

# IFSL Marlborough Cautious Fund

**Interim Report and Unaudited Financial Statements**  
for the six month period ended 31 October 2022

IFSL

— Fund Services —

Marlborough

## **IFSL MARLBOROUGH CAUTIOUS 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  
Helen Derbyshire  
Helen Redmond  
Sally Helston - appointed 12 August 2022  
Guy Sears (Independent Non-Executive)  
Sarah Peaston (Independent Non-Executive)

#### **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.

#### **Investment Manager**

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

Authorised and regulated by the Financial Conduct Authority.

#### **Auditor**

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

## **IFSL MARLBOROUGH CAUTIOUS FUND**

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## IFSL MARLBOROUGH CAUTIOUS FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the six month period ended 31 October 2022

#### Percentage change and sector position to 31 October 2022

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL Marlborough Cautious Fund	(4.97)%	(8.95)%	(0.92)%	(0.51)%
IA Mixed Investment 20-60% Shares	(7.00)%	(10.69)%	(0.60)%	4.06%

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 takes account of all ongoing charges, but not entry charges. The past performance of this unit class is calculated in sterling.

#### Investment commentary

During the period under review the selling price of the class P accumulation units, decreased by 4.97%. The IA Mixed Investment 20-60% sector average fell by 7.00% over the same time frame.

Throughout 2022, investors have agonised over high inflation levels, central banks' policy responses to inflation, and the impact those responses will have on economic growth. With this backdrop, elevated volatility has been a feature of the investment markets all year: both equity and bond markets have enjoyed short, sharp rallies when fresh data hints that inflation may have peaked, or that interest rates may not need to rise as much as feared, but the general trend has been downwards as a recession has become increasingly likely in many regions.

In 2022 so far, we have witnessed 236 rate rises by 80 central banks, versus 123 hikes in all of 2021. Although some inflation measures have now declined slightly, the full effect on the economic growth of these measures has not yet been felt, and the risk of a global recession is rising. Although the US economy has already suffered two consecutive quarters of negative growth, which is widely regarded as the technical definition of a recession, the National Bureau of Economic Research, which are the final arbiter of such matters, has yet to declare a recession, at least in part due to the strength of the jobs market.

To combat rising prices, further interest rate hikes may be inevitable, and a global recession is now the most likely scenario. In fact, a recession is potentially the only way to break the self-fulfilling spiral of higher inflationary expectations. Central bankers are talking tough; we feel they need to do so, to make businesses and consumers take them seriously enough to adjust hiring, wages, and consumption.

While it may sound depressing, a shallow recession now could be better than a deep recession later, and equity prices may already have fully discounted the economic weakness ahead.

Usually, a recessionary environment would be positive for sovereign bond markets, as investors discount the future interest rate cuts that will be needed to re-stimulate economies. But for now, inflation may not have definitively peaked, and this is seen as the greater threat. Inflation eats away at the real value of the fixed future payments that bondholders expect to receive, so bond prices have been declining in response to rising inflation levels.

For UK-based investors, the pain has been eased slightly by the pound's weakness, which has benefited holdings in non-sterling assets. But with both equities and bonds declining, multi-asset portfolios have struggled. Nevertheless, we feel diversification can still be found in areas like commodities and absolute return funds, and we have used these to avoid the worst of the drawdowns.

In the meantime, uncertainty remains, and with it comes volatility, so the cautious stance we have implemented in our portfolios remains in place. In equities we have remained neutral overall: although there may be downside risks, we believe share prices may already reflect this. For most of the reporting period, we held a bias towards the UK at the expense of other regions. This stance supported relative portfolio performance as the UK market strongly outperformed other regions. We moved back to a neutral position over the summer, as inflation and recession risks ramped up. Whilst the leadership in markets has repeatedly switched between growth and value style investing, we have moved to a defensive stance, using core and equity income funds to weather market volatility. Cash levels in the portfolio were increased during the first half of the year, but with better valuations on offer in both equity and fixed income markets, this is now being invested.

