

Investment Fund Services

# IFSL Marlborough UK Micro-Cap Growth Fund

Interim Report and Unaudited Financial  
Statements

for the six month period ended 31 January 2024

## **IFSL MARLBOROUGH UK MICRO-CAP GROWTH FUND**

### **CONTACT INFORMATION**

#### **Authorised Fund Manager (AFM) 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 effective 11 December 2023  
Helen Redmond  
Sally Helston  
Guy Sears (Independent Non-Executive)  
Sarah Peaston (Independent Non-Executive)

#### **Investment Manager**

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

Authorised and regulated by the Financial Conduct Authority.

#### **Sub-Investment Manager**

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

Authorised and regulated by the Financial Conduct Authority.

#### **Depository** (in it's capacity as Trustee)

HSBC Bank plc  
8 Canada Square  
London  
E14 5HQ

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

#### **Auditor**

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

## IFSL MARLBOROUGH UK MICRO-CAP GROWTH FUND

<b>CONTENTS</b>	<b>PAGE</b>
AUTHORISED INVESTMENT MANAGER'S REPORT	1
AUTHORISED STATUS	4
GENERAL INFORMATION	4
DIRECTORS' STATEMENT	5
COMPARATIVE TABLE	6
SYNTHETIC RISK AND REWARD INDICATOR	7
PORTFOLIO STATEMENT	8
PORTFOLIO TRANSACTIONS	13
<b>UNAUDITED INTERIM FINANCIAL STATEMENTS</b>	
STATEMENT OF TOTAL RETURN	14
STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	14
BALANCE SHEET	15
NOTES TO THE INTERIM FINANCIAL STATEMENTS	15

## IFSL MARLBOROUGH UK MICRO-CAP GROWTH FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the six month period ended 31 January 2024

#### Performance to 31 January 2024

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL Marlborough UK Micro-Cap Growth Fund	0.12%	(8.53)%	(22.71)%	10.36%
FTSE SmallCap Index (ex. Investment Companies)	2.96%	2.61%	15.34%	34.91%
IA UK Smaller Companies	3.08%	(2.92)%	(10.64)%	15.28%

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

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

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

#### Investment commentary

##### Performance statement

During the six-month period from 1 August 2023 to 31 January 2024, the price of the Fund's P Accumulation units rose 0.12%. This compared to a rise of 3.08% in the IA UK Smaller Companies benchmark\*.

##### Market review

From a macroeconomic perspective, the period saw many economists turn away from their call for recession and embrace the idea of a controlled economic slowdown (known as a "soft landing"). The interest rate cycle is significant, and the full effects of the most aggressive rate increasing cycle since the 1980s have not likely been felt yet owing to the rate increases taking time to have an impact. It is conceivable however that the global economic cycle finds itself moving from expansion to contraction.

The UK has since been confirmed by fourth quarter 2023 GDP figures to have gone into technical recession. Germany and several other of the larger Western European economies (including France, Italy and the Netherlands) have produced low economic growth figures, suggesting their economies could move into recession in the coming quarters. The reopening of the Chinese economy at the start of 2023 did not invigorate the Asian region or the global economy as much as predicted by many, and the Chinese domestic property market issues there remain.

Perhaps most importantly, the world's largest economy, the United States, shows some resilience although, with more detailed examination, it contains a mixed picture. Whilst unemployment figures remain low by historic standards, the Purchasing Manager Index (PMI), which shows the future path of economic growth, has been weak which suggests caution moving forward. The returns of the major US equity indices have been driven by a handful of names. Prices in shares in the so-called "Magnificent Seven" (Apple, Microsoft, Alphabet, Amazon, Nvidia, Tesla and Meta) account for the bulk of the gains in the US indices and have significantly outperformed the small and medium sized companies which can be found in the Russell 2000 Index.

It is a positive that inflation is on a downward trajectory, especially in the United States. Should this trend persist, global Central Banks will be able to cut interest rates. However, such cuts are very often associated with a slowing macroeconomic picture and historically the 'soft landing' scenario has happened less than a harsher outcome.

The good news is that UK equity market valuations are undeniably cheap. The UK equity market is cheap on an absolute basis, relative to developed markets and relative to its own history. Furthermore, share prices of UK small and mid-sized companies have not been this cheap relative to larger companies for decades. December marked the second consecutive month that the smaller company indices outperformed the FTSE 100 Index – something that had only happened three times out of the prior twenty-six months from September 2021.

##### Fund performance review

The attraction of value has not gone unnoticed by trade buyers as well as private equity. Holdings bid for (including the share price move after the bid announcement) during the period included: product lifecycle management software company, Sopheon (104%); pub operator, City Pub Group (46%); gold mining company, Shanta Gold (6.7%); digital transformation services group, Kin & Carta (67%); data erasure company, Blancco Technology (25%); utility company, Smart Metering Systems (41%). It is our belief that bid activity will continue to be a feature in 2024.

