

Investment Fund Services

IFSL Marlborough Global Innovation Fund

Annual Report and Audited
Financial Statements

for the year ended 30 April 2024

IFSL MARLBOROUGH GLOBAL INNOVATION FUND

CONTACT INFORMATION

Registered Office

Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

Authorised Corporate Director (ACD)

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
Dom Clarke
Helen Derbyshire - resigned, 11 December 2023
Helen Redmond
Sally Helston
Guy Sears (Independent Non-Executive) - resigned, 25 March 2024
Katherine Damsell (Independent Non-Executive) - appointed, 25 March 2024
Sarah Peaston (Independent Non-Executive)

Investment Manager

Marlborough Investment Management Limited
PO Box 1852
Croxall
Staffordshire
WS13 8XU

Authorised and regulated by the Financial Conduct Authority.

Sub-investment Manager

Canaccord Genuity Asset Management Limited
88 Wood Street
London
EC2V 7QR

Authorised and regulated by the Financial Conduct Authority.

Depository

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 (from 1 June 2024)

SS&C Financial Services International Limited
Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

Administrator and Registrar (to 1 June 2024)

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

Auditor

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

IFSL MARLBOROUGH GLOBAL INNOVATION FUND

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IFSL MARLBOROUGH GLOBAL INNOVATION FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 30 April 2024

Performance to 30 April 2024

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL Marlborough Global Innovation Fund	21.50%	6.84%	(22.80)%	46.39%
IA Global sector	16.77%	14.27%	15.06%	51.87%

External Source of Economic Data: Morningstar (P Accumulation - quoted price to quoted price).

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 share class is calculated in sterling.

Investment commentary

Performance statement

During the period the sub-fund's P Accumulation shares rose 6.84%. The sub-fund's benchmark (comparator for performance purposes), the Investment Association Global Sector, rose 14.27% over the same period.

Market review

Major equity indices in the USA, Europe and the UK hit record highs towards the end of the reporting period, as market participants grew increasingly confident that interest rates have peaked and that inflation, whilst potentially remaining higher than expected, has stabilised and is broadly heading downward.

The returns from US equity markets were vastly superior throughout the period as the so-called 'Magnificent Seven' (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, Tesla) accounted for most of the positive performance, with the artificial intelligence theme being a driving catalyst. Shares in small and medium-sized companies rallied in the second half of the period, albeit still lagging the Magnificent Seven. Additionally, after a torrid couple of years in terms of share price performance, several UK listed companies showed a marked improvement and positively contributed to the sub-fund's return. This is a trend we expect to continue as fundamentals continue to progress and the valuations of smaller companies generally look attractive relative to international peers, particularly those in the US.

Sub-fund performance and activity

At the time of writing the sub-fund holds 39 actively traded stocks. The geographic exposure at the end of the period was around 35% quoted US companies, 30% UK, 12% Europe, 18% Rest of World with the balance in cash.

The contributors during the period were led by emerging winner, Vertex, the tax compliance and reporting software business, which rose 41%. The company executed well, reporting earnings upgrades throughout the period demonstrating it could generate profitable growth. Establishing partnerships with systems integrators such as Accenture and showing progress in transitioning more clients to the cloud should boost Vertex's longer-term growth. Electrical contractor and established innovator, MYR Group, rose 30% in the period on the back of strong execution supported by positive clean energy and data centre developments. The sub-fund initiated a position in MYR in August 2021, recognising the company as a play on the capital investment required for energy transition and data centre expansion. The company was likely to benefit from the USA's Inflation Reduction Act, which encompasses a broad range of infrastructure projects.

A notable detractor included emerging winner, Big Technologies, the remote monitoring technology provider whose products and services are principally used to track offenders, which fell 44%. In early 2024, management announced earnings will be below expectations as the company had missed out on a large UK tender and they expected a contract with one of its largest customers based in Columbia would not be renewed. These setbacks were clearly disappointing, and we suspect local politics played a key role in the outcomes, which were not suggestive to us of technological inferiority. Moving forward, the company expects to benefit from US expansion and renewals from its existing customer base, and we take comfort in management's decision to acquire more shares on the back of a weak share price. It should be noted the sub-fund also took advantage and increased the position at 90p. The shares closed at 142p at the time of writing.

The sub-fund continued to benefit from takeovers during the period. Digital transformation provider Kin & Carta was acquired by private equity player, Apax Partners. Rover Group, the online marketplace for pet care, was acquired by private equity house, Blackstone. Most recently, telecoms equipment and network testing provider, Spirent Communications, received competing bids from larger peers, Viavi Solutions and later from Keysight Technologies, valuing the business at c.\$1.5bn.