On the fixed income side of the portfolio, we have maintained an underweight stance versus the peer group, with exposure biased towards shorter-duration bonds with less sensitivity to interest rate movements. The shorter duration funds performed relatively well as inflation was rising sharply. As concerns shift from inflation to the increased likelihood of a recession, we have started to increase our duration position to move closer to the sector average. At the start of the year, we were underweight government bonds and held more corporate bonds. We are now moving towards a neutral stance in both government and corporate bonds, whilst increasing our position in high yield bonds.

Marlborough Investment Management Limited  
9 December 2022

## IFSL MARLBOROUGH CAUTIOUS FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the six month period ended 31 October 2022

#### Distributions

	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>A Income (pence per unit)</u>				
Net income paid 30 June	0.5717	0.5054	0.7796	0.9796
Net income paid 31 December	0.6573	0.7963	1.1255	1.1746
<u>A Accumulation (pence per unit)</u>				
Net accumulation paid 30 June	1.0155	0.8852	1.3349	1.6366
Net accumulation paid 31 December	1.1755	1.3984	1.9448	1.9839
<u>P Income (pence per unit)</u>				
Net income paid 30 June	0.6105	0.5372	0.8209	1.0249
Net income paid 31 December	0.7062	0.8494	1.1914	1.2338
<u>P Accumulation (pence per unit)</u>				
Net accumulation paid 30 June	0.7123	0.6192	0.9249	1.1269
Net accumulation paid 31 December	0.8310	0.9876	1.3546	1.3713

#### Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
Vanguard FTSE UK Equity Income Index 'A' GBP	323,400
Lyxor Russell 1000 Growth UCITS ETF	313,776
Janus Henderson European Focus 'I'	293,300
iShares Core UK Gilts UCITS ETF GBP	282,349
iShares MSCI USA Quality Dividend UCITS ETF USD	244,172
iShares Global Govt Bond UCITS ETF USD	215,328
GQG Partners US Equity 'I' GBP	198,000
Man GLG Sterling Corporate Bond 'Inst'	185,400
TB Evenlode Income 'C'	177,500
iShares MSCI Europe Quality Dividend ESG UCITS ETF EUR	151,873
Other purchases	1,000,776
Total purchases for the period	3,385,874
<u>Largest sales</u>	<u>Proceeds (£)</u>
Tabula US Enhanced Inflation UCITS ETF GBP Hedged	322,775
iShares Edge MSCI USA Value Factor UCITS ETF USD	274,051
Man GLG UK Income 'D'	269,128
Vanguard FTSE UK Equity Income Index 'A' GBP	251,400
LF Lindsell Train UK Equity	251,312
Schroder Sterling Corporate Bond 'Z' GBP	233,193
iShares Edge MSCI Europe Value Factor UCITS ETF EUR	232,860
Fidelity Asia Pacific Opportunities 'W'	214,995
iShares UK Gilts 0-5yr UCITS ETF GBP	199,060
Royal London Short-Term Money Market 'Y'	134,500
Other sales	1,467,472
Total sales for the period	3,850,746

## **IFSL MARLBOROUGH CAUTIOUS FUND**

### **AUTHORISED STATUS**

IFSL Marlborough Cautious Fund (the Fund) is an authorised unit trust scheme within the meaning of the Financial Services and Markets Act 2000 and is a non-UCITS scheme operating under the Collective Investment Schemes Sourcebook (COLL) and the Investment Fund Sourcebook (FUND) 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 over any 5 year period, through a combination of income, that is, money paid out of an investment, such as interest from bonds or dividends from shares and some capital growth, that is, profit on investments. The Fund aims to outperform the average of the IA Mixed Investment 20-60% Shares sector, after charges, over any 5 year period. However, there is no certainty this will be achieved.

#### **Investment policy**

At least 80% of the Fund will be invested in other funds, including exchange traded funds (which typically track an index) and investment trusts. This may include other funds operated by the Manager or its associates. Through these investments, the Fund will be exposed to a range of asset classes, creating a low to medium risk portfolio.

Between 20-60% of the Fund will be exposed to shares in companies, both UK and overseas, but typically this will be between 40-60%.