Biggest winners during the period included Zegona Communications, Windward, Trustpilot, Intercede, Kin & Carta, hVIVO, Fireangel Safety Technology, Ashtead Technology, Sopheon, and Restore.

Zegona Communications, the investment company focused on buying and selling European telecommunications, media, and technology businesses, rose 388% after acquiring Vodafone Spain for €5bn. The company used a combination of debt and equity to complete the transaction and our Fund participated in the equity raise. The Fund has been involved with Zegona for many years and the management team has proved astute at identifying investment opportunities within the telecommunications sector and creating significant shareholder value; this most recent transaction follows a similar playbook to previous successes.

## IFSL MARLBOROUGH UK MICRO-CAP GROWTH FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the six month period ended 31 January 2024

#### Investment commentary (continued)

##### Fund performance review (continued)

Largest losers during the period included Renalytix, Surface Transforms, GRC International, Saietta, Inspects, SDI Group, Tortilla Mexican Grill, Cap-XX, Thor Explorations, and Cambridge Cognition.

Renalytix, the artificial intelligence enabled diagnostics company focused on kidney disease, fell 90% during the period. Whilst the technology holds a lot of promise for the early diagnosis of kidney disease and achieving better patient outcomes, commercial progress has taken much longer than anticipated, with revenues not increasing as quickly as expected and losses continuing. It is likely the company will need to raise additional capital to fulfil its ambitions.

##### Portfolio activity

Notable buys in the period included the Fund's participation in the following placings: Concurrent Technologies, Molten Ventures, Thruvision and Trustpilot. The Fund also purchased shares in hVIVO, Ten Lifestyle and XPS Pensions.

Notable sells in the period included the reduction of positions in Cerillion, Kooth and Moxico.

The Fund maintains its policy of principally focusing on growth orientated smaller companies with compelling characteristics from a valuation and/or business proposition perspective.

##### Investment outlook

The first half of the reporting period was evidently challenging for the Fund and UK smaller companies. However, we continue to believe in our portfolio companies and the inherent value they show. Moving forward, investors are becoming more positive as lower interest rate expectations mean financial conditions appear to be loosening. Recent inflation and economic growth figures suggest we may have seen the peak of the current interest rate cycle. As to whether central banks have engineered a so called 'soft landing' is to be confirmed but so far inflation is broadly trending lower, albeit with some small increases in recent weeks, and unemployment remains low. 2024 will likely see continued volatility but the macroeconomic picture appears more stable at this juncture, which could bode well for equities and small and mid-sized companies.

Whilst uncertainty remains, many portfolio companies across a range of industries have issued positive trading updates since the start of 2024 and share prices have risen in response; we are hopeful that strong fundamentals will be rewarded once again.

Canaccord Genuity Asset Management Limited  
16 February 2024

\* Benchmark – used for comparative purposes.

This report contains FTSE data. Source: FTSE International Limited ("FTSE") © FTSE 2024. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. All rights in the FTSE indices and / or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and / or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

#### Distributions

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>A Accumulation (pence per unit)</u>			
Net accumulation paid 30 September	-	-	-
<u>P Accumulation (pence per unit)</u>			
Net accumulation paid 30 September	4.1422	0.9917	0.6963

## IFSL MARLBOROUGH UK MICRO-CAP GROWTH FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the six month period ended 31 January 2024

#### Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
NCC Group	3,875,642
Trustpilot Group	3,737,795
Mears Group	3,201,092
Future	3,192,102
Liontrust Asset Management	3,027,770
Somero Enterprises	2,829,147
US Treasury 1.375% 15.08.50	2,485,758
XP Power	2,259,359
discoverIE Group	2,184,967
US Treasury 0.375% 30.11.25	2,061,471
Other purchases	36,715,554
Total purchases for the period	65,570,657
<u>Largest sales</u>	<u>Proceeds (£)</u>
Curtis Banks Group	11,489,574
Instem	10,835,114
Blancco Technology Group	9,771,860
Smart Metering Systems	8,293,696
Kooth	6,058,665
Ashtead Technology Holdings	5,576,064
Kin and Carta	4,512,773
Team Internet Group	4,344,446
RWS Holdings	3,632,670
H&T Group	3,608,748
Other sales	60,145,459
Total sales for the period	128,269,069

## **IFSL MARLBOROUGH UK MICRO-CAP GROWTH FUND**

### **AUTHORISED STATUS**

IFSL Marlborough UK Micro-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 increase the value of your investment by more than any increase in the FTSE SmallCap Index (ex-Investment Companies), after any charges have been taken out of the Fund, over any 5 year period. However, there is no certainty this will be achieved.

