

Investment Fund Services

IFSL Marlborough Global Corporate Bond Fund

(formerly IFSL Marlborough
Bond Income Fund)

Annual Report and Audited
Financial Statements

for the year ended 31 May 2025

IFSL MARLBOROUGH GLOBAL CORPORATE BOND FUND

CONTACT INFORMATION

Authorised Fund Manager (AFM)

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

Investor Support: (0808) 178 9321 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

Directors of IFSL

Andrew Staley (Non-Executive)
Allan Hamer
Martin Ratcliffe - appointed, 31 July 2025
Dom Clarke
Helen Redmond - resigned, 31 July 2025
Sally Helston
Simon Chalkley - appointed, 27 November 2024
Katherine Damsell (Independent Non-Executive)
Sarah Peaston (Independent Non-Executive)

Investment Manager

Marlborough Investment Management Limited
Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

Authorised and regulated by the Financial Conduct Authority.

Depositary (in it's capacity as Trustee)

HSBC Bank plc
8 Canada Square
London
E14 5HQ

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Administrator and Registrar

SS&C Financial Services International Limited
New Marlborough House
55-57 Chorley New Road
Bolton
BL1 4QR

Auditor

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

IFSL MARLBOROUGH GLOBAL CORPORATE BOND FUND

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IFSL MARLBOROUGH GLOBAL CORPORATE BOND FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 May 2025

Performance to 31 May 2025

	Six months	1 year	3 years	5 years
IFSL Marlborough Global Corporate Bond Fund	0.23%	3.07%	2.15%	(2.63)%
IA Sterling Corporate Bond Sector	1.23%	5.25%	4.84%	(0.14)%

External Source of Economic Data: Morningstar (P Income - quoted price to quoted price, net income reinvested).

The performance figures above are based on quoted prices and will, therefore, differ from the performance in the Comparative Table.

Capital at risk. Past performance is not a reliable indicator of future performance; the value of your investment and any income from it can go down as well as up. Performance returns are based on the net asset value with distributable income reinvested and take account of all ongoing charges, but not entry charges (if applicable). The past performance of this unit class is calculated in sterling.

Investment commentary

Performance

The Fund returned +3.07% in the 12 months until 30 May 2025, underperforming the peer group benchmark*, the Investment Association (IA) £ Corporate Bond Sector, which returned +5.25%.

Market review

Bond markets have had a rather turbulent time over the last year; economic data proved to be mixed, geopolitics grabbed headlines and future expectations for growth, inflation and monetary policy have gyrated wildly. Central banks have now largely moved to lowering their interest rates, albeit at what has felt like ever changing paces. Especially at a time where politics has remained at the forefront of the global stage. The rise of populism, surprise election results and the return of US President Trump to the White House for his second term, have brought volatility to markets. Specifically, Trump's somewhat maverick set of policymaking tactics have added a high degree of noise since the beginning of his second Presidential term in Q1 2025. Fiscal policy is now in focus as bond markets remain sensitive to more debt issuance as governments continue to spend whilst populations struggle to face any more tax burden. Defence and infrastructure have specifically been targeted for increased budgets in the Western world as the war in Ukraine trudges on and fears of further, global conflict are ever present.

Portfolio activity

Sensitivity to interest rates was increased to a little higher than the estimated average of the peer group in the middle of the period, before being increased further by Q3 2024. This proved to be detrimental to performance as throughout the start of Q1 2025 because of inflation fears around US President Trump's tariffs and a high degree of uncertainty that permeated the market. Fiscal concerns were also adding to investor anxiety as Germany unveiled a colossal defence and infrastructure plan and Trump looks set to pass a budget bill that will drastically increase the US budget deficit. Bond prices fell, with more pain being felt for assets with a longer maturity date and more sensitivity as a result. The Fund's exposure was, however, diversified into a more global mix by increasing global exposure to non UK currency based issuers but using derivatives to remove currency risk. Names were added in defensive sectors such as utilities, defence and mining and our aim was to increase the credit quality of the Fund. Sales were made in assets with greater sensitivity to interest rates and we sought to move the Fund into more defensive assets where possible. Corporate credit gained value in the period with lower quality companies debt outperforming. Our higher quality holdings would have underperformed some of the more aggressively positioned members of the peer group but our analysis continues to suggest we are in the late stages of the economic cycle when conditions become more challenging and so we are prepared to be slightly early at what we view as a turning point.

Market outlook

We continue to assess that the global economy is likely to move into a more challenging period and as such we favour a defensive posture in the Fund. The number of rate cuts expected by the market continues to ebb and flow with noise and headlines and we make no attempt to time when cuts will come. Rather, we have been focused on building up a diversified portfolio in well capitalised, defensive companies that we would expect to stand the test of time.

The return of Donald Trump to the White House has created near unprecedented policy uncertainty. This presents multiple risks to the outlook with potentially dramatically divergent impacts on bond and currency markets. We remain highly vigilant to the effects of these changes and stand ready to materially amend our view and our positioning accordingly.

Marlborough Investment Management Limited
13 June 2025

Explanation of terms*

Benchmark – Index used for comparator purposes.

