

Investment Fund Services

# IFSL Marlborough Multi-Asset OEIC

Annual Report and Audited  
Financial Statements

for the year ended 31 December 2023

## **IFSL MARLBOROUGH MULTI-ASSET OEIC**

### **CONTACT INFORMATION**

#### **Registered Office**

Marlborough House  
59 Chorley New Road  
Bolton  
BL1 4QP

#### **Authorised Corporate Director (ACD) and Registrar**

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  
Lichfield  
Staffordshire  
WS13 8XU

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.

#### **Auditor**

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

## **IFSL MARLBOROUGH MULTI-ASSET OEIC**

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## IFSL MARLBOROUGH MULTI-ASSET OEIC

### AUTHORISED STATUS

IFSL Marlborough Multi-Asset OEIC (the Company) is an open-ended investment company (OEIC) with variable capital incorporated under the OEIC Regulations. The Company is a non-UCITS Retail Scheme as defined in the Collective Investment Schemes Sourcebook (COLL) and is also an umbrella company for the purposes of the OEIC Regulations. The Company is an alternative investment fund and a UK AIF for the purposes of the UK AIFM Regime. The Company is incorporated in England and Wales with registered number ICO35607. The Company was authorised by an order made by the Financial Conduct Authority (FCA) with effect from 11 December 2020 under the Product Reference Number (PRN) 940806. The shareholders are not liable for the debts of the Company.

Shareholders of the sub-fund do not have any proprietary interest in the underlying assets of the Company and will not be liable for the debts of the Company. A sub-fund is not a legal entity. If the assets attributable to a sub-fund were insufficient to meet its liabilities the shortfall will not be met out of the assets attributable to one or more other sub-funds of the Company. The sub-fund is segregated by law under the Protected Cell Regime.

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

### GENERAL INFORMATION

#### IFSL Marlborough Conservative Fund

##### Investment objective

The investment objective of the sub-fund is to increase the value of your investment over any 5 year period, through a combination of capital growth, that is, profit on investments, and some income, that is, money paid out of an investment, such as interest from bonds or dividends from shares.

The sub-fund aims to outperform the average of the IA Mixed Investment 0-35% Shares sector, after charges, over any 5 year period. However, there is no certainty this will be achieved.

##### Investment policy

At least 80% of the sub-fund will be invested in other funds, including exchange traded funds (which typically track an index) and investment trusts.

This may include other funds operated by the Authorised Corporate Director or its associates. Through these investments, the sub-fund will be exposed to a range of asset classes, creating a low to medium risk portfolio.

Between 0-35% of the sub-fund will be exposed to shares in companies, both UK and overseas, but typically this will be between 15-30%.

At least 45% of the sub-fund will also be exposed to bonds, which are loans typically issued by companies and governments, and cash. This may include investment grade bonds, where the issuer has a higher capacity to repay the debt, as well as sub-investment grade bonds, which can be more vulnerable to changing market conditions but typically pay a higher rate of interest.

Through investing in funds, the sub-fund may also be exposed to other asset classes such as property, commodities (such as gold and oil), money market instruments, which are shorter term loans, cash and other permitted investments, such as warrants. Funds purchased may also have the ability to use derivatives (investments whose returns are linked to another asset, market or other variable factor) to varying degrees, including funds which aim to deliver positive returns in a range of market conditions, often referred to as absolute return funds.

The sub-fund may also invest in these asset classes directly (excluding property and commodities) up to a maximum of 20%.

The sub-fund is actively managed, which means the Investment Manager decides which investments to buy or sell and when. Investments will span a range of developed and emerging markets globally with no maximum or minimum exposure to any one market or geographical region.

Decisions around asset allocation are based on the Investment Manager's research process which considers the potential for loss as well as the overall return expectations for an asset class.

The sub-fund may use derivatives or forward transactions whose returns are linked to exchange rates in order to reduce currency risk (also known as hedging), however, this is likely to be infrequent.

## IFSL MARLBOROUGH MULTI-ASSET OEIC

### GENERAL INFORMATION

#### IFSL Marlborough Conservative Fund (continued)

##### Performance target

The performance benchmark is the level of performance the sub-fund aims to deliver after charges and with income reinvested 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. This sub-fund aims to be in the top half of all funds included in the IA Mixed Investment 0-35% Shares sector.

##### Investment strategy

Subject to the above, the sub-fund may invest in any asset class and adopt any investment technique or strategy permitted under the rules in COLL as such rules are applied to Non-UCITS Retail Schemes and in accordance with the investment and borrowing powers applicable to Non-UCITS Retail Schemes.

##### **Rights and terms attached 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 the 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. IFSL Marlborough Conservative Fund is assessed and reported on, in a composite report which the ACD publishes on the website [www.ifslfunds.com](http://www.ifslfunds.com). The next report is expected to be published in a composite report by 30 September 2024.

