

Investment Fund Services

IFSL Marlborough Multi-Cap Growth Fund

Annual Report and Audited
Financial Statements

for the year ended 20 March 2024

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

CONTACT INFORMATION

Authorised Fund Manager (AFM)

Investment Fund Services Limited (IFSL)
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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
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Staffordshire
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Authorised and regulated by the Financial Conduct Authority.

Sub-Investment Manager

Canaccord Genuity Asset Management Limited
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London
EC2V 7QR

Authorised and regulated by the Financial Conduct Authority.

Depository (in its capacity as Trustee)

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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
St. Nicholas Lane
Basildon
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SS15 5FS

Auditor

Ernst & Young LLP
Atria One
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Edinburgh
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IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

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IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 20 March 2024

Performance to 20 March 2024

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL Marlborough Multi-Cap Growth Fund	12.79%	21.53%	3.77%	29.79%
FTSE All-Share Total Return Index	2.38%	8.76%	23.03%	26.50%
IA UK All Companies Sector	3.58%	8.55%	9.26%	19.01%

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

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

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

Investment commentary

Performance statement

During the year to March 20th, 2024, the value of the Marlborough Multi Cap Growth Fund (the 'Fund') rose 19.7% from 337.5 to 403.8. This compares with a rise in the benchmark*, FTSE All Share index, of 6.4% from 3970.1 on 20th March 2023 to 4225.5 on 20th March 2024.

Market review

Resilient inflation numbers continued to affect performance during the first half of the year. A peak in November, however boosted expectations going forward for early interest rate cuts, explaining rising investor sentiment towards the end of the year. Year to date markets have been unpredictable as core or underlying inflation numbers both sides of the Atlantic are proving more resilient than expected, due to strong growth in the services sector and continued wage pressures. As a result, expectations for interest rate cuts have been pushed out to the second half of 2024.

Whilst headline equity market performance remains strong, performance in America and Europe is driven by a select few very large, mainly technology-based stocks; continuing the divergence in performance between large and small capitalised companies.

The Fund's better performance than the benchmark was driven by supportive corporate news. Given the more challenging backdrop, weaker companies are facing difficulties caused by the higher cost of debt and pricing pressures. Such issues mean stronger businesses that can withstand such pressures are more attractive to investors and are the Fund's natural hunting ground for ideas. Hence this is an environment we prefer as the dispersion in valuations between the strongest companies and the weakest increases.

Corporate takeover activity has accelerated in the last few months as trade buyers and private equity funds take advantage of low market sentiment. Both Smart Meter Systems and Network International agreed to take-overs from private equity buyers. Direct Line rejected a bid from Ageas, a European insurance group.

Fund performance review

The Fund's best performer in the period was Intermediate Capital Group ('ICG'), a global alternative asset manager, which released positive trading updates, highlighting continued positive fund flows and growth in assets under management. Even with good recent performance, ICG is valued at a steep discount to international comparators like Blackstone, and we retain this company as the fund's largest holding. Burford Capital, rose as a New York judge issued a summary judgement in favour of Burford in its long-disputed Peterson litigation case, meanwhile cash flows have risen as its wider portfolio of litigation claims reach settlement. Ferguson plc shares attracted attention as the business continued to consolidate its leading position in the North American merchant plumbing sector, growing market share, margins and cash flows. Relx Group share price rose after outlook statements confirmed operating profits were to remain above historical trends with their risk, legal and exhibition businesses recovering strongly. Sentiment towards Rolls Royce improved as the company announced an efficiency drive, cutting up to 6% of its workforce, without impairing any front-line engineering talent.

Other notable contributors include Indivior, Experian plc, 4imprint, Rentokil and JTC plc all of which delivered successive positive updates through the period.

The poorest performers included Genus plc, where demand for porcine genetics in China has declined. The company also delayed expectations for approval for its gene edited pig technology which we continue to believe is likely to be transformational for the business in the medium term. JD Sports disappointed with a profit warning, driven by weaker demand and lower prices than management were expecting. We have been cautious with respect to recent senior management hires and worry that new well-funded, low-cost competitors are becoming more competitive in JD Sport's market. Kainos Group, a UK technology consultancy business underperformed due to weakness in pricing in its public sector consulting division.