IFSL MARLBOROUGH GLOBAL CORPORATE BOND FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 May 2025

Distributions

	<u>Year 2025</u>	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>
<u>A Income (pence per unit)</u>				
Net income paid 31 January	0.291375	0.286151	0.269450	0.239330
Net income paid 30 April	0.178670	0.283542	0.266955	0.239562
Net income paid 31 July	0.440835	0.279854	0.284290	0.262800
Net income paid 31 October		0.289964	0.287402	0.262106
<u>P Income (pence per unit)</u>				
Net income paid 31 January	0.346615	0.337397	0.318700	0.296996
Net income paid 30 April	0.237364	0.336905	0.317362	0.295901
Net income paid 31 July	0.505312	0.334044	0.336299	0.318144
Net income paid 31 October		0.345320	0.338477	0.315240

Portfolio changes

<u>Purchases</u>	<u>Cost (£)</u>
UK Treasury 4.625% 31.01.34	797,321
UK Treasury 4.5% 07.03.35	358,427
UK Treasury 4.125% 22.07.29	346,289
Pfizer 2.735% 15.06.43	199,520
UK Treasury 4.25% 31.07.34	132,820
General Electric Company 4.125% 19.09.35	106,392
Thales 4.25% 18.10.31	88,135
Becton Dickinson & Co 3.519% 08.02.31	85,410
Coca-Cola Europacific Partners 3.25% 21.03.32	84,412
Apple 1.375% 24.05.29	79,801
Other purchases	1,042,500
Total purchases for the year	3,321,027

<u>Largest sales</u>	<u>Proceeds (£)</u>
UK Treasury 4.625% 31.01.34	764,308
UK Treasury 4.125% 22.07.29	352,957
Deutsche Bank 2.625% 16.12.24	199,530
Legal & General Group 5.125% 14.11.48	196,516
JP Morgan Chase & Co 0.991% 28.04.26	192,810
Nationwide Building Society 5.75% Perp	192,250
Natwest Group 2.105% 28.11.31	188,256
BNP Paribas 2% 24.05.31	186,860
Volkswagen International Finance 4.125% 17.11.31	185,056
Pension Insurance Corporation 4.625% 07.05.31	182,806
Other sales	5,323,080
Total sales for the year	7,964,429

IFSL MARLBOROUGH GLOBAL CORPORATE BOND FUND

AUTHORISED STATUS

IFSL Marlborough Global Corporate Bond Fund (the Fund) is an authorised unit trust scheme within the meaning of the Financial Services and Markets Act 2000 and is a UCITS scheme under the Collective Investment Schemes Sourcebook (COLL) as issued by the Financial Conduct Authority.

GENERAL INFORMATION

Investment objective

The investment objective 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.

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.

There is no certainty that either aim of the Fund will be achieved.

Investment policy

The Fund is actively managed which means the Investment Manager decides which investments to buy or sell, and when.

At least 80% of the Fund will be invested in bonds issued by companies and institutions. These will be investment grade bonds which are loans issued by entities that have a high capacity to repay the debt.

The Fund may also invest in sub-investment grade bonds which can be more vulnerable to changing economic conditions, bonds issued by governments, shares (including preference shares and permanent interest bearing shares), bonds which may be converted into shares (known as convertible bonds) and money market instruments (short term loans typically issued by governments and corporations).

The Fund invests in a diversified portfolio of securities and has no constraints in relation to industry.

The Fund may hold up to 20% in cash to enable the ready settlement of liabilities (including the redemption of units), for the efficient management of the portfolio or in pursuit of the Fund's investment objective.

The Fund may use derivatives (instruments whose returns are linked to another asset, market or other variable factor) such as forward transactions, for the purposes of efficient portfolio management, including reducing currency risk in the Fund, also known as hedging.

From time to time, the Fund may also use derivatives to manage interest rate risk in the Fund.

Investment strategy

The Investment Manager monitors and assesses the key factors influencing performance of the IA Sterling Corporate Bond sector, such as credit quality, which is the measure of financial solvency of the entity issuing a bond, and duration, which is a measure of the sensitivity of bond investments to changes in interest rates. The Investment Manager responds to these factors to position the Fund in pursuit of its objectives, whilst hedging currency exposure back to pound sterling (the Fund's base currency).

The Investment Manager invests in a well-diversified selection of bonds with no size, structural or sector bias of the entities issuing the bonds and aims to buy and hold them to maturity in order to maximise the income generated, although some investments may be sold prior to maturity.

Performance target

The performance target is the level of performance the Fund aims to deliver however there is no certainty this will be achieved.

The Investment Association (IA), the trade body for UK investment managers, has created a number of 'sectors' as a way of dividing funds into broad groups with similar characteristics. The Fund will be in the IA Sterling Corporate Bond sector. This Fund aims to be in the top half of all funds included in this sector, as published by Morningstar.

Rights and terms attaching to each unit class

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

IFSL MARLBOROUGH GLOBAL CORPORATE BOND FUND

GENERAL INFORMATION

Assessment of value

The AFM is required to carry out an assessment of value at least annually and publish its findings in a report to investors. The Fund is assessed and reported on, in a composite report which the AFM publishes on the website www.ifslfunds.com. The next report is expected to be published by 31 December 2025.

Task force on climate-related financial disclosures

A statement of the climate-related financial disclosures is published on the website <https://www.ifslfunds.com/tcf-reporting>.