##### **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.

##### **Leverage**

In accordance with the Alternative Investment Fund Managers Directive (AIFMD) we are required to disclose the 'leverage' of the sub-fund. Leverage is defined as any method by which the sub-fund increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined in two ways: 'gross method' and 'commitment method'. The sub-fund must not exceed maximum exposures under both methods. 'Gross method' exposure is calculated as the sum of all positions of the sub-fund (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes. 'Commitment method' is also calculated as the sum of all positions of the sub-fund (both positive and negative), but after netting off any derivative and security positions as specified by AIFMD rules.

The total amount of leverage calculated for the sub-fund as at 31 December 2023 is as follows:

	<b>Gross Method</b>	<b>Commitment Method</b>
IFSL Marlborough Conservative Fund	98.05%	98.05%

The total amount of leverage calculated for the sub-fund as at 31 December 2022 is as follows:

	<b>Gross Method</b>	<b>Commitment Method</b>
IFSL Marlborough Conservative Fund	92.35%	88.33%

The maximum level of leverage which may be employed on behalf of the sub-fund when calculated in accordance with the gross method is 160%.

The maximum level of leverage which may be employed on behalf of the sub-fund when calculated in accordance with the commitment method is 110%.

## IFSL MARLBOROUGH MULTI-ASSET OEIC

### GENERAL INFORMATION

#### Remuneration policy

In line with the requirements of the AIFMD, Investment Fund Services Limited, the Alternative Investment Fund Manager (AIFM), 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 the AIFMD. 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 Alternative Investment Funds (AIFs) it manages.

The quantitative remuneration disclosures as at 30 September 2023 (the AIFM's year end) are set out below:

	Number of identified staff	Total remuneration paid £	Fixed remuneration paid £	Variable remuneration paid £
<b>Remuneration paid to staff of the AIFM who have a material impact on the risk profile of the Company</b>				
Senior management	8	908,018	768,628	139,390
Risk takers and other identified staff	4	411,040	375,277	35,763
<b>Allocation of total remuneration of the employees of the AIFM to the Company</b>				
Senior management	0.01	402	340	62
Risk takers and other identified staff	0.01	182	166	16

The total number of staff employed by the AIFM'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 AIFM. The information is provided for the purpose of Regulation 107(1)(a) of the AIFM regulations but not for the purposes of Regulations 107(1)(b) and (c) of the AIFM regulations.

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

## IFSL MARLBOROUGH MULTI-ASSET OEIC

### AUTHORISED CORPORATE DIRECTORS' STATEMENT

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



Allan Hamer  
Director



Dom Clarke  
Director

Investment Fund Services Limited  
2 April 2024

### STATEMENT OF 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 comprising of its sub-fund and of its net revenue and the 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 MULTI-ASSET OEIC

### 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 Multi-Asset OEIC ("the Company") for the Period Ended 31 December 2023

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds 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 Alternative Investment Fund Manager ("the AIFM") 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 Scheme documents and the Regulations 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 AIFM:

(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 in accordance with the Regulations and Scheme documents of the Company.

HSBC Bank plc  
2 April 2024



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL MARLBOROUGH MULTI-ASSET OEIC**

**Opinion**

We have audited the financial statements of IFSL Marlborough Multi-Asset OEIC ("the Company"), comprising its sub-fund, for the year ended 31 December 2023, 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 its sub-fund, as at 31 December 2023 and of the net revenue and the net capital gains on the scheme property of the Company 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 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 MULTI-ASSET OEIC**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IFSL MARLBOROUGH MULTI-ASSET OEIC**

#### **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 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 ACD**

As explained more fully in the ACDs responsibilities statement set out on page 4, 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 MULTI-ASSET OEIC**

**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.
- 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

2 April 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 MULTI-ASSET OEIC**  
**IFSL MARLBOROUGH CONSERVATIVE FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 31 December 2023

**Performance to 31 December 2023**

	<u>Six months</u>	<u>1 year</u>	<u>25.01.2021<sup>A</sup></u>
IFSL Marlborough Conservative Fund	4.54%	5.20%	(2.66)%
IA Mixed Investment 0-35% Shares sector	5.34%	6.06%	(2.67)%

<sup>A</sup> Since launch period ended.

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

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**

During the period under review, the sub-fund's P Income shares returned +5.20%. The Investment Association 0-35% Shares sector average, which is the sub-fund's benchmark\*, increased by 6.06% over the same time frame.

Market review

Many expected 2023 to be a very challenging year for both the global economy and stock markets, due to the impact of higher interest rates. As a result, most market commentators and economists were pessimistic. This view, however, turned out to be wrong and 2023 delivered a better outcome than many anticipated. There are several reasons for this. Firstly, inflation has fallen dramatically and continues to trend lower. This has enabled central bankers to end their interest rate hiking programmes and signal that they do not need to further increase rates. Economic activity has been more resilient than anticipated and recessions have been avoided by major developed market economies. Finally, companies' earnings have also held up well. All of this combined to provide a solid foundation for a pick-up in both equity\*\* and fixed income\*\*\* markets in the final quarter.