Other poor performing stocks after weak updates included OSB plc, IQE and Oxford Instruments. We understand that, in these instances, their difficulties are temporary due to macro-economic factors, hence we expect share price recoveries in due course.

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 20 March 2024

Investment commentary (continued)

Portfolio activity

Sales included more cyclical, or consumer facing stocks including Diageo, JD sports, Watches of Switzerland, and Future plc. Liontrust was sold due to corporate governance concerns and pandemic winners including Auction Technology, Converge Technology and S4 Capital were also sold.

Investment outlook

Encouragingly, whilst the UK, with two consecutive quarters of negative GDP growth, was technically in a recession, mortgage approvals are increasing, and weak consumer confidence should improve on the back of lower energy bills and financing costs. Economists are forecasting the downturn to be shallow and short lived.

Valuations of UK companies remains compelling, trading at discounts to international comparators. De-equitisation**, continues at a pace, driven by take-overs and use of excess cash flows to fund share buy backs***.

Looking ahead market volatility is likely to continue. With elections adding to broader concerns, we however remain optimistic, as sentiment remains at multi year lows and lower underlying inflation trends lead to an easing of monetary policy during the next year. Growth company valuations are sensitive to interest rates such that historically for these companies lower rates have led to better investor sentiment and performance.

The manager is actively managing the Fund, ensuring clients' money is directed to companies that are taking advantage of the current market uncertainties to invest and grow their economic advantage versus competitors. Recent performance is due to investors focusing again on company fundamentals and willing to pay higher prices for the winners, trends we believe will continue going forward.

Canaccord Genuity Asset Management Limited
22 April 2024

* Benchmark – used for comparison purposes.

** De-equitisation refers to a shrinking number of shares in publicly quoted companies.

*** A share buyback is when companies buy back their own shares from the market, cancel them and, ultimately, reduce share capital.

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Distributions

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>A Income (pence per unit)</u>				
Net income paid 20 May	-	-	-	-
Net income paid 20 November		1.3767	0.3067	-
<u>P Income (pence per unit)</u>				
Net income paid 20 May	0.8990	0.8719	-	-
Net income paid 20 November		2.7635	1.6632	0.6630

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 20 March 2024

Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
Sage Group	5,194,583
CRH	4,907,007
BAE Systems	4,817,808
Flutter Entertainment	4,610,482
Direct Line Insurance Group	4,599,974
Trustpilot Group	4,595,649
Rolls-Royce Holdings	4,392,965
Future	4,190,548
Alphawave IP Group	3,937,003
OSB Group	2,782,674
Other purchases	47,225,037
Total purchases for the year	91,253,730
<u>Largest sales</u>	<u>Proceeds (£)</u>
Network International Holdings	7,402,829
Future	5,897,787
Dechra Pharmaceuticals	5,480,141
Croda International	5,074,380
JD Sports Fashion	5,042,821
Jet2	4,582,504
Smart Metering Systems	4,405,839
Novo Nordisk 'B'	4,378,289
Flutter Entertainment	4,019,780
Microsoft	3,834,648
Other sales	67,231,403
Total sales for the year	117,350,421

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

AUTHORISED STATUS

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

GENERAL INFORMATION

Investment objective

The investment objective of the Fund is to provide capital growth, that is, to increase the value of your investment, over a period of 5 or more years. The Fund aims to deliver greater returns than the FTSE All-Share Index over any 3 year period after charges, however, there is no certainty this will be achieved.

Investment policy

The Fund will invest at least 80% in the shares of companies and investment trusts listed on UK stock exchanges. This will include a range of small, medium and large companies.

Companies purchased will be those which the Investment Manager considers to be the leading companies amongst their peers. These are typically companies the Investment Manager believes have a superior business model, the potential to increase their market share or which are operating in markets where the Investment Manager expects demand for the company's products or services to grow. The Investment Manager may also take advantage of shorter term opportunities identified from time to time.

Following the same investment philosophy, the Fund may also invest in the shares of companies which are listed on overseas stock exchanges.

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

The Fund will normally be fully invested save for an amount to enable ready settlement of liabilities (including redemption of units) and efficient management of the Fund both generally and in relation to strategic objectives however may hold higher cash balances in extreme market conditions.