Notable additions in the period included emerging winner, Suess MicroTec, the German semiconductor equipment manufacturer; its share price has risen around 90% since we initiated a position. The sub-fund also initiated and built up a position in emerging winner, Gentrack, the billing and CRM software provider to energy and water utility companies; its share price has risen close to 88% since we initiated a position.

Notable sales included FD Technologies after we lost confidence in the CEO in the wake of weaker growth within its core Kx division.

IFSL MARLBOROUGH GLOBAL INNOVATION FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 30 April 2024

Investment commentary (continued)

Market outlook

Investors have scaled back the prospect of US interest rate cuts in 2024 and select commentators have even suggested the Federal Reserve (Fed) could instigate a rate hike, although the market is giving little credence to this, and it is not our base case. In contrast, UK and European economic data are more conducive to rate cuts, potentially in the summer, which could bode well for risk assets, should employment and consumer spending remain intact, with inflationary pressures subsiding. Irrespective of the macroeconomic environment, many portfolio companies are either trading well or showing tangible signs of recovery, and we are encouraged to see solid fundamentals being rewarded with increasing share prices. It must be reiterated that the long-term fundamentals of many of our holdings remain compelling and we continue to see this value highlighted by continuing interest in our assets from both trade and financial acquirers.

Canaccord Genuity Asset Management Limited
21 May 2024

Distributions

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>A Accumulation (pence per share)^A</u>				
Net accumulation paid 30 June	N/A	-	-	-
Net accumulation paid 31 December		N/A	-	-
<u>P Accumulation (pence per share)</u>				
Net accumulation paid 30 June	-	-	-	-
Net accumulation paid 31 December		1.1904	1.7378	-

^A On 30 August 2023, the A Accumulation share class was converted to the P Accumulation share class, and the A Accumulation share class was closed.

Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
MercadoLibre	1,050,754
PowerSchool Holdings	1,034,169
IONOS Group	793,873
Workiva 'A'	759,668
Toast 'A'	641,273
Verra Mobility	629,697
Vertex	528,177
Samsung Electronics Co GDR	492,292
Gentrack Group	478,039
Munters Group	433,154
Other purchases	3,569,957
Total purchases for the year	10,411,053
<u>Largest sales</u>	<u>Proceeds (£)</u>
Kape Technologies	2,124,356
Kin and Carta	1,533,204
Boku 'Reg S'	1,530,494
Bytes Technology Group	1,286,295
RWS Holdings	1,141,946
Idox	1,125,165
Altair Engineering	1,087,618
MYR Group	1,031,586
ActiveOps	1,004,999
Qualcomm	951,608
Other sales	7,459,149
Total sales for the year	20,276,420

IFSL MARLBOROUGH GLOBAL INNOVATION FUND

AUTHORISED STATUS

IFSL Marlborough Global Innovation Fund (the Company) is an open-ended investment company (OEIC) with variable capital incorporated under the OEIC Regulations. The Company is a UCITS scheme as defined in the Collective Investment Schemes Sourcebook (COLL). The Company is incorporated in England and Wales with the registration number IC000219 and is authorised and regulated by the Financial Conduct Authority with effect from 28 March 2003. The shareholders are not liable for the debts of the Company.

The sub-funds of the Company are segregated by law under the Protected Cell Regime. In the event that one sub-fund in the Company is unable to meet its liabilities, the assets of another sub-fund within the Company will not be used to settle those liabilities.

The Company currently has one sub-fund; IFSL Marlborough Global Innovation Fund (the sub-fund).

GENERAL INFORMATION

Investment objective

The investment objective of the sub-fund is to grow the value of your holdings through capital growth, which is profit on an investment, over a period of at least 5 years. However, there is no certainty this will be achieved.

Investment policy

At least 80% of the sub-fund will invest in shares in companies listed globally.

The sub-fund can hold up to 75% in shares issued in any single country. It is expected that at least 50% of the sub-fund will be invested in a mixture of companies listed in North America or UK markets.

A minimum of 50% of the sub-fund will be invested in smaller companies, as defined by smaller companies indices in their respective country of listing at the time of the initial purchase.

Companies purchased will be those which the Investment Manager considers to be innovative. These are typically companies the Investment Manager believes to be operating in high-growth industries, with superior business models, which are significantly technology enabled and have distinctive intellectual property.

Following this investment philosophy, the sub-fund may invest in other securities which offer returns linked to the company performance, such as, preference shares, convertible bonds, listed warrants and up to 10% through exchange traded funds which themselves invest in company shares.