#### **Investment policy**

At least 80% of the Fund will be invested in the shares of smaller companies and investment trusts listed on UK stock exchanges. These will be incorporated/domiciled in the UK or will have significant business operations in the UK. These are companies whose market capitalisation (the market value of a company's shares) is £500m or less at the time the initial purchase is made.

The aim of the investment team is to identify companies which they believe show good long-term growth potential, or which appear to be under-valued given their future prospects.

The team consider economic and market conditions, but the main focus is on individual company analysis and selection.

Following the same investment philosophy, the Fund may also invest in companies which are listed on overseas stock exchanges, the shares of larger companies, other securities which offer returns linked to the company performance, such as, preference shares, convertible bonds and warrants, and unquoted companies.

The Fund is actively managed, which means the investment manager decides which investments to buy or sell and when. The Fund invests in a diverse portfolio of investments and is not constrained by any industry or sector.

The Fund may hold cash, government bonds and money market instruments (short terms loans typically issued by governments and banks) to enable ready settlement of liabilities (including the redemption of units), for the efficient management of the Fund and in order to meet its objective.

#### **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 SmallCap Index (ex-Investment Companies) has been chosen as the performance target as it has similar aims and objectives to 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 Smaller Companies sector. You may want to assess the Fund's performance compared to the performance of this sector.

#### **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.

#### **Changes in prospectus**

There have been no significant changes since the last annual 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.

**IFSL MARLBOROUGH UK MICRO-CAP GROWTH FUND**

**DIRECTORS' STATEMENT**

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



Allan Hamer  
Director



Helen Redmond  
Director

Investment Fund Services Limited  
22 March 2023



**IFSL MARLBOROUGH UK MICRO-CAP GROWTH FUND**
**COMPARATIVE TABLE**

<b><u>A Accumulation units</u></b>	<b>Period to 31.01.2024</b>	<b>Year to 31.07.2023</b>	<b>Year to 31.07.2022</b>	<b>Year to 31.07.2021</b>
<b>Change in net assets per unit</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per unit	706.36	823.12	1,149.41	737.12
Return before operating charges*	3.25	(104.82)	(309.95)	427.14
Operating charges	(5.33)	(11.94)	(16.34)	(14.85)
Return after operating charges*	(2.08)	(116.76)	(326.29)	412.29
Distributions on accumulation units	-	-	-	-
Retained distributions on accumulation units	-	-	-	-
Closing net asset value per unit	704.28	706.36	823.12	1,149.41
* after direct transaction costs of:	0.45	0.67	0.71	0.83
<b>Performance</b>				
Return after charges <sup>A</sup>	(0.29)%	(14.19)%	(28.39)%	55.93%
<b>Other information</b>				
Closing net asset value (£)	9,905,463	10,607,012	99,414,062	156,708,967
Closing number of units	1,406,459	1,501,646	12,077,736	13,633,911
Operating charges	1.54% <sup>B,C</sup>	1.55%	1.55%	1.56%
Direct transaction costs	0.14% <sup>C</sup>	0.09%	0.07%	0.09%
<b>Prices (pence per unit)</b>				
Highest unit price	719.90	851.18	1,247.00	1163.66
Lowest unit price	632.83	704.34	796.19	736.99
<b><u>P Accumulation units</u></b>	<b>Period to 31.01.2024</b>	<b>Year to 31.07.2023</b>	<b>Year to 31.07.2022</b>	<b>Year to 31.07.2021</b>
<b>Change in net assets per unit</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per unit	766.23	885.88	1,227.15	781.47
Return before operating charges*	3.68	(113.05)	(332.18)	453.94
Operating charges	(2.97)	(6.60)	(9.09)	(8.26)
Return after operating charges*	0.71	(119.65)	(341.27)	445.68
Distributions on accumulation units	-	(4.14)	(0.99)	(0.70)
Retained distributions on accumulation units	-	4.14	0.99	0.70
Closing net asset value per unit	766.94	766.23	885.88	1,227.15
* after direct transaction costs of:	0.49	0.72	0.77	0.89
<b>Performance</b>				
Return after charges <sup>A</sup>	0.09%	(13.51)%	(27.81)%	57.03%
<b>Other information</b>				
Closing net asset value (£)	641,769,006	721,535,232	939,650,896	1,569,507,960
Closing number of units	83,679,397	94,167,022	106,069,390	127,898,782
Operating charges	0.79% <sup>B,C</sup>	0.80%	0.80%	0.81%
Direct transaction costs	0.14% <sup>C</sup>	0.09%	0.07%	0.09%
<b>Prices (pence per unit)</b>				
Highest unit price	781.48	915.49	1,331.86	1241.83
Lowest unit price	687.24	758.78	856.10	780.97

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

<sup>B</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.