Performance target

The performance target is the level of performance the Fund aims to deliver, however, there is no certainty this will be achieved. The FTSE All-Share Index has been chosen as the performance target as the composition of the index is broadly similar to the holdings in the Fund.

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 Fund's investment policy puts it in the IA UK All Companies sector. You may want to assess the Fund's performance compared to the performance of this sector.

Investors should note that whilst the IA UK All Companies sector is representative of the general nature of the Fund, the sector also contains other funds investing across the market capitalisation spectrum from large companies to small companies. Whilst the Fund invests in a range of small, medium and large companies, the Fund is likely to have a greater weighting to shares of smaller companies than both the average fund in the sector and the index. When shares of larger companies are performing better than shares of smaller companies the Fund is more likely to underperform the sector and index. Conversely, the Fund is more likely to outperform when shares of smaller companies perform better than shares of larger companies.

Rights and terms attaching to each unit class

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

Assessment of value

The Authorised Fund Manager (AFM) is required to carry out an assessment of value at least annually and publish its findings in a report to investors. IFSL Marlborough Multi-Cap Growth Fund is assessed and reported on, in a composite report which the Manager publishes on the website www.ifslfunds.com. The next report is expected to be published in a composite report by 30 September 2024.

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

GENERAL INFORMATION

Changes in prospectus

There have been no significant changes since the last report.

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

Remuneration policy

In line with the requirements of UCITS V, Investment Fund Services Limited, the Authorised Fund Manager (AFM), are 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 AFM's year end) are set out below:

	Number of identified staff	Total remuneration paid	Fixed remuneration paid	Variable remuneration paid
		£	£	£
Remuneration paid to staff of the AFM who have a material impact on the risk profile of the Fund				
Senior management	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 AFM to the Fund				
Senior management	0.13	15,049	12,739	2,310
Risk takers and other identified staff	0.07	6,813	6,220	593

The total number of staff employed by the AFM 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 AFM.

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

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

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



Dom Clarke
Director

Investment Fund Services Limited
26 June 2024

STATEMENT OF AUTHORISED FUND MANAGER'S RESPONSIBILITIES

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

In preparing those financial statements the AFM is required to:

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

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

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

IFSL MARLBOROUGH MULTI-CAP GROWTH 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 Unitholders of the IFSL Marlborough Multi-Cap Growth Fund of the ("the Trust") for the Period Ended 20 March 2024

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

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

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

The Depositary must ensure that:

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

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

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

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

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

HSBC Bank plc

26 June 2024

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

Opinion

We have audited the financial statements of IFSL Marlborough Multi-Cap Growth Fund ("the Fund") for the year ended 20 March 2024, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Fund, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 20 March 2024 and of the net revenue and net capital gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

We have nothing to report in this regard.

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

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

In our opinion:

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

Matters on which we are required to report by exception

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

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

Responsibilities of the AFM

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

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP) including FRS 102, the Investment Management Association's Statement of Recommended Practice (IA SORP), the FCA Collective Investment Schemes Sourcebook, the Fund's Trust Deed and the Prospectus.
- We understood how the Fund is complying with those frameworks through discussions with the AFM and the Fund's administrators and a review of the Fund's documented policies and procedures.
- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution. We identified a fraud risk in relation to incomplete or inaccurate revenue recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution. 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 AFM with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Fund.
- Due to the regulated nature of the Fund, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

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

Ernst & Young LLP
Statutory Auditor
Edinburgh

26 June 2024

Notes:

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

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND
COMPARATIVE TABLE

<u>A Income units</u>	Year to 20.03.2024	Year to 20.03.2023	Year to 20.03.2022
Change in net assets per unit	pence	pence	pence
Opening net asset value per unit	330.18	369.22	393.18
Return before operating charges*	71.39	(33.35)	(17.28)
Operating charges	(5.55)	(5.38)	(6.68)
Return after operating charges*	65.84	(38.73)	(23.96)
Distributions on income units	(1.38)	(0.31)	-
Closing net asset value per unit	394.64	330.18	369.22
* after direct transaction costs of:	1.36	0.81	1.42
Performance			
Return after charges ^A	19.94%	(10.49)%	(6.09)%
Other information			
Closing net asset value (£)	8,358,329	18,272,867	32,529,068
Closing number of units	2,117,946	5,534,193	8,810,134
Operating charges	1.56% ^B	1.56%	1.55%
Direct transaction costs	0.38%	0.23%	0.33%
Prices (pence per unit)			
Highest unit price	400.24	386.13	488.32
Lowest unit price	321.54	304.77	331.58
<u>P Income units</u>	Year to	Year to	Year to
Change in net assets per unit	20.03.2024	20.03.2023	20.03.2022
	pence	pence	pence
Opening net asset value per unit	337.45	376.93	398.90
Return before operating charges*	73.01	(34.09)	(17.81)
Operating charges	(2.96)	(2.85)	(3.50)
Return after operating charges*	70.05	(36.94)	(21.31)
Distributions on income units	(3.66)	(2.54)	(0.66)
Closing net asset value per unit	403.84	337.45	376.93
* after direct transaction costs of:	1.40	0.83	1.44
Performance			
Return after charges ^A	20.76%	(9.80)%	(5.34)%
Other information			
Closing net asset value (£)	176,545,944	160,655,474	253,037,962
Closing number of units	43,716,410	47,608,370	67,131,249
Operating charges	0.81% ^B	0.81%	0.80%
Direct transaction costs	0.38%	0.23%	0.33%
Prices (pence per unit)			
Highest unit price	410.40	394.28	497.01
Lowest unit price	328.89	311.31	338.45

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

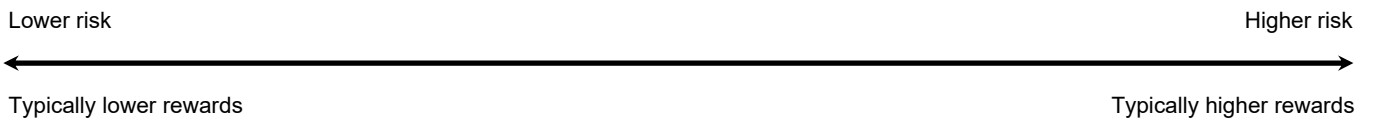
^B On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

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

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

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

SYNTHETIC RISK AND REWARD INDICATOR (all unit classes)



1	2	3	4	5	6	7
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This indicator aims to give you a measure of the price movement of the Fund based on past data. It uses historic returns over the last five years. If five years' data is not available, simulated data based on a representative portfolio are used.

The Fund has been measured as 6 because its investments have experienced high volatility in the past. During the year the synthetic risk and reward indicator has remained unchanged.

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND
PORTFOLIO STATEMENT

as at 20 March 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
AEROSPACE AND DEFENSE (20 March 2023 - 2.11%)		
400,000 BAE Systems	5,330,000	2.88
1,875,000 Rolls-Royce Holdings	7,556,250	4.09
3,250,000 Senior	5,713,500	3.09
Total Aerospace and Defense	<u>18,599,750</u>	<u>10.06</u>
BEVERAGES (20 March 2023 - 1.48%)		
CHEMICALS (20 March 2023 - 3.15%)		
CONSTRUCTION AND MATERIALS (20 March 2023 - 0.88%)		
90,000 CRH	6,022,800	3.26
575,000 Volusion Group	2,469,050	1.34
Total Construction and Materials	<u>8,491,850</u>	<u>4.60</u>
ELECTRONIC AND ELECTRICAL EQUIPMENT (20 March 2023 - 3.43%)		
135,000 Oxford Instruments	2,794,500	1.51
Total Electronic and Electrical Equipment	<u>2,794,500</u>	<u>1.51</u>
FINANCE AND CREDIT SERVICES (20 March 2023 - 5.17%)		
70,000 London Stock Exchange Group	6,603,800	3.57
1,100,000 OSB Group	4,063,400	2.20
Total Finance and Credit Services	<u>10,667,200</u>	<u>5.77</u>
FOOD PRODUCERS (20 March 2023 - 2.84%)		
550,000 Hilton Food Group	4,548,500	2.46
Total Food Producers	<u>4,548,500</u>	<u>2.46</u>
GENERAL INDUSTRIALS (20 March 2023 - Nil)		
75,000 Smurfit Kappa Group	2,668,500	1.44
Total General Industrials	<u>2,668,500</u>	<u>1.44</u>
HEALTH CARE PROVIDERS (20 March 2023 - 0.67%)		
125,000 Craneware	2,750,000	1.49
Total Health Care Providers	<u>2,750,000</u>	<u>1.49</u>
INDUSTRIAL ENGINEERING (20 March 2023 - 0.47%)		
INDUSTRIAL SUPPORT SERVICES (20 March 2023 - 13.61%)		
160,000 Experian	5,385,600	2.91
37,500 Ferguson	6,311,250	3.41
1,200,000 Rentokil Initial	5,682,000	3.07
Total Industrial Support Services	<u>17,378,850</u>	<u>9.39</u>
INDUSTRIAL TRANSPORTATION (20 March 2023 - 3.48%)		
85,000 Ashtead Group	4,673,300	2.53
Total Industrial Transportation	<u>4,673,300</u>	<u>2.53</u>
INVESTMENT BANKING AND BROKERAGE SERVICES (20 March 2023 - 14.09%)		
115,000 3i Group	2,919,850	1.58
200,000 Alpha Group International	3,460,000	1.87
350,000 Burford Capital	3,983,000	2.15
275,000 Impax Asset Management Group	1,208,625	0.65
410,000 Intermediate Capital Group	8,200,000	4.43
825,000 JTC	6,616,500	3.58
Total Investment Banking and Brokerage Services	<u>26,387,975</u>	<u>14.26</u>
MEDIA (20 March 2023 - 7.90%)		
90,000 4imprint Group	5,400,000	2.92
215,000 RELX	7,346,550	3.97
Total Media	<u>12,746,550</u>	<u>6.89</u>