The sub-fund may, from time to time, hold shares in companies that become unquoted following investment, due to a delisting or other corporate event, for example. The sub-fund will not make new investment into the shares of companies that are unquoted.

The sub-fund is actively managed, which means the Investment Manager decides which investments to buy and sell and when. There are no further constraints to industry, sector or geography, other than the aforementioned constraints.

The sub-fund will normally hold a cash balance to enable ready settlement of liabilities (including redemption of shares) and efficient management of the sub-fund both generally and in relation to strategic objectives. In extreme market conditions this may be up to 20% of the sub-fund but it is anticipated this will be infrequent.

For cash management purposes, the sub-fund may also hold short dated government bonds.

Assessing performance

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 sub-fund's investment policy puts it in the IA Global sector. You may want to assess the sub-fund's performance compared to the performance of this sector.

Investors should note that whilst the IA Global sector represents the global nature of the sub-fund, the sector also contains other funds investing across the market capitalisation spectrum from large companies to small companies. Therefore, when the shares of larger companies perform better than the shares of smaller companies, the sub-fund is more likely to underperform the sector. Conversely, the sub-fund is more likely to outperform the sector when the shares of smaller companies perform better than the shares of larger companies. Owing to an investment focus on innovative companies, the sub-fund may also have less or more exposure to certain market segments than the average fund in the sector, and may lead to deviation from the sector from a performance perspective.

IFSL MARLBOROUGH GLOBAL INNOVATION FUND

GENERAL INFORMATION

Rights and terms attaching to each share class

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

Assessment of value

The ACD is required to carry out an assessment of value at least annually and publish its findings in a report to investors. The Company is assessed and reported on, in a composite report which the ACD publishes on the website www.ifsfunds.com. The next report is expected to be published by 30 September 2024.

Taskforce on climate related financial disclosures

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

Changes in prospectus

No significant changes have been made since the last report.

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

Remuneration policy

In line with the requirements of UCITS V, Investment Fund Services Limited (the ACD) 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 2023 (the ACD'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 ACD who have a material impact on the risk profile of the Company				
Senior management	8	908,018	768,628	139,390
Risk takers and other identified staff	4	411,040	375,277	35,763
Allocation of total remuneration of the employees of the ACD to the Company				
Senior management	0.04	4,220	3,572	648
Risk takers and other identified staff	0.02	1,910	1,744	166

The total number of staff employed by the ACD's group was 238 as at 30 September 2023. The total remuneration paid to those staff was £12,464,744 of which £4,346,942 is attributable to the ACD.

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

IFSL MARLBOROUGH GLOBAL INNOVATION FUND

AUTHORISED CORPORATE DIRECTOR'S 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.



Allan Hamer
Director



Helen Redmond
Director

Investment Fund Services Limited
30 August 2024

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

The Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL) requires the Authorised Corporate Director (ACD) to prepare financial statements for each accounting year which give a true and fair view of the financial position of the Company and of its net revenue and net capital gains for the year.

In preparing those financial statements the ACD 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 Company will continue in operation.

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

The ACD 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 ACD to take all necessary steps as a director to familiarise itself with any relevant audit information and to establish that the auditor is aware of that information.

IFSL MARLBOROUGH GLOBAL INNOVATION FUND

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

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the IFSL Marlborough Global Innovation Fund ("the Company") for the Period Ended 30 April 2024

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation 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 Company and its investors.

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

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Corporate Director ("the ACD"), 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 Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

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

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

HSBC Bank plc
30 August 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL MARLBOROUGH GLOBAL INNOVATION FUND

Opinion

We have audited the financial statements of IFSL Marlborough Global Innovation Fund ("the Company") comprising of its sub-fund for the period ended 30 April 2024, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Company, 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 Company comprising of its sub-fund as at 30 April 2024 and of the net revenue and the net capital gains on the scheme property of the Company comprising of its sub-fund for the period 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 Company 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 ("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 Corporate Director's ("the ACD") 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 Company'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 ACD 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 Company'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 ACD 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 INNOVATION FUND

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL MARLBOROUGH GLOBAL INNOVATION 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 Instrument of Incorporation;
- 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 ACD's report for the financial period 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 ACD

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities set out on page 5, the ACD 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 ACD 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 ACD is responsible for assessing the Company'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 ACD either intends to wind up or terminate the Company 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 SHAREHOLDERS OF IFSL MARLBOROUGH GLOBAL INNOVATION 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 Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP) including FRS 102, Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the OEIC Regulations, the Company's Instrument of Incorporation and the Prospectus.
- We understood how the Company is complying with those frameworks through discussions with the ACD and the Company's administrators and a review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution. We identified fraud risks in relation to incomplete or inaccurate revenue recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution. In response to our fraud risk, we tested the appropriateness of management's classification of a sample of special dividends as either a capital or revenue return.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the ACD 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 Company.
- Due to the regulated nature of the Company, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