At least 30% of the Fund will also be exposed to bonds, which are loans typically issued by companies and governments, and cash. This may include investment grade bonds, where the issuer has a higher capacity to repay the debt, as well as sub-investment grade bonds, which can be more vulnerable to changing market conditions but typically pay a higher rate of interest.

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

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

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

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

The Fund may invest in derivatives or forward transactions whose returns are linked to exchange rates in order to reduce currency risk (also known as hedging).

#### **Performance target**

The performance target is the level of performance the Fund aims to deliver after charges and with income reinvested however there is no certainty this will be achieved.

The Investment Association (IA), the trade body for UK investment managers, has created a number of 'sectors' as a way of dividing funds into broad groups with similar characteristics. This Fund aims to be in the top half of all funds included in the IA Mixed Investment 20-60% Shares 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**

No significant changes have been made since the last report.

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

## IFSL MARLBOROUGH CAUTIOUS FUND

### GENERAL INFORMATION

#### Leverage

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

The total amount of leverage calculated as at 31 October 2022 is as follows:

	<b>Gross Method</b>	<b>Commitment Method</b>
IFSL Marlborough Cautious Fund	94.32%	94.32%

The total amount of leverage calculated as at 30 April 2022 is as follows:

	<b>Gross Method</b>	<b>Commitment Method</b>
IFSL Marlborough Cautious Fund	92.60%	92.60%

The maximum level of leverage which may be employed on behalf of the Fund when calculated in accordance with the gross method is 210%.

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

#### 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  
20 December 2022

**IFSL MARLBOROUGH CAUTIOUS FUND**
**COMPARATIVE TABLE**

<b><u>A Income units</u></b>	<b>Period to</b>	<b>Year to</b>	<b>Year to</b>	<b>Year to</b>
<b>Change in net assets per unit</b>	<b>31.10.2022</b>	<b>30.04.2022</b>	<b>30.04.2021</b>	<b>30.04.2020</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per unit	86.48	90.81	81.26	89.19
Return before operating charges*	(3.72)	(1.10)	13.13	(3.99)
Operating charges	(0.88)	(1.86)	(1.95)	(1.99)
Return after operating charges*	(4.60)	(2.96)	11.18	(5.98)
Distributions on income units	(0.66)	(1.37)	(1.63)	(1.95)
Closing net asset value per unit	81.22	86.48	90.81	81.26
* after direct transaction costs of:	0.01	0.02	0.03	0.05
<b>Performance</b>				
Return after charges <sup>A</sup>	(5.32)%	(3.26)%	13.76%	(6.70)%
<b>Other information</b>				
Closing net asset value (£)	1,725,398	1,836,573	2,088,887	2,925,029
Closing number of units	2,124,228	2,123,765	2,300,389	3,599,680
Operating charges	2.07% <sup>B,C</sup>	2.06% <sup>B</sup>	2.26%	2.23%
Direct transaction costs	0.02% <sup>C</sup>	0.02%	0.04%	0.05%
<b>Prices (pence per unit)</b>				
Highest unit price	86.87	93.17	91.40	93.49
Lowest unit price	80.64	85.35	80.13	76.57
<b><u>A Accumulation units</u></b>	<b>Period to</b>	<b>Year to</b>	<b>Year to</b>	<b>Year to</b>
<b>Change in net assets per unit</b>	<b>31.10.2022</b>	<b>30.04.2022</b>	<b>30.04.2021</b>	<b>30.04.2020</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per unit	154.65	159.93	140.41	150.64
Return before operating charges*	(6.63)	(1.99)	22.91	(6.85)
Operating charges	(1.58)	(3.29)	(3.39)	(3.38)
Return after operating charges*	(8.21)	(5.28)	19.52	(10.23)
Distributions on accumulation units	(1.18)	(2.41)	(2.83)	(3.32)
Retained distributions on accumulation units	1.18	2.41	2.83	3.32
Closing net asset value per unit	146.44	154.65	159.93	140.41
* after direct transaction costs of:	0.02	0.03	0.06	0.08
<b>Performance</b>				
Return after charges <sup>A</sup>	(5.31)%	(3.30)%	13.90%	(6.79)%
<b>Other information</b>				
Closing net asset value (£)	1,725,934	1,913,622	2,168,888	2,337,384
Closing number of units	1,178,599	1,237,372	1,356,115	1,664,674
Operating charges	2.07% <sup>B,C</sup>	2.06% <sup>B</sup>	2.26%	2.23%
Direct transaction costs	0.02% <sup>C</sup>	0.02%	0.04%	0.05%
<b>Prices (pence per unit)</b>				
Highest unit price	155.36	164.95	160.08	157.98
Lowest unit price	144.21	151.63	138.45	131.05