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND
PORTFOLIO STATEMENT

as at 20 March 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
NON-LIFE INSURANCE (20 March 2023 - Nil)		
245,000 Conduit Holdings	1,266,650	0.69
1,250,000 Direct Line Insurance Group	2,621,250	1.42
Total Non-Life Insurance	<u>3,887,900</u>	<u>2.11</u>
OIL, GAS AND COAL (20 March 2023 - Nil)		
750,000 Hunting	2,373,750	1.28
Total Oil, Gas and Coal	<u>2,373,750</u>	<u>1.28</u>
PERSONAL GOODS (20 March 2023 - 1.97%)		
1,875,000 Inspects Group	993,750	0.54
Total Personal Goods	<u>993,750</u>	<u>0.54</u>
PHARMACEUTICALS AND BIOTECHNOLOGY (20 March 2023 - 6.16%)		
190,000 Genus	3,243,300	1.75
375,000 Indivior	6,187,500	3.35
Total Pharmaceuticals and Biotechnology	<u>9,430,800</u>	<u>5.10</u>
REAL ESTATE INVESTMENT TRUSTS (20 March 2023 - 1.98%)		
250,000 Safestore Holdings	1,850,000	1.00
Total Real Estate Investment Trusts	<u>1,850,000</u>	<u>1.00</u>
RETAILERS (20 March 2023 - 2.28%)		
SOFTWARE AND COMPUTER SERVICES (20 March 2023 - 6.63%)		
425,000 Bytes Technology Group	2,295,000	1.24
70,000 Computacenter	1,933,400	1.05
218,000 Kainos Group	2,178,910	1.18
565,000 Sage Group	6,941,025	3.75
2,350,000 Trustpilot Group	4,413,300	2.39
Total Software and Computer Services	<u>17,761,635</u>	<u>9.61</u>
TECHNOLOGY HARDWARE AND EQUIPMENT (20 March 2023 - 1.23%)		
2,200,000 Alphawave IP Group	3,696,000	2.00
16,500,000 IQE	3,465,000	1.87
Total Technology Hardware and Equipment	<u>7,161,000</u>	<u>3.87</u>
TELECOMMUNICATIONS SERVICE PROVIDERS (20 March 2023 - 0.61%)		
TRAVEL AND LEISURE (20 March 2023 - 4.32%)		
225,000 Jet2	3,179,250	1.72
Total Travel and Leisure	<u>3,179,250</u>	<u>1.72</u>
OVERSEAS SECURITIES (20 March 2023 - 14.31%)		
29,750 Amazon.com	4,121,971	2.23
47,500 Cloudflare	3,560,068	1.93
5,250 Eli Lilly and Company	3,194,956	1.73
9,500 Intuit	4,748,204	2.57
6,500 Microsoft	2,157,433	1.17
32,000 Novo Nordisk	3,298,077	1.78
4,500 ServiceNow	2,682,842	1.45
Total Overseas Securities	<u>23,763,551</u>	<u>12.86</u>
Portfolio of investments	182,108,611	98.49
Net other assets	<u>2,795,662</u>	<u>1.51</u>
Total net assets	<u><u>184,904,273</u></u>	<u><u>100.00</u></u>