Changes in prospectus

On 12 August 2024, the following changes took effect:

Updates to investment objectives, policies and strategies

An investment strategy section was added to the Fund's prospectus, along with other minor changes to enhance how we explain the Fund's investment objectives, policies, and strategies. These changes do not reflect a change in the way the Fund is managed and are for clarification purposes only.

Changes to Registrar's fee

The AFM made changes to the fee that is taken from the Fund to cover the administration costs associated with the Registrar for the Fund. The Registrar is responsible for managing the register of investors for the Fund, which includes all investor dealing, and this fee is known as the "Registration Fee".

The AFM adjusted the calculation of the Registration Fee to include any investor dealing in the Fund, an increased, but simpler annual charge per investor, and removing some fees altogether.

Fees relating to any investor dealing in the Fund will be charged to the Fund and not to the deal placed by an investor, and will in future be charged at a rate of:

- £5 per deal, when placed through a platform.
- £15 per deal, when placed directly through the Registrar.

The AFM made an increase to the annual charge per investor in the Fund, but also removed any fixed annual fee from the calculation. Details of these changes can be found in the prospectus.

On 3 July 2025, the following changes took effect:

Change to the Fund's name

A change to the name of the Fund from IFSL Marlborough Bond Income Fund to IFSL Marlborough Global Corporate Bond Fund.

Change to the Fund's investment objective and policy

There were material changes to the prospectus as follows:

- A change to the Fund's performance target benchmark.
- A change to the investment policy to allow the Fund to invest up to 10% in other funds.
- A change to the method used to assess performance for the Fund.

Introduction of new fees to be taken from the Fund

The Fund was permitted to cover certain costs:

- Fees for producing regulatory documents required by law.
- Costs of using market indices as the Fund's benchmarks.
- The costs associated with appointing a hedging agent to help protect the Fund against currency fluctuations.

Up to date Key Investor Information Documents, Prospectus and Long Reports and Financial Statements for any fund within the AFM's range, can be requested by the investor at any time.

IFSL MARLBOROUGH GLOBAL CORPORATE BOND FUND

GENERAL INFORMATION

Remuneration policy

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

The quantitative remuneration disclosures as at 30 September 2024 (the AFM's year end) are set out below:

	Number of identified staff	Total remuneration paid	Fixed remuneration paid	Variable remuneration paid
		£	£	£
Remuneration paid to staff of the AFM who have a material impact on the risk profile of the Fund				
Senior management	9	1,081,108	962,506	118,602
Risk takers and other identified staff	4	462,168	394,482	67,686
Allocation of total remuneration of the employees of the AFM to the Fund				
Senior management	0.01	490	436	54
Risk takers and other identified staff	0.01	210	179	31

The total number of staff employed by the AFM was 160 as at 30 September 2024. The total remuneration paid to those staff was £12,940,045, of which £4,003,974 is attributable to the AFM.

The allocation of remuneration to the Fund is based on Assets Under Management (AUM) and the figures disclosed only include remuneration paid to individuals directly employed by the AFM's group. The way these disclosures are calculated may change in the future.

DIRECTORS' STATEMENT

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



Simon Chalkley
Director



Sally Helston
Director

Investment Fund Services Limited
29 September 2025

STATEMENT OF AUTHORISED FUND MANAGER'S RESPONSIBILITIES

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

In preparing those financial statements the AFM is required to:

- comply with the disclosure requirements of the Statement of Recommended Practice relating to UK Authorised Funds issued in May 2014 and amended in June 2017;
- follow United Kingdom Generally Accepted Accounting Practice and applicable accounting standards;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in operation.

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

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

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

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Unitholders of the IFSL Marlborough Global Corporate Bond Fund of the ("the Trust") for the Period Ended 31 May 2025

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

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

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

The Depositary must ensure that:

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

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

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

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

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

HSBC Bank plc

29 September 2025

IFSL MARLBOROUGH GLOBAL CORPORATE BOND FUND

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF IFSL MARLBOROUGH GLOBAL CORPORATE BOND FUND

Opinion

We have audited the financial statements of IFSL Marlborough Global Corporate Bond Fund ("the Fund") for the year ended 31 May 2025, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Fund, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 31 May 2025 and of the net revenue and the net capital gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Authorised Fund Manager's ("the AFM") use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the AFM with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund's ability to continue as a going concern.

Other information

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

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

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

We have nothing to report in this regard.

IFSL MARLBOROUGH GLOBAL CORPORATE BOND FUND

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF IFSL MARLBOROUGH GLOBAL CORPORATE BOND FUND

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

In our opinion:

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

Matters on which we are required to report by exception

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

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

Responsibilities of the AFM

As explained more fully in the Statement of Authorised Fund Manager's responsibilities statement set out on page 6, the AFM is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the AFM determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF IFSL MARLBOROUGH GLOBAL CORPORATE BOND FUND

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

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

Our approach was as follows:

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

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

Use of our report

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

Ernst & Young LLP
Statutory Auditor
Edinburgh

29 September 2025

Notes:

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

IFSL MARLBOROUGH GLOBAL CORPORATE BOND FUND

COMPARATIVE TABLE

A Income units

Change in net assets per unit

	Year to 31.05.2025 pence	Year to 31.05.2024 pence	Year to 31.05.2023 pence
Opening net asset value per unit	41.90	40.08	45.28
Return before operating charges*	1.63	3.48	(3.45)
Operating charges	(0.51)	(0.52)	(0.67)
Return after operating charges*	1.12	2.96	(4.12)
Distributions on income units	(1.20)	(1.14)	(1.08)
Closing net asset value per unit	41.82	41.90	40.08

* after direct transaction costs of:

Performance

Return after charges ^A	2.67%	7.39%	(9.10)%
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Other information

Closing net asset value (£)	4,150	4,921,115	6,638,633
Closing number of units	9,924	11,744,533	16,564,250
Operating charges	1.19% ^B	1.27% ^B	1.60% ^B
Direct transaction costs	0.00%	0.00%	0.00%

Prices (pence per unit)

Highest unit price	43.41	43.15	45.46
Lowest unit price	41.31	39.20	36.95

P Income units

Change in net assets per unit

	Year to 31.05.2025 pence	Year to 31.05.2024 pence	Year to 31.05.2023 pence
Opening net asset value per unit	43.75	41.68	46.91
Return before operating charges*	1.69	3.64	(3.57)
Operating charges	(0.19)	(0.22)	(0.37)
Return after operating charges*	1.50	3.42	(3.94)
Distributions on income units	(1.43)	(1.35)	(1.29)
Closing net asset value per unit	43.82	43.75	41.68

* after direct transaction costs of:

Performance

Return after charges ^A	3.43%	8.21%	(8.40)%
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Other information

Closing net asset value (£)	3,188,052	3,385,085	4,398,537
Closing number of units	7,275,794	7,737,878	10,552,248
Operating charges	0.44% ^B	0.52% ^B	0.85% ^B
Direct transaction costs	0.00%	0.00%	0.00%

Prices (pence per unit)

Highest unit price	45.37	44.98	47.16
Lowest unit price	43.24	40.81	38.34

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

^B Effective from 24 April 2023, the Annual Management Charge (AMC) for A Income units decreased from 1.50% to 1.125% and the AMC for P Income units decreased from 0.75% to 0.375%.

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each unit class in the year. Where it is considered unsuitable to use the total expenses paid by each unit class in the year to calculate the OCF because of material changes to the Fund's charges an estimate will be calculated instead. The OCFs disclosed in the Key Investor Information Document (KIID) (available on IFSL's website, www.ifslfunds.com) give an estimate of future costs.

Direct transaction costs are the total charges for the year, included in the purchase and sale of investments in the portfolio of the Fund. These amounts are expressed as a percentage of the average net asset value over the year and the average units in issue for the pence per unit figures.

IFSL MARLBOROUGH GLOBAL CORPORATE BOND FUND

SYNTHETIC RISK AND REWARD INDICATOR (all unit classes)

Lower risk

Higher risk



Typically lower rewards

Typically higher rewards

1	2	3	4	5	6	7
---	---	---	---	---	---	---

This indicator aims to give you a measure of the price movement of the Fund based on past data. It uses historic returns over the last five years. If five years' data is not available, simulated data based on a representative portfolio is used.

The Fund has been measured as 4 because its investments have experienced moderate volatility in the past. During the year the synthetic risk and reward indicator has remained unchanged.