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

<sup>B</sup> From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

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

**IFSL MARLBOROUGH CAUTIOUS FUND**
**COMPARATIVE TABLE**

<b><u>P Income units</u></b>	<b>Period to</b>	<b>Year to</b>	<b>Year to</b>	<b>Year to</b>
<b>Change in net assets per unit</b>	<b>31.10.2022</b>	<b>30.04.2022</b>	<b>30.04.2021</b>	<b>30.04.2020</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per unit	92.72	96.63	85.82	93.48
Return before operating charges*	(3.98)	(1.19)	13.94	(4.22)
Operating charges	(0.61)	(1.26)	(1.40)	(1.39)
Return after operating charges*	(4.59)	(2.45)	12.54	(5.61)
Distributions on income units	(0.71)	(1.46)	(1.73)	(2.05)
Closing net asset value per unit	87.42	92.72	96.63	85.82
* after direct transaction costs of:	0.01	0.02	0.03	0.05
<b>Performance</b>				
Return after charges <sup>A</sup>	(4.95)%	(2.54)%	14.61%	(6.00)%
<b>Other information</b>				
Closing net asset value (£)	1,387,437	1,537,653	1,639,025	563,085
Closing number of units	1,587,085	1,658,354	1,696,176	656,104
Operating charges	1.32% <sup>B,C</sup>	1.31% <sup>B</sup>	1.51%	1.48%
Direct transaction costs	0.02% <sup>C</sup>	0.02%	0.04%	0.05%
<b>Prices (pence per unit)</b>				
Highest unit price	93.35	99.41	97.25	98.18
Lowest unit price	86.76	91.41	84.63	80.81
<b><u>P Accumulation units</u></b>	<b>Period to</b>	<b>Year to</b>	<b>Year to</b>	<b>Year to</b>
<b>Change in net assets per unit</b>	<b>31.10.2022</b>	<b>30.04.2022</b>	<b>30.04.2021</b>	<b>30.04.2020</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per unit	109.11	112.00	97.59	103.92
Return before operating charges*	(4.69)	(1.42)	16.00	(4.78)
Operating charges	(0.71)	(1.47)	(1.59)	(1.55)
Return after operating charges*	(5.40)	(2.89)	14.41	(6.33)
Distributions on accumulation units	(0.83)	(1.70)	(1.97)	(2.30)
Retained distributions on accumulation units	0.83	1.70	1.97	2.30
Closing net asset value per unit	103.71	109.11	112.00	97.59
* after direct transaction costs of:	0.01	0.02	0.04	0.05
<b>Performance</b>				
Return after charges <sup>A</sup>	(4.95)%	(2.58)%	14.77%	(6.09)%
<b>Other information</b>				
Closing net asset value (£)	938,210	1,446,837	1,444,737	852,875
Closing number of units	904,639	1,325,983	1,289,983	873,935
Operating charges	1.32% <sup>B,C</sup>	1.31% <sup>B</sup>	1.51%	1.48%
Direct transaction costs	0.02% <sup>C</sup>	0.02%	0.04%	0.05%
<b>Prices (pence per unit)</b>				
Highest unit price	109.85	115.99	112.09	109.63
Lowest unit price	102.10	106.87	96.24	91.01

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

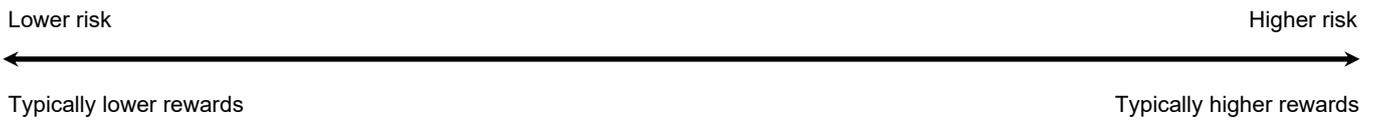
<sup>B</sup> From 30 April 2021, the Operating Charges (or Ongoing Charges Figure) calculation has been extended to include, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

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

Operating charges are the same as the ongoing charges and are the total expenses paid by each unit class in the period. 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 CAUTIOUS 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 is used.