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

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

STATEMENT OF TOTAL RETURN

for the year ended 20 March 2024

	Notes	20 March 2024		20 March 2023	
		£	£	£	£
Income:					
Net capital gains/(losses)	4		31,461,774		(27,170,504)
Revenue	6	3,261,385		3,516,036	
Expenses	7	<u>(1,503,250)</u>		<u>(1,988,922)</u>	
Net revenue before taxation		1,758,135		1,527,114	
Taxation	8	<u>(23,538)</u>		<u>(25,072)</u>	
Net revenue after taxation			<u>1,734,597</u>		<u>1,502,042</u>
Total return before distributions			33,196,371		(25,668,462)
Distributions	9		(1,744,915)		(1,524,858)
Change in net assets attributable to unitholders from investment activities			<u>31,451,456</u>		<u>(27,193,320)</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 20 March 2024

	20 March 2024		20 March 2023	
	£	£	£	£
Opening net assets attributable to unitholders		178,928,341		285,567,030
Amounts receivable on issue of units	13,142,737		2,575,079	
Amounts payable on cancellation of units	(38,648,555)		(82,136,141)	
Amounts payable on unit class conversions	<u>(10,582)</u>		<u>(153)</u>	
		(25,516,400)		(79,561,215)
Dilution adjustment		40,685		115,181
Change in net assets attributable to unitholders from investment activities		31,451,456		(27,193,320)
Unclaimed distributions		191		665
Closing net assets attributable to unitholders		<u>184,904,273</u>		<u>178,928,341</u>

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

BALANCE SHEET
as at 20 March 2024

	Notes	20 March 2024 £	20 March 2023 £
Assets:			
Fixed Assets:			
Investments	17	182,108,611	176,723,645
Current Assets:			
Debtors	10	7,059,176	382,029
Cash and bank balances		1,336,983	3,553,514
Total assets		<u>190,504,770</u>	<u>180,659,188</u>
Liabilities:			
Creditors:			
Distribution payable		393,046	415,124
Other creditors	11	5,207,451	1,315,723
Total liabilities		<u>5,600,497</u>	<u>1,730,847</u>
Net assets attributable to unitholders		<u><u>184,904,273</u></u>	<u><u>178,928,341</u></u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 March 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 Management Association in May 2014 and amended in June 2017.

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

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

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

Revenue

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

Bank interest is accounted for on an accruals basis.

Allocation of revenue

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

Expenses

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

Valuation

The valuation point was 12:00 on 20 March 2024 being the last valuation point of the accounting year.

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

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 20 March 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.

2 DISTRIBUTION POLICIES

The distribution policy of the 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.

The Fund is less than 60% invested in qualifying investments (as defined by SI 2006/964, Reg. 20) and will pay a dividend distribution.

Equalisation

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 March 2024

DISTRIBUTION POLICIES (continued)

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

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

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

Market price risk

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

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

Foreign currency risk

The income and capital value of the Fund's investments can be affected by foreign currency translation movements as some of the Fund's assets and income may be denominated in currencies other than sterling which is the Fund's functional currency.

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

Credit and counterparty risk

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

Interest rate risk

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

Liquidity risk

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

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 March 2024

4 NET CAPITAL GAINS/(LOSSES)

20 March 2024
£

20 March 2023
£

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

Non-derivative securities gains/(losses)	31,481,658	(27,167,117)
Other currency (losses)/gains	(13,202)	3,650
Transaction charges	(6,682)	(7,037)
Net capital gains/(losses)	31,461,774	(27,170,504)

5 PURCHASES, SALES AND TRANSACTION COSTS

20 March 2024
£

20 March 2023
£

Purchases excluding transaction costs:

Equities	89,792,504	72,522,719
Corporate actions	934,548	-
	90,727,052	72,522,719
Equities: Commissions	102,487	89,374
Taxes and other charges	424,191	239,609
Total purchases transaction costs	526,678	328,983
Purchases including transaction costs	91,253,730	72,851,702