IFSL MARLBOROUGH GLOBAL CORPORATE BOND FUND
PORTFOLIO STATEMENT

as at 31 May 2025

Holding or nominal value	Bid value £	Percentage of total net assets %
EURO (31 May 2024 - Nil)		
100,000 Apple 1.375% 24.05.29	80,647	2.53
100,000 Becton Dickinson & Co 3.519% 08.02.31	85,208	2.67
100,000 Coca-Cola Europacific Partners 3.25% 21.03.32	84,094	2.63
120,000 General Electric Company 4.125% 19.09.35	105,205	3.30
100,000 RTX 2.15% 18.05.30	80,285	2.52
100,000 Thales 4.25% 18.10.31	89,529	2.80
Total Euro	524,968	16.45
STERLING (31 May 2024 - 93.15%)		
100,000 Assura Financing 1.625% 30.06.33	73,875	2.31
50,000 AT&T 7% 30.04.40	53,322	1.67
10,000 Aviva 6.125% 14.11.36	10,123	0.32
50,000 Bank of America 8.125% 02.06.28	53,691	1.68
100,000 Church Commissioners for England 3.25% 14.07.32	90,264	2.83
5,000 Coventry Building Society 12.125% PIBS	9,025	0.28
100,000 Dwr Cymru (Financing) 2.5% 31.03.36	72,282	2.26
100,000 GlaxoSmithKline Capital 1.625% 12.05.35	71,409	2.24
50,000 Goldman Sachs Group 6.875% 18.01.38	51,767	1.62
100,000 Holcim Sterling Finance (Netherlands) 2.25% 04.04.34	76,246	2.39
100,000 HSBC Holdings 7% 07.04.38	103,479	3.24
100,000 McDonald's 5.875% 23.04.32	104,507	3.27
121,000 Northern Gas Networks Finance 4.875% 15.11.35	110,636	3.47
100,000 Pfizer 2.735% 15.06.43	64,748	2.03
20,000 Southern Electric Power Distribution 5.5% 07.06.32	20,284	0.64
360,000 UK Treasury 4.5% 07.03.35	354,681	11.11
100,000 United Utilities Water 5% 28.02.35	93,211	2.92
50,000 Wells Fargo & Co 4.625% 02.11.35	45,881	1.44
100,000 Yorkshire Power Finance 7.25% 04.08.28	105,490	3.30
Total Sterling	1,564,921	49.02
UNITED STATES DOLLAR (31 May 2024 - 0.00%)		
50,000 AbbVie 4.3% 14.05.36	34,185	1.07
60,000 American Express 6.489% 30.10.31	48,042	1.50
50,000 Amgen 5.25% 02.03.33	37,396	1.17
50,000 AstraZeneca 6.45% 15.09.37	40,797	1.28
165,112 Avangardco Investments Public 10% 29.10.18	228	0.01
50,000 BAT Capital 3.557% 15.08.27	36,206	1.13
50,000 Boeing 6.298% 01.05.29	38,899	1.22
50,000 BP Capital Markets America 4.812% 13.02.33	36,256	1.14
50,000 Deere & Co 5.45% 16.01.35	37,856	1.19
50,000 DTE Electric 5.2% 01.04.33	37,457	1.17
50,000 DTE Energy 3.4% 15.06.29	35,191	1.10
50,000 Duke Energy Florida 2.4% 15.12.31	32,285	1.01
50,000 Duke Energy Progress 5.7% 01.04.35	37,915	1.19
50,000 IBM 5.6% 30.11.39	37,121	1.16
50,000 JP Morgan Chase & Co 6.254% 23.10.34	39,588	1.24
50,000 Keurig Dr Pepper 5.05% 15.03.29	37,592	1.18
50,000 National Grid 5.602% 12.06.28	38,051	1.19
50,000 Newmont 5.875% 01.04.35	38,832	1.22
50,000 Northrop Grumman 7.75% 15.02.31	42,268	1.32
32,000 Petróleos Mexicanos 10% 07.02.33	24,582	0.77
50,000 Philip Morris International 5.25% 13.02.34	37,232	1.17
50,000 Rio Tinto Finance (USA) 5% 14.03.32	37,131	1.16
60,000 The Campbell's Company 4.75% 23.03.35	41,785	1.31
70,000 The Toronto-Dominion Bank 2.45% 12.01.32	44,593	1.40
75,000 Wells Fargo & Co 5.211% 03.12.35	54,373	1.70
Total United States Dollar	925,861	29.00
Portfolio of stock investments	3,015,750	94.47

IFSL MARLBOROUGH GLOBAL CORPORATE BOND FUND

PORTFOLIO STATEMENT

as at 31 May 2025

Holding or nominal value		Bid value £	Percentage of total net assets %
Counterparty	Foreign Currency Hedges (31 May 2024 - Nil)		
HSBC	Sell EUR 631,158 for GBP 535,011 - 12 June 2025	4,081	0.13
HSBC	Sell USD 946,000 for GBP 727,651 - 26 June 2025	25,566	0.80
	Net value of all derivative positions	29,647	0.93
	Portfolio of investments and derivative positions	3,045,397	95.40
	Net other assets (excluding derivative positions)	146,805	4.60
	Total net assets	3,192,202	100.00

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules unless otherwise stated.

IFSL MARLBOROUGH GLOBAL CORPORATE BOND FUND
STATEMENT OF TOTAL RETURN

for the year ended 31 May 2025

	Notes	31 May 2025		31 May 2024	
		£	£	£	£
Income:					
Net capital gains	4		19,876		444,368
Revenue	6	204,073		322,697	
Expenses	7	<u>(45,967)</u>		<u>(91,704)</u>	
Net revenue before taxation		158,106		230,993	
Taxation	8	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>158,106</u>		<u>230,993</u>
Total return before distributions			177,982		675,361
Distributions	9		(179,364)		(270,069)
Change in net assets attributable to unitholders from investment activities			<u>(1,382)</u>		<u>405,292</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 May 2025

	31 May 2025		31 May 2024	
	£	£	£	£
Opening net assets attributable to unitholders		8,306,200		11,037,170
Amounts receivable on issue of units	340,324		615,603	
Amounts payable on cancellation of units	<u>(5,466,023)</u>		<u>(3,762,328)</u>	
		(5,125,699)		(3,146,725)
Dilution adjustment		12,886		10,143
Change in net assets attributable to unitholders from investment activities		(1,382)		405,292
Unclaimed distributions		197		320
Closing net assets attributable to unitholders		<u>3,192,202</u>		<u>8,306,200</u>

IFSL MARLBOROUGH GLOBAL CORPORATE BOND FUND

BALANCE SHEET

as at 31 May 2025

	Notes	31 May 2025 £	31 May 2024 £
Assets:			
Fixed Assets:			
Investment assets	17	3,045,397	7,737,267
Current Assets:			
Debtors	10	65,939	187,825
Cash and cash equivalents	12	119,579	456,619
Total assets		<u>3,230,915</u>	<u>8,381,711</u>
Liabilities:			
Creditors:			
Distribution payable	9	36,809	58,716
Other creditors	11	1,904	16,795
Total liabilities		<u>38,713</u>	<u>75,511</u>
Net assets attributable to unitholders		<u><u>3,192,202</u></u>	<u><u>8,306,200</u></u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2025

1 ACCOUNTING POLICIES

Basis of preparation

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

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

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of investments and certain financial instruments at fair value.