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

Use of our report

This report is made solely to the Company's Shareholders, 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 Company's Shareholders 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 Company and the Company's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Statutory Auditor
Edinburgh

30 August 2024

Notes:

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

IFSL MARLBOROUGH GLOBAL INNOVATION FUND

COMPARATIVE TABLE

<u>A Accumulation shares</u>	Period to 30.08.2023^A	Year to 30.04.2023	Year to 30.04.2022
Change in net assets per share	pence	pence	pence
Opening net asset value per share	779.93	860.41	1,096.16
Return before operating charges*	(25.47)	(67.53)	(218.29)
Operating charges	(4.16)	(12.95)	(17.46)
Return after operating charges*	(29.63)	(80.48)	(235.75)
Distributions on accumulation shares	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	750.30 ^B	779.93	860.41
* after direct transaction costs of:	0.66	0.44	1.74
Performance			
Return after charges ^D	(3.80)%	(9.35)%	(21.51)%
Other information			
Closing net asset value (£)	- ^C	6,312,961	8,225,127
Closing number of shares	- ^C	809,427	955,954
Operating charges	1.59% ^E	1.59%	1.66%
Direct transaction costs	0.08%	0.05%	0.17%
Prices (pence per share)			
Highest share price	801.66	872.93	1,187.41
Lowest share price	730.91	756.66	863.71
<u>P Accumulation shares</u>	Year to 30.04.2024	Year to 30.04.2023	Year to 30.04.2022
Change in net assets per share	pence	pence	pence
Opening net asset value per share	842.14	922.03	1,165.93
Return before operating charges*	65.60	(72.55)	(233.78)
Operating charges	(6.99)	(7.34)	(10.12)
Return after operating charges*	58.61	(79.89)	(243.90)
Distributions on accumulation shares	(1.19)	(1.74)	-
Retained distributions on accumulation shares	1.19	1.74	-
Closing net asset value per share	900.75	842.14	922.03
* after direct transaction costs of:	0.70	0.47	1.84
Performance			
Return after charges ^D	6.96%	(8.66)%	(20.92)%
Other information			
Closing net asset value (£)	42,985,004	48,861,312	62,373,442
Closing number of shares	4,772,117	5,802,017	6,764,798
Operating charges	0.84% ^E	0.84%	0.91%
Direct transaction costs	0.08%	0.05%	0.91%
Prices (pence per share)			
Highest share price	903.93	940.90	1,267.91
Lowest share price	731.18	816.60	925.49

^A On 30 August 2023, the A Accumulation share class was converted to the P Accumulation share class, and the A Accumulation share class was closed.

^B Closing net asset value per share is based on the last available quoted price.

^C Closing net asset value and closing number of shares as at 30 August 2023.