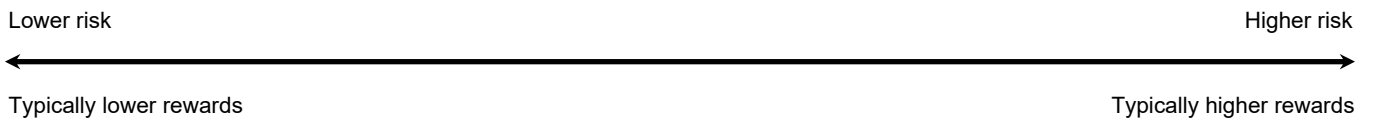
<sup>C</sup> These figures have been annualised.

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each unit class in the period. Where it is considered unsuitable to use the total expenses paid by each unit class in the period 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](http://www.ifslfunds.com)) give an estimate of future costs.

Direct transaction costs are the total charges for the period, 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 period and the average units in issue for the pence per unit figures.

**IFSL MARLBOROUGH UK MICRO-CAP GROWTH FUND**

**SYNTHETIC RISK AND REWARD INDICATOR** (all unit classes)



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

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

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

**IFSL MARLBOROUGH UK MICRO-CAP GROWTH FUND**
**PORTFOLIO STATEMENT**

as at 31 January 2024

Holding or nominal value		Bid value £	Percentage of total net assets %
<b>UNITED STATES FIXED INTEREST (31 July 2023 - 0.11%)</b>			
1,375,000	US Treasury 0.375% 30.11.25	1,008,419	0.15
6,000,000	US Treasury 1.375% 15.08.50	2,523,897	0.39
	Total United States Fixed Interest	3,532,316	0.54
	<b>TOTAL FIXED INTEREST</b>	3,532,316	0.54
<b>AEROSPACE AND DEFENCE (31 July 2023 - 0.77%)</b>			
960,000	Cohort	5,625,600	0.86
	Total Aerospace and Defence	5,625,600	0.86
<b>AUTOMOBILES AND PARTS (31 July 2023 - 0.37%)</b>			
7,401,033	Saietta Group	1,110,155	0.17
3,961,761	Surface Transforms	384,291	0.06
	Total Automobiles and Parts	1,494,446	0.23
<b>BEVERAGES (31 July 2023 - 0.40%)</b>			
4,000,000	The Artisanal Spirits Company	1,920,000	0.29
	Total Beverages	1,920,000	0.29
<b>CHEMICALS (31 July 2023 - 0.77%)</b>			
1,075,000	Treatt	4,912,750	0.75
	Total Chemicals	4,912,750	0.75
<b>CLOSED END INVESTMENTS (31 July 2023 - 1.02%)</b>			
7,220,000	Augmentum Fintech	7,220,000	1.11
1,500,000	Gore Street Energy Storage Fund	1,015,500	0.16
	Total Closed End Investments	8,235,500	1.27
<b>CONSTRUCTION AND MATERIALS (31 July 2023 - 4.54%)</b>			
2,725,000	Accsys Technologies	1,607,750	0.25
12,500,000	Brickability Group	8,125,000	1.25
1,000,000	Eurocell	1,220,000	0.19
3,750,000	Lords Group Trading	2,062,500	0.32
50,000	Marshalls	140,600	0.02
4,000,000	Michelmersh Brick Holdings	4,040,000	0.62
4,000,000	Norcros	7,420,000	1.14
14,000,000	SigmaRoc	8,988,000	1.38
1,418,444	Tclarke	1,787,239	0.27
	Total Construction and Materials	35,391,089	5.44
<b>ELECTRONIC AND ELECTRICAL EQUIPMENT (31 July 2023 - 3.67%)</b>			
85,826,529	CAP-XX	772,439	0.12
350,000	discoverIE Group	2,761,500	0.42
34,086,171	Fireangel Safety Technology Group	1,874,739	0.29
1,500	Judges Scientific	139,800	0.02
1,971,756	MYCELX Technologies	1,005,596	0.15
550,000	Porvair	3,586,000	0.55
2,700,000	SDI Group	1,728,000	0.27
300,000	Solid State	3,840,000	0.59
19,537,324	Thruvision Group	3,516,718	0.54
2,000,000	Volex	6,330,000	0.97
269,927	XP Power	3,892,347	0.60
	Total Electronic and Electrical Equipment	29,447,139	4.52
<b>FINANCE AND CREDIT SERVICES (31 July 2023 - 1.01%)</b>			
800,000	H&T Group	2,960,000	0.45
	Total Finance and Credit Services	2,960,000	0.45