There are no material events that have been identified that may cast significant doubt about the Fund's ability to continue as a going concern for the next twelve months from the date these financial statements are authorised for issue. The Authorised Fund Manager (AFM) believes that the Fund has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.

Revenue

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

Bank interest is accounted for on an accruals basis.

Allocation of revenue

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

Expenses

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

Rebates on expenses

During the year, the audit fees have been rebated back to the Fund.

Valuation

The valuation point was 12:00 on 30 May 2025 being the last valuation point of the accounting year.

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

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

Taxation

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

Exchange rates

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at 12:00 on 30 May 2025 being the last valuation point of the accounting year. Revenue and expenditure transactions are translated at the rates of exchange ruling on the dates of the transactions. Exchange differences on such transactions follow the same treatment as the principal amounts.

Dilution adjustment

The Fund is priced on a single price basis and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions and redemptions in and out of the Fund. This is known as "dilution". Under certain circumstances dilution may have a material adverse effect on the existing/continuing unitholders' interest in the Fund. In order to counter this and to protect unitholders' interests, the AFM will apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the Fund will make adjustments to counter the impact of dealing and other costs on occasions when these are deemed to be significant. Any dilution adjustment will be applied consistently and, in the usual course of business, automatically.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2025

2 DISTRIBUTION POLICIES

The distribution policy of the Fund is to distribute all available revenue, after deduction of expenses properly chargeable against revenue. Gains and losses on non-derivative instruments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution.

As the investment objective of the Fund is to concentrate on the generation of revenue as a higher priority than capital growth, both the AFM and the Trustee have agreed that 50% of the AFM's periodic charge is to be taken from capital for the purpose of calculating the distribution, as permitted by the regulations.

During the year, the Fund was more than 60% invested in qualifying investments (as defined by SI 2006/964, Reg. 20) and therefore qualified as a bond fund. The Fund paid interest distributions.

Equalisation

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

3 RISK MANAGEMENT POLICIES

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

The main risks arising from the Fund's financial instruments and the AFM's policies for managing these risks are summarised below. These policies have been applied throughout the year.

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

Market price risk

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

Investment limits set out in the Trust Deed, Prospectus and in the rules contained in the Collective Investment Schemes Sourcebook mitigate the risk of excessive exposure to any particular security or issuer.

Foreign currency risk

The income and capital value of the Fund's investments can be affected by foreign currency translation movements as some of the Fund's assets and income may be denominated in currencies other than sterling which is the Fund's functional currency. It is however a part of the Fund's strategy to hedge a substantial part of its foreign currency exposure back to sterling.

The AFM has identified three principal areas where foreign currency risk could impact the Fund. These are, movements in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the period between when an investment purchase or sale is entered into and the date when settlement of the investment occurs, and finally movements in exchange rates affecting income received by the Fund. The Fund converts all receipts of income received in currency into sterling on the day of receipt.

Derivatives

A proportion of the Fund is invested in bonds denominated in currencies other than sterling. The Fund has the option when it is considered appropriate to hedge this foreign currency exposure by entering into forward foreign currency exchange contracts. This would reduce either the profits or losses which would otherwise arise on currency movements. In general the Fund does hedge a substantial part of its foreign currency exposure.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2025

RISK MANAGEMENT POLICIES (continued)

Credit and counterparty risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers which have been approved by the AFM as an acceptable counterparty.

The Fund invests in fixed interest bonds, which are generally viewed as lower-risk investments than equities. However the solvency of organisations with whom the Fund invests cannot be guaranteed, and any difficulty may adversely affect the Fund's performance. Although bonds have a fixed coupon or interest payment, the Fund will be buying and selling bonds on a regular basis, and so the overall level of income will fluctuate.

Lower graded bonds may have a higher risk of the issuer failing to meet its income or capital repayments when due.

Interest rate risk

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The Fund's cash holdings are held in deposit accounts, whose rates are determined by the banks concerned on a daily basis.

The Fund invests in fixed and floating rate securities. The income of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of the fund manager being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

Liquidity risk

The Fund's assets comprise mainly of readily realisable securities. The main liability of the Fund is the redemption of any units that investors wish to sell. Assets of the Fund may need to be sold if insufficient cash is available to finance such redemptions. The liquidity of the Fund's assets is regularly reviewed by the AFM.

4 NET CAPITAL GAINS

31 May 2025
£

31 May 2024
£

The net gains on investments during the year comprise:

Non-derivative securities (losses)/gains	(20,075)	423,677
Gains on forward foreign exchange contracts	42,864	26,361
Other currency losses	(2,538)	(5,544)
Transaction charges	(375)	(126)
Net capital gains	19,876	444,368

5 PURCHASES, SALES AND TRANSACTION COSTS

All purchases and sales are in debt securities.

31 May 2025
£

31 May 2024
£

Purchases excluding transaction costs	3,321,027	232,925
Total purchase transaction costs	-	-
Purchases including transaction costs	3,321,027	232,925
Sales excluding transaction costs	7,964,429	3,575,425
Total sale transaction costs	-	-
Sales net of transaction costs	7,964,429	3,575,425

Transaction handling charges

These are charges payable to the Custodian in respect of each transaction.