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

**IFSL MARLBOROUGH CAUTIOUS FUND**
**PORTFOLIO STATEMENT**

as at 31 October 2022

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>UK ALL COMPANIES (30 April 2022 - 7.79%)</b>		
8,705 iShares Core FTSE 100 UCITS ETF GBP <sup>A</sup>	60,082	1.04
Total UK All Companies	<u>60,082</u>	<u>1.04</u>
<b>UK EQUITY INCOME (30 April 2022 - 10.22%)</b>		
219,694 Allianz UK Listed Equity Income 'E' GBP	230,481	3.99
48,431 TB Evenlode Income 'C'	176,416	3.05
1,583 Vanguard FTSE UK Equity Income Index 'A' GBP	241,565	4.18
Total UK Equity Income	<u>648,462</u>	<u>11.22</u>
<b>UK SMALLER COMPANIES (30 April 2022 - 2.08%)</b>		
<b>ASIA PACIFIC EXCLUDING JAPAN (30 April 2022 - 4.50%)</b>		
62,954 Jupiter Asian Income 'U1' GBP	121,803	2.11
5,645 Vanguard FTSE Developed Asia Pacific ex. Japan UCITS ETF USD <sup>A</sup>	119,815	2.07
Total Asia Pacific excluding Japan	<u>241,618</u>	<u>4.18</u>
<b>EUROPE EXCLUDING UK (30 April 2022 - 4.04%)</b>		
84,233 Janus Henderson European Focus 'I'	234,673	4.06
Total Europe excluding UK	<u>234,673</u>	<u>4.06</u>
<b>EUROPE INCLUDING UK (30 April 2022 - 3.81%)</b>		
35,933 iShares MSCI Europe Quality Dividend ESG UCITS ETF EUR <sup>A</sup>	154,027	2.67
Total Europe including UK	<u>154,027</u>	<u>2.67</u>
<b>GLOBAL EMERGING MARKETS (30 April 2022 - 2.20%)</b>		
1,008 Brook Global Emerging Markets 'S' GBP	93,367	1.62
426 Vanguard FTSE Emerging Markets UCITS ETF USD <sup>A</sup>	16,848	0.29
Total Global Emerging Markets	<u>110,215</u>	<u>1.91</u>
<b>JAPAN (30 April 2022 - 3.52%)</b>		
10,527 JPM Japan 'C' Net	29,087	0.50
2,023 M&G Japan 'I' Sterling	57,271	0.99
251 Man GLG Japan CoreAlpha Equity 'I' GBP	52,276	0.90
Total Japan	<u>138,634</u>	<u>2.39</u>
<b>NORTH AMERICA (30 April 2022 - 9.79%)</b>		
25,583 GQG Partners US Equity 'I' GBP	353,302	6.12
632 iShares Core S&P 500 UCITS ETF USD <sup>A</sup>	219,468	3.80
6,927 iShares MSCI USA Quality Dividend UCITS ETF USD <sup>A</sup>	240,575	4.16
949 Lyxor Russell 1000 Growth UCITS ETF <sup>A</sup>	227,409	3.94
Total North America	<u>1,040,754</u>	<u>18.02</u>
<b>UK GILTS (30 April 2022 - 3.91%)</b>		
18,008 iShares Core UK Gilts UCITS ETF GBP <sup>A</sup>	193,181	3.34
486 iShares UK Gilts 0-5yr UCITS ETF GBP <sup>A</sup>	61,056	1.06
Total UK Gilts	<u>254,237</u>	<u>4.40</u>
<b>STERLING CORPORATE BOND (30 April 2022 - 3.91%)</b>		
212,395 Man GLG Sterling Corporate Bond 'Inst'	178,051	3.08
Total Sterling Corporate Bond	<u>178,051</u>	<u>3.08</u>
<b>STERLING STRATEGIC BOND (30 April 2022 - 5.17%)</b>		
200,039 FTF Brandywine Global Income Optimiser 'S' GBP	176,234	3.05
118,128 Royal London Short Duration Credit 'Z'	120,255	2.08
Total Sterling Strategic Bond	<u>296,489</u>	<u>5.13</u>
<b>GLOBAL CORPORATE BOND (30 April 2022 - 3.45%)</b>		
1,479 iShares Global High Yield Corp Bond GBP Hedged UCITS ETF <sup>A</sup>	122,091	2.11
2,106 Vanguard Global Credit Bond GBP Hedged	214,490	3.71
Total Global Corporate Bond	<u>336,581</u>	<u>5.82</u>