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

Equities: Commissions	0.11%	0.12%
Taxes and other charges	0.47%	0.33%

Sales excluding transaction costs:

Equities	117,494,555	148,004,639
	117,494,555	148,004,639
Equities: Commissions	(143,650)	(197,422)
Taxes and other charges	(484)	(821)
Total sales transaction costs	(144,134)	(198,243)
Sales net of transaction costs	117,350,421	147,806,396

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

Commissions	0.12%	0.13%
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	0.14%	0.13%
Taxes and other charges	0.24%	0.10%
	0.38%	0.23%

No significant in-specie transfers were identified in the year (2023: nil).

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 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: £6,682 £7,037

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 0.28% 0.39%

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 March 2024

6 REVENUE	20 March 2024	20 March 2023
	£	£
UK dividends	2,697,224	2,927,262
UK dividends (unfranked)	62,356	88,330
Overseas dividends	461,319	454,267
Bank interest	40,486	46,177
Total revenue	3,261,385	3,516,036
7 EXPENSES	20 March 2024	20 March 2023
	£	£
Payable to the AFM or associate:		
AFM's periodic charge	1,410,860	1,868,514
Registration fees	21,679	22,850
	<u>1,432,539</u>	<u>1,891,364</u>
Other expenses:		
Trustee's fees	53,833	76,424
Safe custody fees	7,434	12,640
Financial Conduct Authority fee	(59)	(11)
Audit fee	9,503	8,505
	<u>70,711</u>	<u>97,558</u>
Total expenses	1,503,250	1,988,922
8 TAXATION	20 March 2024	20 March 2023
	£	£
a Analysis of the tax charge for the year		
Overseas tax	23,538	25,072
Total tax charge (see note 8(b))	23,538	25,072
b Factors affecting the tax charge for the year		
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for a unit trust (20%). The differences are explained below.		
Net revenue before taxation	1,758,135	1,527,114
Corporation tax at 20% (2023: 20%)	<u>351,627</u>	<u>305,423</u>
Effects of:		
Revenue not subject to taxation	(631,709)	(676,306)
Unrelieved excess management expenses	280,082	370,883
Overseas tax	23,538	25,072
Total tax charge (see note 8(a))	23,538	25,072
At 20 March 2024 the Fund has deferred tax assets of £5,223,001 (2023: £4,942,919) arising from surplus management expenses, which have not been recognised due to uncertainty over the availability of future taxable profits.		
9 DISTRIBUTIONS	20 March 2024	20 March 2023
	£	£
The distributions take account of revenue received or deducted on the issue and cancellation of units, and comprise:		
Interim	1,270,993	938,002
Final	393,047	415,124
Amounts deducted on cancellation of units	115,983	172,672
Amounts received on issue of units	(24,499)	(787)
Equalisation on conversions	(10,582)	(153)
Revenue brought forward	(27)	-
Distributions	1,744,915	1,524,858
Net deficit of revenue for the year	<u>(10,318)</u>	<u>(22,816)</u>
Net revenue after taxation for the year	1,734,597	1,502,042

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 March 2024

10 DEBTORS

	20 March 2024	20 March 2023
	£	£
Amounts receivable for issue of units	3,428,155	-
Sales awaiting settlement	3,407,334	87,574
Accrued income	198,019	282,056
Taxation recoverable	25,668	12,399
Total debtors	<u>7,059,176</u>	<u>382,029</u>

11 OTHER CREDITORS

	20 March 2024	20 March 2023
	£	£
Amounts payable for cancellation of units	1,115,163	1,201,819
Purchases awaiting settlement	3,983,520	-
AFM's periodic charge and registration fees	78,161	87,327
Accrued expenses	30,607	26,577
Total other creditors	<u>5,207,451</u>	<u>1,315,723</u>

12 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities as at 20 March 2024 (2023: nil).

13 RELATED PARTIES

The AFM is involved in all transactions in the units of the Fund, the aggregate values of which are set out in the statement of change in net assets attributable to unitholders and note 9. Amounts due to/from the AFM in respect of unit transactions at the year end are disclosed in notes 10 and 11. Amounts paid to the AFM or associates in respect of the AFM's periodic charge and registration fees are disclosed in note 7. Amounts due from/(to) the AFM at the year end are £2,234,831 (2023: £(1,289,146)).