375

126

Average portfolio dealing spread

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

Average portfolio dealing spread at the balance sheet date

0.48%

0.62%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2025

6 REVENUE

	31 May 2025 £	31 May 2024 £
Interest on debt securities	196,534	316,774
Bank interest	7,539	5,923
Total revenue	204,073	322,697

7 EXPENSES

	31 May 2025 £	31 May 2024 £
Payable to the AFM or associate:		
AFM's periodic charge	42,546	78,151
Registration fees	1,579	2,989
	44,125	81,140
Other expenses:		
Trustee's fees	1,435	2,639
Safe custody fees	430	732
Financial Conduct Authority fee	29	23
Audit fee	9,788	10,277
Audit fee rebate	(9,840)	(3,107)
	1,842	10,564
Total expenses	45,967	91,704

8 TAXATION

	31 May 2025 £	31 May 2024 £
a Analysis of the tax charge for the year		
UK Corporation tax at 20%	-	-
Total tax charge for the year (see note 8(b))	-	-
b Factors affecting the tax charge for the year		
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for a unit trust (20%). The differences are explained below:		
Net revenue before taxation	158,106	230,993
UK Corporation tax at 20% (2024: 20%)	31,621	46,199
Effects of:		
Interest distribution allowable for taxation	(31,621)	(46,199)
Total tax charge for the year (see note 8(a))	-	-

9 DISTRIBUTIONS

	31 May 2025 £	31 May 2024 £
The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprise:		
1st Interim	54,751	72,629
2nd Interim	50,564	66,385
3rd Interim	17,349	61,879
Final	36,809	58,716
Add: Revenue deducted on cancellation of units	21,340	12,870
Deduct: Revenue received on issue of units	(1,449)	(2,410)
Distributions	179,364	270,069
Net revenue after taxation	158,106	230,993
Add: AFM's periodic charge to capital	21,258	39,076
	179,364	270,069

IFSL MARLBOROUGH GLOBAL CORPORATE BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2025

10 DEBTORS

	31 May 2025 £	31 May 2024 £
Amounts receivable for issue of units	48	39,968
Accrued income	49,771	147,857
Currency receivables	10,410	-
Prepaid expense	5,710	-
Total debtors	65,939	187,825

11 OTHER CREDITORS

	31 May 2025 £	31 May 2024 £
Amounts payable for cancellation of units	63	3,246
AFM's periodic charge and registration fees	1,099	6,112
Accrued expenses	742	7,437
Total other creditors	1,904	16,795

12 CASH AND CASH EQUIVALENTS

	31 May 2025 £	31 May 2024 £
Cash and bank balances	119,579	456,619
	119,579	456,619

13 RELATED PARTIES

The AFM is involved in all transactions in the units of the Fund, the aggregate values of which are set out in the statement of change in net assets attributable to unitholders and note 9. Amounts due from/to the AFM in respect of unit transactions at the year end are disclosed in notes 10 and 11, respectively. Amounts paid to the AFM in respect of the AFM's periodic charge and registration fees are disclosed in note 7. Amounts due (to)/from the AFM at the year end are £(1,114) (2024: £30,610).

In addition to the above, some units in the Fund are owned by directors of Investment Fund Services Limited, directors of Marlborough Group Holdings Limited, the immediate parent company of Investment Fund Services Limited, or directors of UFC Fund Management plc, the ultimate parent company of Investment Fund Services Limited, as set out below:

	31 May 2025	31 May 2024
Proportion of units owned by directors of:		
UFC Fund Management plc	0.44%	0.16%

Distributions were payable on the above holdings at the rates applicable to other unitholders.

14 UNIT CLASSES

The unit classes in issue for the Fund and the annual management charge for each unit class is as follows:

A Income	1.125%
P Income	0.375%

15 UNITHOLDERS' FUNDS RECONCILIATION

During the year the AFM has issued and cancelled units as set out below:

	A Income	P Income
Opening units in issue at 1 June 2024	11,744,533	7,737,878
Unit issues	351,566	430,271
Unit cancellations	(12,086,175)	(892,355)
Closing units in issue at 31 May 2025	9,924	7,275,794

16 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the Fund's portfolio would have the effect of increasing the return and net assets by £150,788 (2024: £386,863). A five per cent decrease would have an equal and opposite effect.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2025

RISK DISCLOSURES (continued)

Foreign currency risk

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

<u>Foreign currency exposure at 31 May 2025</u>	Investments £	Net other assets £	Total £
Euro	(5,962)	7,133	1,171
US dollar	223,776	(224,790)	(1,014)
	<u>217,814</u>	<u>(217,657)</u>	<u>157</u>

<u>Foreign currency exposure at 31 May 2024</u>	Investments £	Net other assets £	Total £
Euro	-	3	3
US dollar	140	-	140
	<u>140</u>	<u>3</u>	<u>143</u>

Foreign currency risk sensitivity

A five per cent decrease in the value of sterling relative to the foreign currencies above would have the effect of increasing the return and net assets by £8 (2024: 7). A five per cent increase would have an equal and opposite effect.

Derivatives risk

The underlying exposure to forward currency contracts at 31 May 2025 was a net unrealised gain of £29,647 (2024: nil).