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

^E On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

IFSL MARLBOROUGH GLOBAL INNOVATION FUND

PORTFOLIO STATEMENT

as at 30 April 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
ARGENTINA (30 April 2023 - 0.48%)		
1,250 MercadoLibre	1,455,819	3.39
Total Argentina	<u>1,455,819</u>	<u>3.39</u>
AUSTRALIA (30 April 2023 - 1.30%)		
1,000,000 Acusensus	326,738	0.76
4,550,011 Dropsuite	625,342	1.46
Total Australia	<u>952,080</u>	<u>2.22</u>
FRANCE (30 April 2023 - 3.24%)		
2,400 Esker	357,857	0.83
12,500 VusionGroup	1,643,936	3.82
Total France	<u>2,001,793</u>	<u>4.65</u>
GERMANY (30 April 2023 - 2.15%)		
41,700 IONOS Group	854,676	1.99
12,250 SÜSS MicroTec	485,933	1.13
250,000 Tonies	1,088,841	2.53
Total Germany	<u>2,429,450</u>	<u>5.65</u>
ISRAEL (30 April 2023 - 1.12%)		
2,832,000 BATM Advanced Communications	511,176	1.19
Total Israel	<u>511,176</u>	<u>1.19</u>
JAPAN (30 April 2023 - 4.14%)		
23,750 Sony Group ADR	1,566,386	3.64
Total Japan	<u>1,566,386</u>	<u>3.64</u>
NEW ZEALAND (30 April 2023 - Nil)		
227,000 Gentrack Group	884,148	2.06
Total New Zealand	<u>884,148</u>	<u>2.06</u>
SINGAPORE (30 April 2023 - 1.00%)		
32,256 Karooooo	748,462	1.74
Total Singapore	<u>748,462</u>	<u>1.74</u>
SOUTH KOREA (30 April 2023 - 1.31%)		
1,190 Samsung Electronics Co GDR	1,339,279	3.12
Total South Korea	<u>1,339,279</u>	<u>3.12</u>
SWEDEN (30 April 2023 - Nil)		
33,500 Munters Group	541,605	1.26
Total Sweden	<u>541,605</u>	<u>1.26</u>
UNITED KINGDOM (30 April 2023 - 43.96%)		
250,000 acceso Technology Group	1,650,000	3.84
1,000,000 ActiveOps	1,050,000	2.44
700,000 Big Technologies	1,046,500	2.43
400,000 Celebrus Technologies	840,000	1.95
2,000,000 Idox	1,308,000	3.04
7,726,748 IQE	2,221,440	5.17
1,300,000 NCC Group	1,760,200	4.10
335,000 Playtech	1,775,500	4.13
560,000 Spirent Communications	1,090,320	2.54
60,000 Water Intelligence	198,000	0.46
19,527,671 Xeros Technology Group	253,860	0.59
Total United Kingdom	<u>13,193,820</u>	<u>30.69</u>

IFSL MARLBOROUGH GLOBAL INNOVATION FUND

PORTFOLIO STATEMENT

as at 30 April 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
UNITED STATES (30 April 2023 - 28.83%)		
24,831 Altair Engineering	1,593,254	3.71
7,000 Analog Devices	1,121,219	2.61
35,000 Aviat Networks	935,141	2.18
975,000 Boku 'Reg S'	1,686,750	3.92
17,000 Energy Recovery	202,189	0.47
680 Medpace Holdings	210,863	0.49
1,540 Microsoft	478,747	1.11
16,150 MYR Group	2,144,733	4.99
65,000 PowerSchool Holdings	899,237	2.09
36,000 Toast 'A'	679,484	1.58
37,000 Verra Mobility	696,881	1.62
80,000 Vertex	1,860,777	4.33
10,000 Workiva 'A'	629,658	1.47
20,800 Xylem	2,171,627	5.05
Total United States	15,310,560	35.62
UNQUOTED SECURITIES (30 April 2023 - 0.00%)		
64,600 NexJ Health ^A	-	-
Total Unquoted Securities	-	-
Portfolio of investments	40,934,578	95.23
Net other assets	2,050,426	4.77
Total net assets	42,985,004	100.00

^A NexJ Health is unlisted and valued at zero, based on the latest information received.

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 INNOVATION FUND

STATEMENT OF TOTAL RETURN

for the year ended 30 April 2024

	Notes	30 April 2024		30 April 2023	
		£	£	£	£
Income:					
Net capital gains(losses)	4		2,479,212		(5,923,672)
Revenue	6	458,011		648,790	
Expenses	7	<u>(403,955)</u>		<u>(571,875)</u>	
Net revenue before taxation		54,056		76,915	
Taxation	8	<u>(14,909)</u>		<u>(20,766)</u>	
Net revenue after taxation			<u>39,147</u>		<u>56,149</u>
Total return before distributions			2,518,359		(5,867,523)
Distributions	9		(75,866)		(105,206)
Change in net assets attributable to shareholders from investment activities			<u>2,442,493</u>		<u>(5,972,729)</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 30 April 2024

	30 April 2024		30 April 2023	
	£	£	£	£
Opening net assets attributable to shareholders		55,174,273		70,598,569
Amounts receivable on issue of shares	6,436,531		1,090,938	
Amounts payable on cancellation of shares	<u>(21,139,229)</u>		<u>(10,647,432)</u>	
Amounts payable on share class conversions	-		<u>(1,178)</u>	
		(14,702,698)		(9,557,672)
Dilution adjustment		3,398		-
Change in net assets attributable to shareholders from investment activities		2,442,493		(5,972,729)
Retained distribution on accumulation shares		67,538		106,105
Closing net assets attributable to shareholders		<u>42,985,004</u>		<u>55,174,273</u>

IFSL MARLBOROUGH GLOBAL INNOVATION FUND

BALANCE SHEET

as at 30 April 2024

	Notes	30 April 2024	30 April 2023
		£	£
Assets:			
Fixed Assets:			
Investments	16	40,934,578	48,295,838
Current Assets:			
Debtors	10	105,292	99,934
Cash and bank balances		2,195,886	7,036,693
Total assets		<u>43,235,756</u>	<u>55,432,465</u>
Liabilities:			
Creditors:			
Bank overdrafts		-	24,761
Other creditors	11	250,752	233,431
Total liabilities		<u>250,752</u>	<u>258,192</u>
Net assets attributable to shareholders		<u>42,985,004</u>	<u>55,174,273</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2024

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 sub-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 sub-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 Corporate Director (ACD) believes that the sub-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

Dividends from quoted ordinary securities are recognised when the security is quoted ex-dividend.