Sub-fund performance and activity

The sub-fund had more exposure to United Kingdom (UK) Government bonds than the benchmark and this contributed positively to performance compared to the benchmark. The sub-fund had less High Yield\*\*\*\* exposure than the benchmark with the difference invested in cash funds, or money market funds. These are invested in low-risk fixed income bonds generally maturing within one year. The sub-fund had less exposure than the benchmark to UK equities which contributed positively to performance, with the difference invested in Japanese equities. Compared to the benchmark, having a slightly higher exposure to Japan impacted negatively due to strong performance in other areas.

The sub-fund invests in funds across the different asset classes. In equities, the exposure to US growth and technology companies using a fund called NASDAQ 100 Exchange Traded Fund (ETF), was a top performer during the period. The Brook Global Emerging Markets fund struggled earlier in the period and was sold. An investment into the Baillie Gifford Emerging Markets Leading Companies

The Man GLG Sterling Corporate Bond fund continued to demonstrate good performance. Broadly, the funds with exposure to short-dated bonds (which typically hold bonds which mature within 5 years or less) performed better, whilst exposure to long-dated bonds (typically with maturity greater than 10 years) negatively impacted performance and was the main reason the sub-fund underperformed its stated benchmark during the period.

Market outlook and fund strategy

2024 will likely start with a similar level of caution from investors as that seen at the beginning of 2023. This is due to several factors. Firstly, 2024 is going to be one of the biggest years in history for elections, with 76 countries potentially going to the polls. This means 4.2 billion people could vote, representing 51% of the global population. This uncertainty has the potential to create short-term volatility. Of the elections with the most significant global market implications, Taiwan's presidential election will be the first to come into focus in January. The successful candidate's stance towards China will be the key element for investors to watch. The US presidential election will take place in November and is likely to dominate the headlines and leave investors feeling on edge. Finally, there is the UK election, which must be called by 17th December at the latest.

The Multi-Asset Team's central case is that falling inflation will lead to interest rate cuts, and that there may be a modest rather than dramatic slowdown in economic growth. This paves the way for government bonds to take the spotlight from cash as investors seek out attractive sources of income. In equities, the expectation would be of a more broad-based recovery, rather than the picture being dominated by a limited number of the largest technology companies.

Marlborough Investment Management Limited  
22 January 2024

**IFSL MARLBOROUGH MULTI-ASSET OEIC**  
**IFSL MARLBOROUGH CONSERVATIVE FUND**

**AUTHORISED INVESTMENT MANAGER'S REPORT**

for the year ended 31 December 2023

**Investment commentary** (continued)

\* Benchmark – Comparator for performance purposes

\*\* Equity – Shares of ownership in a company

\*\*\* Fixed income security - A loan in the form of a security, usually issued by a government or company, which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid. Also referred to as a bond.

\*\*\*\* High Yield – a fixed income asset class containing bonds that pay higher interest rates because they have lower credit ratings than higher quality, investment-grade bonds

**Distributions**

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>P Income (pence per share)</u>				
Net income paid on the last day of February	1.0168	0.6110	0.5928	-
Net income paid on 31 August		0.7848	0.4114	0.3360

**Portfolio changes**

<u>Largest purchases</u>	<u>Cost (£)</u>
iShares Global Govt Bond UCITS ETF GBP Hedged	419,721
Xtrackers II Global Government Bond UCITS ETF '2D' GBP Hedged	384,652
iShares ESG Overseas Corporate Bond Index 'D' GBP	339,500
Aegon High Yield Bond 'S' Sterling	277,800
iShares \$ Treasury Bond 20+yr UCITS ETF GBP Hedged	255,274
iShares UK Gilts 0-5yr UCITS ETF GBP	249,712
iShares Global Govt Bond UCITS ETF USD	228,575
iShares £ Ultrashort Bond UCITS ETF GBP	199,314
iShares Core UK Gilts UCITS ETF GBP	194,203
iShares Global Corp Bond UCITS ETF GBP Hedged	181,497
Other purchases	2,357,073
Total purchases for the year	5,087,321
<u>Largest sales</u>	<u>Proceeds (£)</u>
iShares Core UK Gilts UCITS ETF GBP	319,369
M&G Global Macro Bond 'I' Sterling	310,148
iShares Global High Yield Corp Bond GBP Hedged UCITS ETF	275,053
iShares Global Govt Bond UCITS ETF USD	222,216
iShares UK Gilts 0-5yr UCITS ETF GBP	208,671
iShares Core Global Aggregate Bond UCITS ETF USD	195,733
iShares MSCI USA Quality Dividend UCITS ETF USD	188,831
iShares Global Govt Bond UCITS ETF GBP Hedged	179,303
iShares Core S&P 500 UCITS ETF USD	164,507
Man GLG Sterling Corporate Bond 'Inst'	152,700
Other sales	2,666,760
Total sales for the year	4,883,291