**IFSL MARLBOROUGH UK MICRO-CAP GROWTH FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>GENERAL INDUSTRIALS (31 July 2023 - 1.25%)</b>		
900,000 Hargreaves Services	4,149,000	0.64
2,000,000 Macfarlane Group	2,410,000	0.37
Total General Industrials	6,559,000	1.01
<b>HEALTH CARE PROVIDERS (31 July 2023 - 1.27%)</b>		
3,070,000 Cambridge Cognition Holdings	1,565,700	0.24
5,000,000 Diaceutics	5,150,000	0.79
12,450,000 hVIVO	3,647,850	0.56
865,000 Renalytix	95,150	0.01
Total Health Care Providers	10,458,700	1.60
<b>HOUSEHOLD GOODS AND HOME CONSTRUCTION (31 July 2023 - 0.76%)</b>		
2,105,172 ProCook Group	654,708	0.10
5,179,000 Springfield Properties	3,987,830	0.61
1,225,000 Ultimate Products	1,843,625	0.28
50,000 Victoria	140,750	0.02
Total Household Goods and Home Construction	6,626,913	1.01
<b>INDUSTRIAL ENGINEERING (31 July 2023 - 1.57%)</b>		
450,000 AB Dynamics	7,875,000	1.21
1,200,000 Somero Enterprises	4,320,000	0.66
Total Industrial Engineering	12,195,000	1.87
<b>INDUSTRIAL METALS AND MINING (31 July 2023 - 2.44%)</b>		
415,812 Adriatic Metals	761,768	0.12
59,657,078 Andrada Mining	2,445,940	0.38
9,500,000 Trident Royalties	3,372,500	0.52
Total Industrial Metals and Mining	6,580,208	1.02
<b>INDUSTRIAL SUPPORT SERVICES (31 July 2023 - 9.65%)</b>		
25,000 Alpha Financial Markets Consulting	86,250	0.01
6,000,000 Boku 'Reg S'	9,480,000	1.45
330,000 Elixirr International	1,699,500	0.26
100,000 Essentra	171,800	0.03
50,000 FDM Group (Holdings)	224,250	0.03
3,000,000 Franchise Brands	4,740,000	0.73
3,052,634 Frontier IP Group	1,373,685	0.21
2,250,000 FRP Advisory Group	2,812,500	0.43
1,400,000 Keystone Law Group	7,476,000	1.15
1,075,000 Marlowe	3,977,500	0.61
1,000,000 Mears Group	3,405,000	0.52
3,600,000 Mind Gym	1,440,000	0.22
1,650,000 Restore	3,910,500	0.60
1,500,000 RWS Holdings	3,630,000	0.56
1,500,000 Science Group	5,700,000	0.87
100,000 SThree	403,500	0.06
750,000 Trifast	525,000	0.08
1,269,003 Water Intelligence	4,695,311	0.72
Total Industrial Support Services	55,750,796	8.54
<b>INDUSTRIAL TRANSPORTATION (31 July 2023 - 1.29%)</b>		
5,350,000 Avation	6,420,000	0.99
3,975,000 Facilities by ADF	2,146,500	0.33
625,000 Fisher (James) & Sons	2,121,875	0.33
Total Industrial Transportation	10,688,375	1.65

**IFSL MARLBOROUGH UK MICRO-CAP GROWTH FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>INVESTMENT BANKING AND BROKERAGE SERVICES (31 July 2023 - 8.47%)</b>		
700,000 Alpha Group International	11,200,000	1.72
1,000,000 Aquis Exchange	3,600,000	0.55
4,000 Brooks Macdonald Group	72,000	0.01
8,350,000 Duke Royalty	2,713,750	0.42
5,412,330 Forward Partners Group	1,515,452	0.23
12,683,429 Frenkel Topping Group	5,834,377	0.90
10,000 Impax Asset Management Group	53,600	0.01
530,500 Liontrust Asset Management	3,220,135	0.49
600,000 Mattioli Woods	3,576,000	0.55
10,100,000 Mercia Asset Management	3,030,000	0.46
1,125,000 Molten Ventures	2,862,000	0.44
195,000 Pollen Street Group	1,166,100	0.18
1,099,910 Tatton Asset Management	5,829,523	0.89
1,400,000 TMT Investments	3,200,631	0.49
100,388 Volvere	1,074,152	0.16
2,100,000 XPS Pensions Group	4,305,000	0.66
Total Investment Banking And Brokerage Services	53,252,720	8.16
<b>LEISURE GOODS (31 July 2023 - 1.36%)</b>		
1,487,000 Focusrite	7,583,700	1.16
5,000 Games Workshop Group	495,750	0.08
Total Leisure Goods	8,079,450	1.24
<b>MEDIA (31 July 2023 - 4.90%)</b>		
2,841,832 Dianomi	1,364,079	0.21
15,793,566 Ebiquity	5,211,877	0.80
450,000 Future	3,222,000	0.49
7,500,000 GlobalData	14,775,000	2.27
4,250,000 LBG Media	3,400,000	0.52
86,950 M&C Saatchi	153,032	0.02
650,000 Nexxen International	1,332,500	0.20
1,715,000 Reach	1,061,585	0.16
2,000,000 The Pebble Group	1,220,000	0.19
7,500,000 Time Out Group	3,825,000	0.59
1,000,000 Wilmington	3,200,000	0.49
Total Media	38,765,073	5.94
<b>MEDICAL EQUIPMENT AND SERVICES (31 July 2023 - 1.21%)</b>		
250,000 Advanced Medical Solutions Group	517,500	0.08
18,000,000 Creo Medical Group	7,470,000	1.15
38,800,000 Kromek Group	2,405,600	0.37
Total Medical Equipment and Services	10,393,100	1.60
<b>OIL, GAS AND COAL (31 July 2023 - 3.29%)</b>		
500,000 Ashtead Technology Holdings	3,240,000	0.50
3,083,845 Deltic Energy	770,961	0.12
200,000 Gulf Keystone Petroleum	217,200	0.03
11,525,000 i3 Energy	1,100,637	0.17
14,750,000 Jadestone Energy	3,982,500	0.61
1,570,000 Kistos Holdings	2,355,000	0.36
7,500,000 PetroTal	3,450,000	0.53
1,850,000 Serica Energy	3,955,300	0.61
5,530,000 Southern Energy	677,425	0.10
10,600,000 Westmount Energy	159,000	0.02
Total Oil, Gas and Coal	19,908,023	3.05
<b>OPEN END AND MISCELLANEOUS INVESTMENT VEHICLES (31 July 2023 - 0.00%)</b>		
1,590,000 AdvancedAdvT	1,637,700	0.25
Total Open End and Miscellaneous Investment Vehicles	1,637,700	0.25