Dividends from non-quoted securities are recognised when the right to receive payment is established.

Bank interest is accounted for on an accruals basis.

Allocation of revenue

Revenue, attributable after expenses to multiple share classes, with the exception of the ACD's periodic charge, which is directly attributable to individual share classes, is allocated to share classes pro-rata to the value of the assets of the relevant share 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.

Valuation

The valuation point was 23:59 midnight on 30 April 2024 being the last valuation point of the accounting year.

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

Unlisted, unapproved, illiquid or suspended securities are valued at the ACD's best estimate of the amount that would be received from the immediate transfer at arm's length in a manner designed to show fair value. This modelling takes into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance, maturity of the company and other relevant factors.

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 23:59 midnight on 30 April 2024 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 sub-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 sub-fund. This is known as "dilution". Under certain circumstances dilution may have a material adverse effect on the existing/continuing shareholders' interest in the sub-fund. In order to counter this and to protect shareholders' interests, the ACD will apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the sub-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 30 April 2024

2 DISTRIBUTION POLICIES

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

During the year, the sub-fund was less than 60% invested in qualifying investments (as defined by SI 2006/964, Reg. 20) and therefore qualified as an equity fund. The sub-fund paid dividend distributions.

Equalisation

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

Stock and special dividends

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue of the sub-fund. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of any distribution.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue of the sub-fund. Amounts recognised as capital are deducted from the cost of the investment. The tax accounting treatment follows the treatment of the principal amount.

3 RISK MANAGEMENT POLICIES

In pursuing its investment objective, the sub-fund holds a number of financial instruments. The sub-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 sub-fund's financial instruments and the ACD's policies for managing these risks are summarised below. These policies have been applied throughout the year.

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

Investment limits set out in the Instrument of Incorporation, the Prospectus and 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 sub-fund's investments can be affected by foreign currency translation movements as most of the sub-fund's assets and income may be denominated in currencies other than sterling which is the sub-fund's functional currency.

The ACD has identified three principal areas where foreign currency risk could impact the sub-fund. These are, movements in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements in 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 sub-fund. The sub-fund converts all receipts of income, received in currency, into sterling on the day of receipt.

Credit and counterparty risk

Certain transactions in securities that the sub-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 sub-fund has fulfilled its responsibilities. The sub-fund only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2024

RISK MANAGEMENT POLICIES (continued)

Interest rate risk

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

Liquidity risk

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

4 NET CAPITAL GAINS/(LOSSES)

30 April 2024

30 April 2023

£

£

The net gains/(losses) on investments during the year comprise:

Non-derivative securities gains/(losses)	2,504,136	(5,920,577)
Currency losses	(23,445)	(1,712)
Transaction charges	(1,479)	(1,383)
Net capital gains/(losses)	2,479,212	(5,923,672)

5 PURCHASES, SALES AND TRANSACTION COSTS

30 April 2024

30 April 2023

£

£

Purchases excluding transaction costs:

Equities	9,842,456	8,458,221
Corporate actions	553,749	1,796,115
	<u>10,396,205</u>	<u>10,254,336</u>

Equities:	Commissions	11,642	9,414
	Taxes and other charges	3,206	4,288
		<u>14,848</u>	<u>13,702</u>

Total purchases transaction costs	14,848	13,702
Purchases including transaction costs	10,411,053	10,268,038

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

Equities:	Commissions	0.12%	0.11%
	Taxes and other charges	0.03%	0.05%

Sales excluding transaction costs:

Equities	17,856,780	16,104,053
Corporate actions	2,445,270	4,907,082
	<u>20,302,050</u>	<u>21,011,135</u>

Equities:	Commissions	(25,568)	(19,214)
	Taxes and other charges	(62)	(144)
		<u>(25,630)</u>	<u>(19,358)</u>

Total sales transaction costs	(25,630)	(19,358)
Sales net of transaction costs	20,276,420	20,991,777

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

Equities:	Commissions	0.14%	0.12%
	Taxes and other charges	0.00%	0.00%

Total purchases and sales transaction costs expressed as a percentage of the average net asset value over the year:

Commissions	0.08%	0.04%
Taxes and other charges	0.00%	0.01%
	<u>0.08%</u>	<u>0.05%</u>

Transaction costs are commissions paid to agents, levies by regulatory agencies and securities exchanges, and transfer taxes and duties associated with investment transactions on the sub-fund. These exclude any differences between quoted bid and offer prices or internal administrative on holding costs.