**IFSL MARLBOROUGH MULTI-ASSET OEIC  
IFSL MARLBOROUGH CONSERVATIVE FUND**

**COMPARATIVE TABLE**

<b>P Income shares</b>	<b>Year to 31.12.2023</b>	<b>Year to 31.12.2022</b>	<b>Period to 31.12.2021<sup>A</sup></b>
<b>Change in net assets per share</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per share	90.65	100.94	100.00
Return before operating charges*	5.62	(8.26)	2.94
Operating charges	(0.95)	(1.01)	(1.07)
Return after operating charges*	4.67	(9.27)	1.87
Distributions on income shares	(1.80)	(1.02)	(0.93)
Closing net asset value per share	93.52	90.65	100.94
* after direct transaction costs of:	0.03	0.02	0.01
<b>Performance</b>			
Return after charges <sup>B</sup>	5.15%	(9.18)%	1.87%
<b>Other information</b>			
Closing net asset value (£)	4,675,797	4,532,612	5,053,060
Closing number of shares	5,000,000	5,000,000	5,000,000
Operating charges	1.04% <sup>D</sup>	1.07%	1.14% <sup>C</sup>
Direct transaction costs	0.03%	0.03%	0.01% <sup>C</sup>
<b>Prices (pence per share)</b>			
Highest share price	94.63	101.13	102.25
Lowest share price	87.88	89.50	97.76

<sup>A</sup> Opening net asset value per share on 25 January 2021 following the end of the launch period on 22 January 2021.

<sup>B</sup> The return after charges is calculated using the underlying investments bid prices

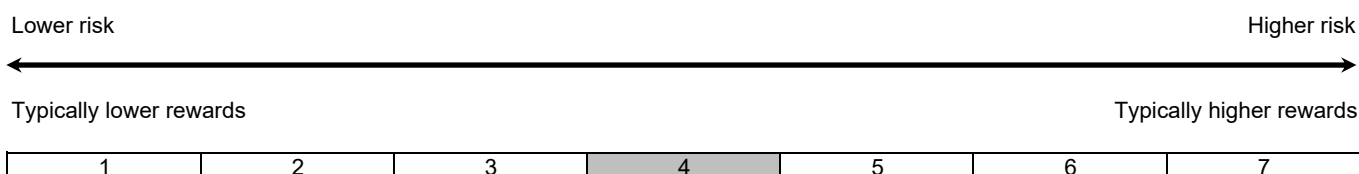
<sup>C</sup> These figures have been annualised.

<sup>D</sup> 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.

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each share class in the year. Where it is considered unsuitable to use the total expenses paid by each share class in the year to calculate the OCF because of material changes to the sub-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](http://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 sub-fund. These amounts are expressed as a percentage of the average net asset value over the year and the average shares in issue for the pence per share figures.

**SYNTHETIC RISK AND REWARD INDICATOR**



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

The sub-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 MULTI-ASSET OEIC**  
**IFSL MARLBOROUGH CONSERVATIVE FUND**

**PORTFOLIO STATEMENT**

as at 31 December 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>GLOBAL CORPORATE BOND (31 December 2022 - 7.23%)</b>		
132,074 iShares ESG Overseas Corporate Bond Index 'D' GBP	214,169	4.58
5,686 iShares Global Corp Bond UCITS ETF GBP Hedged <sup>A</sup>	25,923	0.55
1,963 Vanguard Global Credit Bond GBP Hedged	222,145	4.75
Total Global Corporate Bond	<u>462,237</u>	<u>9.88</u>
<b>GLOBAL EMERGING MARKETS BOND (31 December 2022 - 2.33%)</b>		
775 iShares JPMorgan \$ EM Bond UCITS ETF USD <sup>A</sup>	53,297	1.14
27,447 M&G Emerging Markets Bond 'I'	54,150	1.16
Total Global Emerging Markets Bond	<u>107,447</u>	<u>2.30</u>
<b>GLOBAL GOVERNMENT BOND (31 December 2022 - 4.89%)</b>		
50,149 iShares Global Govt Bond UCITS ETF GBP Hedged <sup>A</sup>	235,174	5.03
65,017 iShares Global Govt Bond UCITS ETF USD <sup>A</sup>	236,133	5.05
10,807 Xtrackers II Global Government Bond UCITS ETF '2D' GBP Hedged <sup>A</sup>	261,637	5.59
Total Global Government Bond	<u>732,944</u>	<u>15.67</u>
<b>GLOBAL MIXED BOND (31 December 2022 - 17.35%)</b>		
2,040 Vanguard Global Short-Term Bond Index GBP Hedged	223,299	4.78
Total Global Mixed Bond	<u>223,299</u>	<u>4.78</u>
<b>UK GILTS (31 December 2022 - 7.82%)</b>		
10,963 iShares Core UK Gilts UCITS ETF GBP <sup>A</sup>	115,961	2.48
146,697 iShares Over 15 Years Gilts Index 'D' GBP	110,020	2.35
1,167 iShares UK Gilts 0-5yr UCITS ETF GBP <sup>A</sup>	150,438	3.22
58,395 Legal & General All Stocks Gilt Index Trust 'C' GBP	113,462	2.43
Total UK Gilts	<u>489,881</u>	<u>10.48</u>
<b>STERLING CORPORATE BOND (31 December 2022 - 7.27%)</b>		
139,262 Artemis Corporate Bond 'I' GBP	148,732	3.18
157,651 Man GLG Sterling Corporate Bond 'Inst'	176,097	3.77
Total Sterling Corporate Bond	<u>324,829</u>	<u>6.95</u>
<b>STERLING HIGH YIELD (31 December 2022 - Nil)</b>		
230,396 Aegon High Yield Bond 'S' Sterling	297,349	6.36
Total Sterling High Yield	<u>297,349</u>	<u>6.36</u>
<b>STERLING STRATEGIC BOND (31 December 2022 - 5.18%)</b>		
122,978 FTF Brandywine Global Income Optimiser 'S' GBP	114,074	2.44
Total Sterling Strategic Bond	<u>114,074</u>	<u>2.44</u>
<b>USD CORPORATE BOND (31 December 2022 - 1.32%)</b>		
<b>USD GOVERNMENT BOND (31 December 2022 - Nil)</b>		
75,998 iShares \$ Treasury Bond 20+yr UCITS ETF GBP Hedged <sup>A</sup>	256,911	5.49
Total USD Government Bond	<u>256,911</u>	<u>5.49</u>
<b>SHORT TERM MONEY MARKET (31 December 2022 - 4.05%)</b>		
264,075 Royal London Short-Term Money Market 'Y'	286,370	6.12
Total Short Term Money Market	<u>286,370</u>	<u>6.12</u>
<b>ASIA PACIFIC EXCLUDING JAPAN (31 December 2022 - 1.68%)</b>		
7,450 Fidelity Asia Pacific Opportunities 'W'	21,277	0.45
165 iShares MSCI EM Asia UCITS ETF USD <sup>A</sup>	20,548	0.44
Total Asia Pacific excluding Japan	<u>41,825</u>	<u>0.89</u>
<b>EUROPE EXCLUDING UK (31 December 2022 - 2.00%)</b>		
13,788 Janus Henderson European Focus 'I' GBP	50,120	1.07
Total Europe excluding UK	<u>50,120</u>	<u>1.07</u>