Interest rate risk

31 May 2025
£

31 May 2024
£

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

Financial assets fixed interest rate

Sterling	1,564,921	7,737,127
Euro	524,968	-
US dollar	925,861	140
	<u>3,015,750</u>	<u>7,737,267</u>

Financial assets floating rate^A

Sterling	119,024	456,616
Euro	504	3
US dollar	51	-
	<u>119,579</u>	<u>456,619</u>

Financial assets non-interest bearing instruments

Sterling	36,248	187,825
Euro	10,711	-
US dollar	48,627	-
	<u>95,586</u>	<u>187,825</u>

Financial liabilities non-interest bearing instruments

Sterling	(38,713)	(75,511)
	<u>(38,713)</u>	<u>(75,511)</u>
	<u>3,192,202</u>	<u>8,306,200</u>

^A Floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to SONIA or an international equivalent borrowing rate. Interest on investments is variable based on the distribution received from underlying investments.

Interest rate risk sensitivity

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. A half of one per cent increase in interest rates would have the effect of decreasing the return and net assets by £100,277 (2024: £218,512). A half of one per cent decrease would have an equal and opposite effect.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2025

RISK DISCLOSURES (continued)

Debt security credit analysis

	31 May 2025	31 May 2024
	Bid value (£)	
Investments of investment grade	2,981,915	7,038,629
Investments below investment grade:	24,582	523,698
Unrated	9,253	174,940
Total of debt securities	3,015,750	7,737,267

Liquidity risk

31 May 2025	31 May 2024
£	£

The following table provides a maturity analysis of the Fund's financial liabilities:

Within one year

Non-derivatives	Distribution payable	36,809	58,716
	Other creditors	1,904	16,795
		38,713	75,511

17 FAIR VALUE HIERARCHY FOR INVESTMENTS

	31 May 2025		31 May 2024	
Basis of valuation	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	354,681	-	-	-
Level 2 - Observable market data	2,690,716	-	7,737,267	-
Level 3 - Unobservable data	-	-	-	-
	3,045,397	-	7,737,267	-

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

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

In accordance with FRS102 the Fund classifies fair value measurement under the following levels:

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

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

Level 3 - Valuation techniques using unobservable inputs.

18 POST BALANCE SHEET EVENTS

Since 30 May 2025, the Net Asset Value per unit has changed as follows:

	Net Asset Value per unit (pence)		
	30 May 2025 ^A	23 September 2025	Movement (%)
A Income	42.22	42.76	1.28%
P Income	44.28	44.83	1.24%

^A These Net Asset Values differ from those in the Comparative Table as they are the quoted Net Asset Values.

IFSL MARLBOROUGH GLOBAL CORPORATE BOND FUND

DISTRIBUTION TABLE

First quarter distribution for the period from 1 June 2024 to 31 August 2024

Group 1: units purchased prior to 1 June 2024

Group 2: units purchased on or after 1 June 2024

		Gross revenue 31 August 2024 pence per unit	Equalisation 31 August 2024 pence per unit	Distribution paid 31 October 2024 pence per unit	Distribution paid 31 October 2023 pence per unit
A Income	Group 1	0.289964	-	0.289964	0.287402
	Group 2	0.140421	0.149543	0.289964	0.287402
P Income	Group 1	0.345320	-	0.345320	0.338477
	Group 2	0.113323	0.231997	0.345320	0.338477

Second quarter distribution for the period from 1 September 2024 to 30 November 2024

Group 1: units purchased prior to 1 September 2024

Group 2: units purchased on or after 1 September 2024

		Gross revenue 30 November 2024 pence per unit	Equalisation 30 November 2024 pence per unit	Distribution paid 31 January 2025 pence per unit	Distribution paid 31 January 2024 pence per unit
A Income	Group 1	0.291375	-	0.291375	0.286151
	Group 2	0.172341	0.119034	0.291375	0.286151
P Income	Group 1	0.346615	-	0.346615	0.337397
	Group 2	0.119141	0.227474	0.346615	0.337397

Third quarter distribution for the period from 1 December 2024 to 28 February 2025

Group 1: units purchased prior to 1 December 2024

Group 2: units purchased on or after 1 December 2024

		Gross revenue 28 February 2025 pence per unit	Equalisation 28 February 2025 pence per unit	Distribution paid 30 April 2025 pence per unit	Distribution paid 30 April 2024 pence per unit
A Income	Group 1	0.178670	-	0.178670	0.283542
	Group 2	0.066525	0.112145	0.178670	0.283542
P Income	Group 1	0.237364	-	0.237364	0.336905
	Group 2	0.034414	0.202950	0.237364	0.336905

Final distribution for the period from 1 March 2025 to 31 May 2025

Group 1: units purchased prior to 1 March 2025

Group 2: units purchased on or after 1 March 2025

		Gross revenue 31 May 2025 pence per unit	Equalisation 31 May 2025 pence per unit	Distribution paid 31 July 2025 pence per unit	Distribution paid 31 July 2024 pence per unit
A Income	Group 1	0.440835	-	0.440835	0.279854
	Group 2	0.232545	0.208290	0.440835	0.279854
P Income	Group 1	0.505312	-	0.505312	0.334044
	Group 2	0.317202	0.188110	0.505312	0.334044

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