Transaction handling charges

These are charges payable to the depositary in respect of each transaction:	1,479	1,383
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IFSL MARLBOROUGH GLOBAL INNOVATION FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2024

PURCHASES, SALES AND TRANSACTION COSTS (continued)	30 April 2024	30 April 2023
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	0.74%	1.04%
6 REVENUE	30 April 2024	30 April 2023
	£	£
UK dividends	238,887	420,531
Overseas dividends	117,026	140,422
Bank interest	102,098	87,837
Total revenue	<u>458,011</u>	<u>648,790</u>
7 EXPENSES	30 April 2024	30 April 2023
	£	£
Payable to the ACD or associate:		
ACD's periodic charge	359,358	520,333
Registration Fees	16,298	16,190
	<u>375,656</u>	<u>536,523</u>
Other expenses:		
Depository's fees	14,010	22,327
Safe custody fees	2,879	3,771
Bank interest	2,647	-
Financial Conduct Authority fee	27	(16)
Audit fee	8,736	9,270
	<u>28,299</u>	<u>35,352</u>
Total expenses	<u>403,955</u>	<u>571,875</u>
8 TAXATION	30 April 2024	30 April 2023
	£	£
a Analysis of the tax charge for the year		
Overseas tax	14,909	20,766
Total tax charge for the year (see note 8(b))	<u>14,909</u>	<u>20,766</u>
b Factors affecting the tax charge for the year		
The taxation assessed for the year is higher than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below.		
Net revenue before taxation	54,056	76,915
UK corporation tax at 20% (2023: 20%)	10,811	15,383
Effects of:		
Revenue not subject to taxation	(71,182)	(112,191)
Unrelieved excess management expenses	60,371	96,808
Overseas tax	14,909	20,766
Total tax charge for the year (see note 8(a))	<u>14,909</u>	<u>20,766</u>
c At 30 April 2024 the sub-fund has deferred tax assets of £1,884,193 (2023: £1,823,822) arising from surplus management expenses, which have not been recognised due to uncertainty over the availability of future taxable profits.		

IFSL MARLBOROUGH GLOBAL INNOVATION FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2024

9 DISTRIBUTIONS

	30 April 2024 £	30 April 2023 £
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim	67,538	106,105
Amounts deducted on cancellation of shares	12,039	82
Amounts added on issue of shares	(3,711)	197
Equalisation on conversions	-	(1,178)
Distributions	<u>75,866</u>	<u>105,206</u>
Net revenue after tax	39,147	56,149
Add: Shortfall in the period	36,719	49,057
	<u>75,866</u>	<u>105,206</u>

10 DEBTORS

	30 April 2024 £	30 April 2023 £
Sales awaiting settlement	100,945	-
Accrued income	4,347	47,307
Compensation to sub-fund ^A	-	52,627
Total debtors	<u>105,292</u>	<u>99,934</u>

^A This relates to trading errors for which the sub-fund is awaiting payment from the Depositary.

11 OTHER CREDITORS

	30 April 2024 £	30 April 2023 £
Amounts payable for cancellation of shares	83,007	174,334
Purchases awaiting settlement	119,439	-
ACD's periodic charge and registration fees	32,707	43,628
Accrued expenses	15,570	15,469
Currency payable	29	-
Total other creditors	<u>250,752</u>	<u>233,431</u>

12 RELATED PARTIES

The ACD is involved in all transactions in the shares of the sub-fund, the aggregate values of which are set out in the statement of change in net assets attributable to shareholders and note 9. Amounts due from/to the ACD in respect of share transactions at the year end are disclosed in notes 10 and 11, respectively. Amounts paid to the ACD or associates in respect of the ACD's periodic charge and registration fees are disclosed in note 7. Amounts due to the ACD at the year end are £14,769 (2023: £217,962).

In addition to the above, some shares in the sub-fund are owned by directors 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:

Proportion of shares owned by directors of Investment Fund Services Limited or UFC Fund Management plc	0.07%	0.11%
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Distributions were payable on the above holdings at the rates applicable to other shareholders.