**IFSL MARLBOROUGH MULTI-ASSET OEIC**  
**IFSL MARLBOROUGH CONSERVATIVE FUND**

**PORTFOLIO STATEMENT**

as at 31 December 2023

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>EUROPE INCLUDING UK</b> (31 December 2022 - 1.42%)		
10,563 iShares MSCI Europe Quality Dividend ESG UCITS ETF EUR <sup>A</sup>	51,680	1.11
Total Europe including UK	<u>51,680</u>	<u>1.11</u>
<b>GLOBAL EMERGING MARKETS</b> (31 December 2022 - 2.08%)		
7,519 Baillie Gifford Emerging Markets Leading Companies 'B'	40,541	0.87
945 Vanguard FTSE Emerging Markets UCITS ETF USD <sup>A</sup>	41,476	0.89
Total Global Emerging Markets	<u>82,017</u>	<u>1.76</u>
<b>JAPAN</b> (31 December 2022 - 1.41%)		
1,882 iShares Core MSCI Japan IMI UCITS ETF USD <sup>A</sup>	75,393	1.61
2,104 M&G Japan 'I' Sterling	72,887	1.56
Total Japan	<u>148,280</u>	<u>3.17</u>
<b>NORTH AMERICA</b> (31 December 2022 - 11.09%)		
4,522 GQG Partners US Equity 'I' GBP	68,466	1.46
231 iShares Core S&P 500 UCITS ETF USD <sup>A</sup>	91,037	1.95
4,428 iShares Edge MSCI USA Quality Factor UCITS ETF USD <sup>A</sup>	42,365	0.91
3,063 Xtrackers NASDAQ 100 UCITS ETF '1C' <sup>A</sup>	93,340	2.00
2,334 Xtrackers S&P 500 Equal Weight UCITS ETF '1C' USD <sup>A</sup>	156,204	3.34
Total North America	<u>451,412</u>	<u>9.66</u>
<b>UK ALL COMPANIES</b> (31 December 2022 - 3.13%)		
15,208 iShares Core FTSE 100 UCITS ETF GBP <sup>A</sup>	114,501	2.45
21,451 WS Evenlode Income 'C'	89,234	1.91
Total UK All Companies	<u>203,735</u>	<u>4.36</u>
<b>UK EQUITY INCOME</b> (31 December 2022 - 4.36%)		
353 Vanguard FTSE UK Equity Income Index 'A' GBP	56,739	1.21
Total UK Equity Income	<u>56,739</u>	<u>1.21</u>
<b>UK SMALLER COMPANIES</b> (31 December 2022 - Nil)		
10,424 Fidelity UK Smaller Companies 'W'	40,340	0.86
Total UK Smaller Companies	<u>40,340</u>	<u>0.86</u>
<b>COMMODITIES</b> (31 December 2022 - Nil)		
1,844 Xtrackers IE Physical Gold ETC USD <sup>A</sup>	46,109	0.99
Total Commodities	<u>46,109</u>	<u>0.99</u>
<b>INFRASTRUCTURE</b> (31 December 2022 - 3.12%)		
58,881 IFSL Marlborough Global Essential Infrastructure 'X'	60,401	1.29
Total Infrastructure	<u>60,401</u>	<u>1.29</u>
<b>SPECIALIST</b> (31 December 2022 - 3.16%)		
1,059 iShares £ Ultrashort Bond UCITS ETF GBP <sup>A</sup>	106,684	2.28
Total Specialist	<u>106,684</u>	<u>2.28</u>
<b>TARGETED ABSOLUTE RETURN</b> (31 December 2022 - 2.05%)		
<b>Portfolio of investments</b>	4,634,683	99.12
<b>Net other assets</b>	41,114	0.88
<b>Total net assets</b>	<u><u>4,675,797</u></u>	<u><u>100.00</u></u>

All investments are units/shares in ICVCs and unit trusts which are authorised or 'recognised' by the FCA with the exception of <sup>A</sup> which are open-ended exchange traded funds.



