We work with a limited number of depositaries and custodians. There are presently two depositaries and three custodians across the entire range of funds for which we are the AFM.

Performance

When assessing the value of a fund’s performance during the period, we consider how it has performed against its objective and investment policy. Objectives are set out over a specific time period, such as five years, and we bear this in mind when forming our conclusions. We also take into account market conditions, as well as the activities and strategies implemented by the investment managers during the period.

For each Fund we consider:

- ▀ How well the Fund compares relative to its target, comparator or constraining benchmark
- ▀ Volatility (a measure that considers how often, and by how much, the value of an investment goes up and down)
- ▀ Fund performance, relative to a range of industry standard risk-adjusted measures
- ▀ Investment management activities and strategies undertaken in pursuit of a fund’s objective

A fund’s prospectus defines the measures used to assess performance, usually this measure will be a benchmark of which there are three different types as detailed below.

01	02	03
<p>PERFORMANCE TARGET</p> <p>This benchmark is part of a fund’s objective and outlines a specific measure it aims to achieve.</p>	<p>COMPARATOR</p> <p>This benchmark is used for comparison purposes only. It helps customers compare performance to a group of similar securities (known as an index) or other funds (known as a peer group).</p>	<p>CONSTRAINT</p> <p>If a fund has a constraint benchmark, it means the Investment manager is limited in how the fund’s portfolio is constructed, which can influence performance.</p>

AFM costs

03

Fees taken from the Fund can make a big difference to overall returns, so it's important we identify each fee incurred, ensuring they are reasonable and relative to the level of service provided.

A useful way of summarising these fees is by assessing all components of the Ongoing Charges Figure (OCF). Here's what the OCF may include:

Annual management charge (AMC)*	This is a percentage fee paid to Investment Fund Services as AFM. This usually covers the costs of the investment manager, sponsor and administrator.
Depository fee	This is a percentage fee paid to the depository.
Custody fee	This is a combination of percentage, fixed and transaction-based fees paid to the custodian.
Audit fee	This is a fixed annual fee paid to the auditor.
Independent valuer fee	This is a fee paid to a specialist firm that independently values certain products if held by a fund.
KIID fee	This is a fixed annual fee paid to cover the cost of reviewing and updating the key investor information document (KIID).
Registrar fee	This is a fee charged (usually per shareholder) to cover the costs of the administrator maintaining the shareholder register.

** Some funds do not have an AMC, instead they have either a fund management fee or the AMC is split into two fees. Some funds may also have a separate administration or sub-investment manager fee. We will tell you about these fees and which ones apply in our assessment.*

AFM Costs

Hedging administration fee	This is a percentage fee paid to the organisation that provides currency hedging services, if applicable. These services mitigate the risk of adverse currency exchange rate movements affecting the value of investments. We will tell you if your Fund has these services.
EMX and Calastone	This is a fixed fee paid per transaction to enable straight through processing (STP) with the administrator.
Other fees	Some Funds may have the additional fees taken from the fund such as notary, legal and collateral fees, we will tell you about these if they are material to our assessment.

In our assessment of the fees, we consider the following:

- ▀ The revenue received, and profits earned after accounting for all operating costs.
- ▀ Whether the profit is proportionate given a number of factors, including the level of risk taken in operating the Fund.
- ▀ Whether the revenue is sufficient to enable parties to deliver the expected level of service quality and to enhance it over time.

We also consider when the fees were last reviewed and whether they remain competitive, accounting for factors such as changes in the size of the Funds. Our aim is to ensure that the fees taken are reasonable, competitive, and support the delivery of high-quality services to our customers.

Economies of scale

We consider two different types of economies of scale:

The size and scale of a fund

When there is a range of funds, profits from the larger funds in the range may sometimes subsidise the operation of smaller funds or be key in ensuring the long-term financial security of a firm providing services to a fund. Our assessment considers these arrangements and whether they are in the best interests of investors. If not, we will take steps to ensure that the benefits of scale are passed on to investors.

Certain services have fixed or minimum fees. This means that as funds grow, they benefit from their increase in scale as the effect of those fees on costs and charges reduces. Our aim is to ensure that each fund delivers value to customers and remains viable in its own right, considering the impact of any fixed or minimum fees.

The size and scale of Investment Fund Services

The second area of economies of scale is where we can negotiate terms for the large number of funds under our management as AFM. Investment Fund Services oversees more than 80 funds, valued at over £15 billion in total. We use our scale to negotiate fees where we think it is in the interests of all affected funds. We discuss with our suppliers the need to ensure that fees are distributed fairly and transparently across all the funds.

Depositary, custody and audit relationships are negotiated across multiple funds to achieve the best possible rates. Investment Fund Services negotiates depositary fees based on a sliding scale, applying lower percentage fees as funds reach specific thresholds. This ensures that economies of scale directly benefit customers.

Comparable market rates

We review the fees paid to external parties and compare each fund's OCF with similar funds in the market within the same peer group.

While market rates for depositories, custodians, and auditors may be subject to commercial confidentiality, our experience with previous fees, combined with our tender or review processes and market awareness, mean that we believe our approach secures competitive rates when contracts are reviewed or re-tendered. We ensure that these reviews occur at appropriate intervals, considering the nature of the relationships and the associated costs of changing suppliers.

When assessing fees paid to the investment manager and sponsor, we compare them against those for similar services provided to other funds for which we are AFM.

The market rates for independent AFMs are also subject to a degree of commercial confidentiality and vary based on the size and type of fund. Contracts are negotiated based on market competitiveness within the independent AFM market. Fund sponsors typically conduct thorough tendering processes and can move the funds to other independent AFMs. This ensures that Investment Fund Services remains competitive, offering value for customers.



06

Comparable services

Investment Fund Services provides services to many fund ranges and we compare the fees we charge.

While the fees may differ based on factors like fund size, nature, and associated risks, we review these to ensure our fees are similar to those paid by similar funds within our range.

We also consider comparable services offered by external or delegated parties, such as the investment manager. Where providers do offer comparable services, we ask them to outline the key differences in charges and service. This helps us ensure that our investors receive good value compared to alternative products and services available from the same provider elsewhere.

07

Share classes

Some funds provide multiple share classes with different fee structures for investors. We review these fee structures to ensure they are reasonable and appropriate.

Additionally, we assess whether investors are in the most appropriate share class available to them. If we identify any issues, we will tell you and transfer you to the most appropriate share class.

Investment Fund Services

CONTACT US

Customer enquiries

Please contact our dedicated customer support team who are available Monday to Friday 9:00am to 5:00pm (excluding UK bank holidays).

Write to: Investment Fund Services, Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP

Call: 0808 178 9321 or +44 1204 803 932 (if calling from overseas).

Email: ifslclientsupport@ifslfunds.com

Fax: 01204 533045

Supporting your needs

We have different ways in which we can communicate with you to support your needs and make investing with us easier.

Some of the services we can provide are listed below. However, please contact us using the details on this page so we can discuss your options and provide the right level of support for you.

- ▶ Braille or large print communications and statements
- ▶ Audio transcribed communications
- ▶ Easy read communications

Regulatory Information

Investment Fund Services and IFSL are trading names of Investment Fund Services Limited, registered in England No. 06110770. Authorised and regulated by the Financial Conduct Authority in the UK (FRN464193). Registered Office: Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP. Investment Fund Services is part of Marlborough Group Holdings Limited, registered in England No. 10078930.