In addition to the above, some units in the 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:

	20 March 2024	20 March 2023
Proportion of units owned by directors of Investment Fund Services Limited or UFC Fund Management plc	0.21%	0.18%

14 UNIT CLASSES

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

A Income	1.50%
P Income	0.75%

15 UNITHOLDERS' FUND RECONCILIATION

During the year the AFM has issued, cancelled and converted units from one unit class to another as set out below:

	A Income	P Income
Opening units in issue at 21 March 2023	<u>5,534,193</u>	<u>47,608,370</u>
Units issued	1,019,525	2,370,589
Units cancelled	(2,161,924)	(8,484,722)
Units converted	(2,273,848)	2,222,173
Closing units in issue at 20 March 2024	<u>2,117,946</u>	<u>43,716,410</u>

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 March 2024

16 RISK DISCLOSURES

Market price risk sensitivity

A five per cent increase in the market prices of the Fund's portfolio would have the effect of increasing the return and net assets by £9,105,431 (2023: £8,836,182). 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 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 20 March 2024

	Investments £	Net other assets £	Total £
Danish krone	3,298,077	21,171	3,319,248
Euro	-	29,090	29,090
US dollar	20,465,474	-	20,465,474
	<u>23,763,551</u>	<u>50,261</u>	<u>23,813,812</u>

Foreign currency exposure at 20 March 2023

	Investments £	Net other assets £	Total £
Danish krone	7,009,602	12,399	7,022,001
US dollar	18,608,568	-	18,608,568
	<u>25,618,170</u>	<u>12,399</u>	<u>25,630,569</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 £1,190,691 (2023: £1,281,528). A five per cent increase would have an equal and opposite effect.

Interest rate risk

20 March 2024

20 March 2023

£

£

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

Financial assets floating rate	1,336,983	3,553,514
Financial assets non-interest bearing instruments	189,167,787	177,105,674
Financial liabilities non-interest bearing instruments	(5,600,497)	(1,730,847)
	<u>184,904,273</u>	<u>178,928,341</u>

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

Liquidity risk

20 March 2024

20 March 2023

£

£

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

Within one year:	Bank overdrafts	-	-
	Distribution payable	393,046	415,124
	Other creditors	5,207,451	1,315,723
		<u>5,600,497</u>	<u>1,730,847</u>

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 20 March 2024

17 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	20 March 2024		20 March 2023	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	182,108,611	-	176,723,645	-
Level 2 - Observable market data	-	-	-	-
Level 3 - Unobservable data	-	-	-	-
	<u>182,108,611</u>	<u>-</u>	<u>176,723,645</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 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 20 March 2024, the Net Asset Value per unit has changed as follows:

	Net Asset Value per unit (pence)		
	20 March 2024 ^A	25 June 2024	Movement (%)
A Income	397.66	411.45	3.47%
P Income	407.80	421.83	3.44%

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

IFSL MARLBOROUGH MULTI-CAP GROWTH FUND

DISTRIBUTION TABLE

Interim distribution for the period from 21 March 2023 to 20 September 2023

Group 1: units purchased prior to 21 March 2023

Group 2: units purchased on or after 21 March 2023

		Net revenue 20 September 2023 pence per unit	Equalisation 20 September 2023 pence per unit	Distribution paid 20 November 2023 pence per unit	Distribution paid 20 November 2022 pence per unit
A Income	Group 1	1.3767	-	1.3767	0.3067
	Group 2	0.1442	1.2325	1.3767	0.3067
P Income	Group 1	2.7635	-	2.7635	1.6632
	Group 2	1.5360	1.2275	2.7635	1.6632

Final distribution for the period from 21 September 2023 to 20 March 2024

Group 1: units purchased prior to 21 September 2023

Group 2: units purchased on or after 21 September 2023

		Net revenue 20 March 2024 pence per unit	Equalisation 20 March 2024 pence per unit	Distribution paid 20 May 2024 pence per unit	Distribution paid 20 May 2023 pence per unit
A Income	Group 1	-	-	-	-
	Group 2	-	-	-	-
P Income	Group 1	0.8990	-	0.8990	0.8719
	Group 2	0.1008	0.7982	0.8990	0.8719

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