**IFSL MARLBOROUGH UK MICRO-CAP GROWTH FUND**
**PORTFOLIO STATEMENT**

as at 31 January 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>PERSONAL CARE, DRUG AND GROCERY STORES (31 July 2023 - 1.03%)</b>		
6,020,000 IG Design Group	8,428,000	1.29
Total Personal Care, Drug and Grocery Stores	8,428,000	1.29
<b>PERSONAL GOODS (31 July 2023 - 1.85%)</b>		
6,304,478 Inspects Group	3,530,508	0.54
1,250,000 Warpaint London	4,750,000	0.73
Total Personal Goods	8,280,508	1.27
<b>PHARMACEUTICALS AND BIOTECHNOLOGY (31 July 2023 - 2.60%)</b>		
27,500,000 Agronomics	2,750,000	0.42
1,000,000 Alliance Pharma	372,000	0.06
1,400,000 Animalcare Group	2,450,000	0.38
1,750,000 MaxCyte	6,825,000	1.05
2,345,927 PureTech Health	4,635,552	0.71
Total Pharmaceuticals and Biotechnology	17,032,552	2.62
<b>PRECIOUS METALS AND MINING (31 July 2023 - 3.24%)</b>		
129,309,211 Jubilee Metals Group	7,112,007	1.09
40,000,000 Pan African Resources	7,224,000	1.11
35,000,000 Shanta Gold	4,585,000	0.70
16,666,667 Thor Explorations	2,000,000	0.31
Total Precious Metals and Mining	20,921,007	3.21
<b>REAL ESTATE INVESTMENT AND SERVICES (31 July 2023 - 0.10%)</b>		
90,000 Lok'nStore Group	723,600	0.11
Total Real Estate Investment and Services	723,600	0.11
<b>RETAILERS (31 July 2023 - 2.42%)</b>		
5,754,000 Angling Direct	2,244,060	0.34
2,886,250 CMO Group	663,837	0.10
5,750,000 Marks Electrical Group	4,140,000	0.64
2,200,000 Moonpig Group	3,647,600	0.56
9,539,351 Sosandar	1,383,206	0.21
Total Retailers	12,078,703	1.85
<b>SOFTWARE AND COMPUTER SERVICES (31 July 2023 - 27.40%)</b>		
7,619,063 1Spatial	3,885,722	0.60
13,000,000 Access Intelligence	7,150,000	1.10
1,187,173 accesso Technology Group	6,612,554	1.01
8,050,000 ActiveOps	7,728,000	1.19
550,000 Alfa Financial Software Holdings	951,500	0.15
2,310,000 Aptitude Software Group	6,930,000	1.06
4,881,238 Beeks Financial Cloud Group	4,490,739	0.69
4,795,000 Celebrus Technologies	11,508,000	1.77
700,000 Cerillion	10,780,000	1.65
1,650,000 Eagle Eye Solutions Group	9,405,000	1.44
16,500,000 Eckoh	6,105,000	0.94
6,597,261 essensys	2,111,124	0.32
210,000 FD Technologies	2,641,800	0.41
10,279,755 GRC International Group	359,791	0.06
5,941,000 Gresham Technologies	7,366,840	1.13
12,250,000 Idox	8,036,000	1.23
1,500,000 Intercede Group	1,575,000	0.24
4,300,000 IQGeo Group	14,190,000	2.18
3,250,000 K3 Business Technology Group	3,640,000	0.56
1,900,000 Kin and Carta	2,553,600	0.39
1,750,000 Kooth	4,900,000	0.75
4,347,500 Microlise Group	5,651,750	0.87
3,300,000 NCC Group	3,986,400	0.61
7,000,000 Oxford Metrics	7,350,000	1.13