**IFSL MARLBOROUGH MULTI-ASSET OEIC**  
**IFSL MARLBOROUGH CONSERVATIVE FUND**

**STATEMENT OF TOTAL RETURN**  
for the year ended 31 December 2023

	Notes	31 December 2023		31 December 2022	
		£	£	£	£
Income:					
Net capital gains/(losses)	4		143,217		(514,427)
Revenue	6	140,167		90,790	
Expenses	7	<u>(33,621)</u>		<u>(34,087)</u>	
Net revenue before taxation		106,546		56,703	
Taxation	8	<u>(16,501)</u>		<u>(5,590)</u>	
Net revenue after taxation			<u>90,045</u>		<u>51,113</u>
Total return before distributions			233,262		(463,314)
Distributions	9		(90,077)		(51,120)
Change in net assets attributable to shareholders from investment activities			<u>143,185</u>		<u>(514,434)</u>

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
for the year ended 31 December 2023

	31 December 2023		31 December 2022	
	£	£	£	£
Opening net assets attributable to shareholders		4,532,612		5,047,046
Amounts receivable on issue of shares	-		-	
Amounts payable on cancellation of shares	<u>-</u>		<u>-</u>	
Change in net assets attributable to shareholders from investment activities		143,185		(514,434)
Closing net assets attributable to shareholders		<u>4,675,797</u>		<u>4,532,612</u>

**IFSL MARLBOROUGH MULTI-ASSET OEIC**  
**IFSL MARLBOROUGH CONSERVATIVE FUND**

**BALANCE SHEET**

as at 31 December 2023

	Notes	31 December 2023 £	31 December 2022 £
<b>Assets:</b>			
<b>Fixed Assets:</b>			
Investments	17	4,634,683	4,212,534
<b>Current Assets:</b>			
Debtors	10	11,104	4,583
Cash and cash equivalents		110,155	362,264
Total assets		<u>4,755,942</u>	<u>4,579,381</u>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Distribution payable on income shares		50,842	30,554
Other creditors	11	29,303	16,215
Total liabilities		<u>80,145</u>	<u>46,769</u>
<b>Net assets attributable to shareholders</b>		<u><u>4,675,797</u></u>	<u><u>4,532,612</u></u>

**IFSL MARLBOROUGH MULTI-ASSET OEIC**  
**IFSL MARLBOROUGH CONSERVATIVE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2023

**1 ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared in compliance with Financial Reporting Standard 102 ("FRS102") and in accordance with the Statement of Recommended Practice ("SORP") for UK 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 Company's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The ACD believes that the Company 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 and distributions receivable from onshore collective investment schemes are recognised when the security is quoted ex-dividend.

Income from offshore collective investment schemes is recorded on the ex-dividend date and additional reported income is recognised when reported.

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 net assets of the relevant share class on the day that the revenue is incurred.

**Distributions from collective investment schemes**

Distributions received from investments in collective investment schemes may include an element of equalisation which represents the average amount of revenue included in the price paid for the shares. Equalisation is treated as a return of capital for taxation purposes and does not carry a tax credit.

**Expenses**

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

**Management fee rebates**

Rebates on collective investment schemes' management fees are accounted for on an accruals basis and are subsequently attributed to the revenue or capital of the sub-fund depending on the fee structure of the underlying collective investment scheme.

**Valuation**

The valuation point was 12:00 on 29 December 2023 being the last valuation point of the accounting period.

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

Investments in collective investment schemes have been valued at cancellation price for dual-priced funds or the single price for single priced funds, using the latest available published prices at the period end.

**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 29 December 2023 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.

**IFSL MARLBOROUGH MULTI-ASSET OEIC**  
**IFSL MARLBOROUGH CONSERVATIVE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2023

**2 DISTRIBUTION POLICIES**

The distribution policy of the sub-fund is to distribute or 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. Revenue recognised from holdings in accumulation shares of collective investment schemes is included in the amount 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.

It should be noted that the 60% test must be passed at all times during a distribution period if a sub-fund is to qualify as a bond fund. Because the 60% test is conducted on a distribution period basis, it is possible for a sub-fund to be a bond fund for part of its accounting period and an equity fund for the remainder. In this case, the interim and final distributions will be taken separately and will receive either dividend or interest treatment as appropriate.

**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.

**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 creations 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 some 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.