13 SHARE CLASSES

The share classes in issue for the sub-fund and the annual management charge for each share class is as follows:

A Accumulation	1.50%
P Accumulation	0.75%

14 SHAREHOLDERS' FUNDS RECONCILIATION

During the year the ACD has issued, cancelled and converted shares from one share class to another as set out below:

	A Accumulation	P Accumulation
Opening shares in issue at 1 May 2023	809,427	5,802,017
Share issues	561	764,777
Share cancellations	(809,985)	(1,794,680)
Share conversions	(3)	3
Closing shares in issue at 30 April 2024	<u>-</u>	<u>4,772,117</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2024

15 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the sub-fund's portfolio would have the effect of increasing the return and net assets by £2,046,729 (2023: £2,414,792). A five per cent decrease would have an equal and opposite effect.

Foreign currency risk

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

Foreign currency exposure at 30 April 2024

	Investments £	Net other assets £	Total £
Australian dollar	1,836,228	-	1,836,228
Euro	4,431,243	(119,321)	4,311,922
Swedish krona	541,605	-	541,605
US dollar	18,733,756	-	18,733,756
	<u>25,542,832</u>	<u>(119,321)</u>	<u>25,423,511</u>

Foreign currency exposure at 30 April 2023

	Investments £	Net other assets £	Total £
Australian dollar	719,260	-	719,260
Euro	2,975,084	92	2,975,176
US dollar	16,922,488	1,305,128	18,227,616
	<u>20,616,832</u>	<u>1,305,220</u>	<u>21,922,052</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 £1,271,176 (2023: £1,096,103). A five per cent increase would have an equal and opposite effect.

Interest rate risk

30 April 2024

30 April 2023

£

£

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

Financial assets floating rate ^A	2,195,886	7,036,693
Financial assets non-interest bearing instruments	41,039,870	48,395,772
Financial liabilities floating rate ^A	-	(24,761)
Financial liabilities non-interest bearing instruments	<u>(250,752)</u>	<u>(233,431)</u>
	<u>42,985,004</u>	<u>55,174,273</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.

As most of the sub-fund's financial assets are non-interest bearing, an interest rate sensitivity analysis has not been included.

Liquidity risk

30 April 2024

30 April 2023

£

£

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

On demand:	Bank overdrafts	-	24,761
Within one year:	Other creditors	<u>250,752</u>	<u>233,431</u>
		<u>250,752</u>	<u>258,192</u>

IFSL MARLBOROUGH GLOBAL INNOVATION FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2024

16 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	30 April 2024		30 April 2023	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	40,934,578	-	48,295,838	-
Level 2 - Observable market data	-	-	-	-
Level 3 - Unobservable data	-	-	-	-
	<u>40,934,578</u>	<u>-</u>	<u>48,295,838</u>	<u>-</u>

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

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

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

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

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

Level 3 - Valuation techniques using unobservable inputs.

17 POST BALANCE SHEET EVENTS

Since 30 April 2024, the Net Asset Value per share has changed as follows:

P Accumulation	Net Asset Value per share (pence)		
	30 April 2024 ^A	27 August 2024	Movement (%)
	903.93	937.60	3.72%

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

IFSL MARLBOROUGH GLOBAL INNOVATION FUND

DISTRIBUTION TABLE

Interim distribution for the period from 1 May 2023 to 31 October 2023

Group 1: shares purchased prior to 1 May 2023

Group 2: shares purchased on or after 1 May 2023

		Net revenue 31 October 2023 pence per share	Equalisation 31 October 2023 pence per share	Distribution paid 31 December 2023 pence per share	Distribution paid 31 December 2022 pence per share
A Accumulation	Group 1	N/A	N/A	N/A	-
	Group 2	N/A	N/A	N/A	-
P Accumulation	Group 1	1.1904	-	1.1904	1.7378
	Group 2	0.2960	0.8944	1.1904	1.7378

Final distribution for the period from 1 November 2023 to 30 April 2024

Group 1: shares purchased prior to 1 November 2023

Group 2: shares purchased on or after 1 November 2023

		Net revenue 30 April 2024 pence per share	Equalisation 30 April 2024 pence per share	Distribution paid 30 June 2024 pence per share	Distribution paid 30 June 2023 pence per share
A Accumulation	Group 1	N/A	N/A	N/A	-
	Group 2	N/A	N/A	N/A	-
P Accumulation	Group 1	-	-	-	-
	Group 2	-	-	-	-

Investment Fund Services Limited
Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP

Investor Support: (0808) 178 9321 (FREEPHONE)

Email. ifslclientsupport@ifslfunds.com

Website. www.ifslfunds.com

Fax. (01204) 533 045

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