**IFSL MARLBOROUGH UK MICRO-CAP GROWTH FUND**
**PORTFOLIO STATEMENT**

as at 31 January 2024

Holding or nominal value		Bid value £	Percentage of total net assets %
<b>SOFTWARE AND COMPUTER SERVICES (continued)</b>			
883,831	Sopheon	8,484,778	1.30
5,230,607	SysGroup	1,464,570	0.22
1,856,617	Team Internet Group	2,480,440	0.38
6,725,748	TPXimpact Holdings	2,555,784	0.39
1,129,366	Tracsis	9,825,484	1.51
7,470,270	Trustpilot Group	13,364,313	2.05
6,100,000	Windward	6,527,000	1.00
3,500,000	ZOO Digital Group	1,330,000	0.20
	Total Software and Computer Services	185,941,189	28.53
<b>TECHNOLOGY HARDWARE AND EQUIPMENT (31 July 2023 - 1.17%)</b>			
2,947,076	Concurrent Technologies	2,475,544	0.38
248,600	Gooch & Housego	1,536,348	0.24
44,750,000	IQE	8,994,750	1.38
	Total Technology Hardware and Equipment	13,006,642	2.00
<b>TELECOMMUNICATIONS EQUIPMENT (31 July 2023 - 0.42%)</b>			
10,000,000	BATM Advanced Communications	2,050,000	0.32
12,775,000	Filtronic	2,938,250	0.45
	Total Telecommunications Equipment	4,988,250	0.77
<b>TELECOMMUNICATIONS SERVICE PROVIDERS (31 July 2023 - 0.00%)</b>			
78,578	Zegona Communications	137,512	0.02
	Total Telecommunications Service Providers	137,512	0.02
<b>TRAVEL AND LEISURE (31 July 2023 - 4.70%)</b>			
21,983,126	DP Poland	2,198,313	0.34
13,880,000	Gaming Realms	4,733,080	0.73
250,000	Jet2	3,330,000	0.51
2,300,000	Loungers	5,060,000	0.78
10,000	PPHE Hotel Group	122,000	0.02
8,750,000	Ten Lifestyle Group	7,218,750	1.11
3,600,000	The City Pub Group	4,968,000	0.76
1,716,226	Tortilla Mexican Grill	652,166	0.10
11,168,905	Various Eateries	2,792,226	0.43
9,462,198	XP Factory	1,372,019	0.21
	Total Travel and Leisure	32,446,554	4.99
<b>WASTE AND DISPOSAL SERVICES (31 July 2023 - 0.76%)</b>			
<b>OVERSEAS SECURITIES (31 July 2023 - 0.21%)</b>			
15,284	Pantoro	317	-
	Total Overseas Securities	317	-
<b>UNQUOTED SECURITIES (31 July 2023 - 1.76%)</b>			
7,937,506	Albert Technologies <sup>A</sup>	-	-
1,891,500	Constellation Healthcare Technologies Promissory Notes <sup>B</sup>	-	-
3,311,071	Crawshaw Group <sup>C</sup>	-	-
6,611,835	FireAngel Safety Technology Group Warrants (£0.03) 29.06.26 <sup>F</sup>	165,296	0.03
3,575,000	Gable Holdings <sup>C</sup>	-	-
4,153,087	HaloSource <sup>C</sup>	-	-
15,917,167	HaloSource 'Reg S' <sup>C</sup>	-	-
767,065	HealthBeacon <sup>E</sup>	-	-
17,829	Infinity Reliance <sup>B</sup>	750,066	0.12
360,000	Lamaune Iron <sup>B</sup>	-	-
19,000,000	MJ Hudson Group <sup>D</sup>	-	-
3,000,000	Moxico Resources <sup>B</sup>	1,650,000	0.25
6,999,000	Okullo <sup>D</sup>	-	-
3,490,856	Patisserie Holdings <sup>C</sup>	-	-
9,249	Phoenix Industrial Minerals Pty <sup>B</sup>	-	-

