



Manager
Matthew Rainbird

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Capital is at risk.
Please read full risk
warning at the end
of this document.

Monthly Commentary: November 2024

Extra Income

- ▶ Diversified portfolio designed to pay a high but stable income, while also achieving long-term capital growth
 - ▶ Fund holds equities, bonds and preference shares
 - ▶ Mix of assets is designed to achieve attractive income and growth with low volatility
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During October, the unit price of the fund fell by 2.53% compared to a decline of 0.08% for the Mixed Investment 40-85% Shares sector. This brings the year-to-date returns to 7.36% for the fund and 7.55% for the sector.

Following a strong rally in equities since the start of the year, October proved to be a volatile month. Recession risks and uncertainties about the upcoming elections in the US were top of investors' minds. In the US, core inflation numbers remained stubbornly above expectations, leading to revisions in the expectations for the timeline of the rate cutting cycle.

Within the fund, **Digital Realty Trust** (DLR), the data centre REIT, returned 11.21%. This was driven by their 3rd quarter report, showing revenue in line with consensus and profits slightly exceeding expectations. However, the key takeaway from this report was evidence of the strong demand for data centres remaining in place. This is illustrated by strong bookings for hyperscale/AI and <1MW category customers and an addition of 149 new company customers entering their client bank this quarter, the largest addition they have ever recorded. The pricing environment remains strong with a 15.2% increase in rental rates for renewal leases. These are strong predictive metrics for steady future growth. Alongside a positive report they also made positive revisions to guidance, summing up an optimistic outlook for the company.

There were no major transactions during the month.

Risk Warnings

Capital is at risk. The value and income from investments can go down as well as up and are not guaranteed. An investor may get back significantly less than they invest. Past performance is not a reliable indicator of current or future performance and should not be the sole factor considered when selecting funds. Our funds invest for the long-term and may not be appropriate for investors who plan to take money out within five years. The fund 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. The fund has exposure to bonds, the prices of which will be impacted by factors including; changes in interest rates, inflation expectations and perceived credit quality. When interest rates rise, bond values generally fall. This risk is generally greater for longer term bonds and for bonds with lower credit quality. The fund invests mainly in the UK therefore investments will be vulnerable to sentiment in that market which may strongly affect the value of the fund. In certain market conditions some assets may be less predictable than usual. This may make it harder to sell at a desired price and/or in a timely manner. In extreme market conditions redemptions in the underlying funds or the fund itself may be deferred or suspended. All or part of the fees and expenses may be charged to the capital of the Fund rather than being deducted from income. Future capital growth may be constrained as a result of this. Dividends paid by companies are not guaranteed and can be cancelled, which may impact the Fund's ability to deliver an income to investors.

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Copies of the Prospectus and Key Investor Information Documents are available from www.ifsifunds.com or can be requested as a paper copy by calling 0808 178 9321 or writing to IFSL at the registered office above.

Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP

Intermediary Support. 0808 145 2502

Email. service@marlboroughgroup.com

Website. marlboroughgroup.com