**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.

**IFSL MARLBOROUGH MULTI-ASSET OEIC**  
**IFSL MARLBOROUGH CONSERVATIVE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2023

**RISK MANAGEMENT POLICIES** (continued)

**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.

**Concentration risk**

Some of the underlying collective investment schemes invest solely in certain markets, such as UK shares or fixed interest securities. This allows them to focus on those markets' potential but means that they are not spread amongst a range of markets. Securities in the same market tend to be affected by the same factors, so the collective investment schemes may experience greater fluctuations in price. The asset allocations aim to minimise this risk whenever possible, whilst still meeting the objectives of the sub-fund.

<b>4 NET CAPITAL GAINS/(LOSSES)</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>£</b>	<b>£</b>
The net gains/(losses) on investments during the period comprise:		
Realised losses on non-derivative securities	(150,193)	(369,953)
Unrealised gains/(losses) on non-derivative securities	294,462	(142,904)
Other currency gains	452	188
Management fee rebates	159	36
Transaction charges	(1,663)	(1,794)
<b>Net capital gains/(losses)</b>	<u>143,217</u>	<u>(514,427)</u>

<b>5 PURCHASES, SALES AND TRANSACTION COSTS</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>£</b>	<b>£</b>
Purchases excluding transaction costs:		
Collective Investment Schemes	1,916,806	2,489,045
Exchange Traded Funds	3,169,712	2,847,185
	<u>5,086,518</u>	<u>5,336,230</u>
Exchange Traded Funds: Commissions	803	712
Total purchases transaction costs	803	712
<b>Total purchases after transaction costs</b>	<u>5,087,321</u>	<u>5,336,942</u>

Purchases transaction costs expressed as a percentage of the principal amount:		
Exchange Traded Funds: Commissions	0.03%	0.03%

Sales excluding transaction costs:		
Collective Investment Schemes	1,935,221	3,499,452
Exchange Traded Funds	2,948,821	1,890,453
	<u>4,884,042</u>	<u>5,389,905</u>
Exchange Traded Funds: Commissions	(751)	(473)
Total sales transaction costs	(751)	(473)
<b>Total sales after transaction costs</b>	<u>4,883,291</u>	<u>5,389,432</u>

Sale transaction costs expressed as a percentage of the principal amount:		
Exchange Traded Funds: Commissions	0.03%	0.03%

Total purchases and sales transaction costs expressed as a percentage of the average net asset value over the year:		
Commissions	0.03%	0.03%

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.	1,663	1,794
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**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	0.05%	0.09%
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**IFSL MARLBOROUGH MULTI-ASSET OEIC**  
**IFSL MARLBOROUGH CONSERVATIVE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2023

<b>6 REVENUE</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>£</b>	<b>£</b>
Non-taxable UK dividends	10,822	11,898
Overseas dividends	13,378	16,893
Interest distributions	113,232	60,434
Management fee rebates	46	892
Bank interest	2,689	673
<b>Total revenue</b>	<b>140,167</b>	<b>90,790</b>
	<hr/>	<hr/>
<b>7 EXPENSES</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>£</b>	<b>£</b>
Payable to the ACD or associate:		
ACD's periodic charge	22,802	23,553
Registration fees	211	211
	<hr/>	<hr/>
	23,013	23,764
Other expenses:		
Depositary's fees	1,504	1,696
Safe Custody fees	314	339
Financial Conduct Authority fee	76	(150)
Bank interest	1	-
Audit fee	8,713	8,438
	<hr/>	<hr/>
	10,608	10,323
	<hr/>	<hr/>
<b>Total expenses</b>	<b>33,621</b>	<b>34,087</b>
	<hr/>	<hr/>
<b>8 TAXATION</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>£</b>	<b>£</b>
a Analysis of the tax charge for the period		
Corporation tax at 20%	16,501	5,590
<b>Total tax charge</b> (see note 6(b))	<b>16,501</b>	<b>5,590</b>
	<hr/>	<hr/>
b Factors affecting the tax charge for the period		
The taxation assessed for the period is lower 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	106,546	56,703
Corporation tax at 20% (2022: 20%)	21,309	11,341
	<hr/>	<hr/>
Effects of:		
Revenue not subject to taxation	(4,840)	(5,758)
Tax effect of capitalised management fee rebate	32	7
<b>Total tax charge</b> (see note 6(a))	<b>16,501</b>	<b>5,590</b>
	<hr/>	<hr/>
<b>9 DISTRIBUTIONS</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>£</b>	<b>£</b>
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim	39,240	20,570
Final	50,842	30,554
	<hr/>	<hr/>
Revenue brought forward	(5)	(4)
<b>Distributions</b>	<b>90,077</b>	<b>51,120</b>
	<hr/>	<hr/>
Movement between net revenue and distributions:		
Net revenue after taxation	90,045	51,113
Tax effect of capitalised management fee rebate	32	7
	<hr/>	<hr/>
	90,077	51,120
	<hr/>	<hr/>

**IFSL MARLBOROUGH MULTI-ASSET OEIC**  
**IFSL MARLBOROUGH CONSERVATIVE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2023

**10 DEBTORS**

	<b>31 December 2023</b>	<b>31 December 2022</b>
	£	£
Accrued income	11,098	4,583
Taxation recoverable	6	-
<b>Total debtors</b>	<u>11,104</u>	<u>4,583</u>

**11 OTHER CREDITORS**

	<b>31 December 2023</b>	<b>31 December 2022</b>
	£	£
ACD's periodic charge	1,992	1,956
Accrued expenses	10,810	8,669
Corporation tax payable	16,501	5,590
<b>Total other creditors</b>	<u>29,303</u>	<u>16,215</u>

**12 CONTINGENT ASSETS AND LIABILITIES**

There were no contingent assets or liabilities as at 31 December 2023 (2022: nil).