**IFSL MARLBOROUGH UK MICRO-CAP GROWTH FUND**

**PORTFOLIO STATEMENT**

as at 31 January 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>UNQUOTED SECURITIES</b> (continued)		
195,000 SCA Investments <sup>B</sup>	6,228,300	0.96
34,636 SCA Investments 'M' <sup>B</sup>	1,940,309	0.30
35,921,494 Trackwise Designs <sup>D</sup>	-	-
16,860,887 Trackwise Designs Warrants (£0.06) 09.01.26 <sup>F</sup>	-	-
3,729,554 Tricorn Group <sup>D</sup>	-	-
Total Unquoted Securities	<u>10,733,971</u>	<u>1.66</u>
<b>TOTAL EQUITIES</b>	<u>645,600,387</u>	<u>99.07</u>
<b>Portfolio of investments</b>	649,132,703	99.61
<b>Net other assets</b>	2,541,766	0.39
<b>Total net assets</b>	<u>651,674,469</u>	<u>100.00</u>

<sup>A</sup> These shares are delisted and are valued at zero, based on the latest information received.

<sup>B</sup> These shares are unlisted and are being valued using the latest information received.

<sup>C</sup> These shares are valued at zero, as the companies are in liquidation with no expected return.

<sup>D</sup> These shares are valued at zero, as the companies are in administration with no expected return.

<sup>E</sup> These shares are suspended and are valued at zero, based on the latest information received.

<sup>F</sup> All holdings of warrants have been valued at the exercise price less the price of the underlying ordinary shares.

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

**PORTFOLIO TRANSACTIONS**

for the six month period ended 31 January 2024

	£
Total purchases cost, including transaction charges	65,570,657
Total sales proceeds, net of transaction charges	128,269,069



**IFSL MARLBOROUGH UK MICRO-CAP GROWTH FUND**

**STATEMENT OF TOTAL RETURN**

for the six month period ended 31 January 2024

	31 January 2024		31 January 2023	
	£	£	£	£
Income:				
Net capital losses		(4,129,404)		(58,556,181)
Revenue	5,047,713		6,967,455	
Expenses	<u>(2,650,724)</u>		<u>(4,047,492)</u>	
Net revenue/(expense) before taxation	2,396,989		2,919,963	
Taxation	<u>(92,358)</u>		<u>(52,944)</u>	
Net revenue/(expense) after taxation		<u>2,304,631</u>		<u>2,867,019</u>
Total return before distributions		(1,824,773)		(55,689,162)
Distributions		(136,888)		(125,270)
Change in net assets attributable to unitholders from investment activities		<u><u>(1,961,661)</u></u>		<u><u>(55,814,432)</u></u>

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

for the six month period ended 31 January 2024

	31 January 2024		31 January 2023	
	£	£	£	£
Opening net assets attributable to unitholders		<sup>A</sup> 732,142,244		1,039,064,958
Amounts receivable on issue of units	7,934,823		573,903	
Amounts payable on cancellation of units	(86,440,932)		(85,170,263)	
Amounts payable on unit class conversions	<u>-</u>		<u>(1,103)</u>	
		(78,506,109)		(84,597,463)
Dilution adjustment				1,237,259
Change in net assets attributable to unitholders from investment activities		(1,961,661)		(55,814,432)
Retained distribution on accumulation units		(5)		-
Closing net assets attributable to unitholders		<u><u>651,674,469</u></u>		<sup>A</sup> <u><u>899,890,322</u></u>

<sup>A</sup> These figures are not the same as the comparatives are taken from the preceding interim period and not the last final accounts.

## IFSL MARLBOROUGH UK MICRO-CAP GROWTH FUND

### BALANCE SHEET

as at 31 January 2024

	31 January 2024 £	31 July 2023 £
<b>Assets:</b>		
<b>Fixed Assets:</b>		
Investments	649,132,703	715,892,318
<b>Current Assets:</b>		
Debtors	4,436,856	1,215,406
Cash and bank balances	2,843,573	18,835,893
Total assets	<u>656,413,132</u>	<u>735,943,617</u>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	4,738,663	3,801,373
Total liabilities	<u>4,738,663</u>	<u>3,801,373</u>
<b>Net assets attributable to unitholders</b>	<u>651,674,469</u>	<u>732,142,244</u>

### NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 31 January 2024

#### Basis for preparation

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

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

#### Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 July 2023 and are described in those annual financial statements.

The investments of the Fund have been valued at their fair value at 12 noon on 31 January 2024.

---

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

**Investor Support:** (0808) 178 9321 (FREEPHONE)

**Email.** [ifslclientsupport@ifslfunds.com](mailto:ifslclientsupport@ifslfunds.com)

**Website.** [www.ifslfunds.com](http://www.ifslfunds.com)

**Fax.** (01204) 533 045

Investment Fund Services Limited Registered in England No. 06110770  
Authorised and regulated by the Financial Conduct Authority and a  
member of The Investment Association.

Investment Fund Services