**13 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 to/from the ACD in respect of share transactions at the year end are disclosed in notes 10 and 11. Amounts paid to the ACD or associates in respect of the ACD's periodic charge and other fees are disclosed in note 7. Amounts due to the ACD at the year end are £1,992 (2022: £1,956).

The shares are 100% owned by Marlborough Fund Managers Limited.

**14 SHARE CLASSES**

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

P Income / Accumulation	0.50%
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**15 SHAREHOLDERS' FUNDS RECONCILIATION**

During the period the ACD has issued and cancelled shares as set out below:

	<u>P Income</u>
Opening shares in issue at 1 January 2023	5,000,000
Share issues	-
Share cancellations	-
Share conversions	-
Closing shares in issue at 31 December 2023	<u>5,000,000</u>

**16 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 £231,734 (2022: £210,627). A five per cent decrease would have an equal and opposite effect.

**Foreign currency risk**

At the period 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.

<u>Foreign currency exposure at 31 December 2023</u>	Investments	Net other assets	Total
	£	£	£
Euro	-	127	127
US dollar	552,334	-	552,334
	<u>552,334</u>	<u>127</u>	<u>552,461</u>

<u>Foreign currency exposure at 31 December 2022</u>	Investments	Net other assets	Total
	£	£	£
Euro	-	93	93
US dollar	424,356	-	424,356
	<u>424,356</u>	<u>93</u>	<u>424,449</u>

**IFSL MARLBOROUGH MULTI-ASSET OEIC**  
**IFSL MARLBOROUGH CONSERVATIVE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2023

**RISK DISCLOSURES** (continued)

**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 £27,623 (2022: £21,222). A five per cent increase would have an equal and opposite effect.

**Interest rate risk**

**31 December 2023**      **31 December 2022**  
 £                                      £

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

Financial assets floating rate	110,155	362,264
Financial assets interest bearing instruments	3,402,025	2,604,132
Financial assets non-interest bearing instruments	1,243,761	1,612,985
Financial liabilities non-interest bearing instruments	(80,144)	(46,769)
	<u>4,675,797</u>	<u>4,532,612</u>

**Interest rate risk sensitivity**

An interest rate sensitivity disclosure has not been included because the investments held by the sub-fund are collective investment schemes, which may invest in interest bearing financial assets, however, information regarding these investments is not available from the ACD/fund managers as at the sub-fund's balance sheet date.

**Liquidity risk**

**31 December 2023**      **31 December 2022**  
 £                                      £

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

Within one year:	Distribution payable on income shares	50,842	30,554
	Other creditors	29,303	16,215
		<u>80,145</u>	<u>46,769</u>

**17 FAIR VALUE HIERARCHY FOR INVESTMENTS**

Basis of valuation	31 December 2023		31 December 2022	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	2,174,811	-	1,875,180	-
Level 2 - Observable market data	2,459,872	-	2,337,354	-
Level 3 - Unobservable data	-	-	-	-
	<u>4,634,683</u>	<u>-</u>	<u>4,212,534</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.

**18 POST BALANCE SHEET EVENTS**

Since 29 December 2023, the Net Asset Value per share has changed as follows:

	Net Asset Value per share (pence)			Movement (%)
	29 December 2023 <sup>A</sup>	27 March 2024		
P Income	94.56	95.10		0.57%

<sup>A</sup> These Net Asset Values differ from those in the Comparative Table as they are the quoted Net Asset Values.



**IFSL MARLBOROUGH MULTI-ASSET OEIC**  
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**DISTRIBUTION TABLE**

**Interim distribution for the period from 1 January 2023 to 30 June 2023**

Group 1: shares purchased prior to 1 January 2023  
 Group 2: shares purchased on or after 1 January 2023

		Net revenue 30 June 2023 pence per share	Equalisation 30 June 2023 pence per share	Distribution paid 31 August 2023 pence per share	Distribution paid 31 August 2022 pence per share
P Income	Group 1	0.7848	-	0.7848	0.4114
	Group 2	0.7848	-	0.7848	0.4114

**Final distribution for the period from 1 July 2023 to 31 December 2023**

Group 1: shares purchased prior to 1 July 2023  
 Group 2: shares purchased on or after 1 July 2023

		Net revenue 31 December 2023 pence per share	Equalisation 31 December 2023 pence per share	Distribution paid 29 February 2024 pence per share	Distribution paid 28 February 2023 pence per share
P Income	Group 1	1.0168	-	1.0168	0.6110
	Group 2	1.0168	-	1.0168	0.6110

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