## IFSL MARLBOROUGH CAUTIOUS FUND

### PORTFOLIO STATEMENT

as at 31 October 2022

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>GLOBAL GOVERNMENT BOND</b> (30 April 2022 - Nil)		
56,782 iShares Global Govt Bond UCITS ETF USD <sup>A</sup>	210,405	3.65
Total Global Government Bond	<u>210,405</u>	<u>3.65</u>
<b>GLOBAL MIXED BOND</b> (30 April 2022 - 4.20%)		
224,552 M&G Global Macro Bond 'I' Sterling	337,232	5.84
Total Global Mixed Bond	<u>337,232</u>	<u>5.84</u>
<b>USD CORPORATE BOND</b> (30 April 2022 - 5.87%)		
99,813 iShares \$ Floating Rate Bond UCITS ETF USD <sup>A</sup>	430,828	7.46
Total USD Corporate Bond	<u>430,828</u>	<u>7.46</u>
<b>TARGETED ABSOLUTE RETURN</b> (30 April 2022 - Nil)		
1,037 TM Fulcrum Diversified Core Absolute Return 'C' GBP	126,744	2.19
Total Targeted Absolute Return	<u>126,744</u>	<u>2.19</u>
<b>USD GOVERNMENT BOND</b> (30 April 2022 - 5.14%)		
<b>COMMODITIES AND NATURAL RESOURCES</b> (30 April 2022 - 3.12%)		
5,501 Xtrackers IE Physical Gold ETC Securities <sup>A</sup>	120,687	2.10
Total Commodities and Natural Resources	<u>120,687</u>	<u>2.10</u>
<b>INFRASTRUCTURE</b> (30 April 2022 - 4.40%)		
115,378 IFSL Marlborough Global Essential Infrastructure 'X'	119,878	2.08
115,116 M&G Global Listed Infrastructure 'I' Sterling	177,958	3.08
Total Infrastructure	<u>297,836</u>	<u>5.16</u>
<b>SHORT TERM MONEY MARKET</b> (30 April 2022 - 5.78 %)		
249,850 Royal London Short-Term Money Market 'Y'	257,182	4.45
Total Short Term Money Market	<u>257,182</u>	<u>4.45</u>
<b>Portfolio of investments</b>	5,474,737	94.77
<b>Net other assets</b>	302,242	5.23
<b>Total net assets</b>	<u>5,776,979</u>	<u>100.00</u>

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

### PORTFOLIO TRANSACTIONS

for the six month period ended 31 October 2022

	£
Total purchases costs, including transaction charges	3,385,874
Total sales proceeds, net of transaction charges	3,850,746

**IFSL MARLBOROUGH CAUTIOUS FUND**

**STATEMENT OF TOTAL RETURN**

for the six month period ended 31 October 2022

	31 October 2022		31 October 2021	
	£	£	£	£
Income:				
Net capital (losses)/gains		(344,118)		80,882
Revenue	57,882		74,547	
Expenses	<u>(43,088)</u>		<u>(48,374)</u>	
Net revenue before taxation	14,794		26,173	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>14,794</u>		<u>26,173</u>
Total return before distributions		(329,324)		107,055
Distributions		(48,782)		(64,140)
Change in net assets attributable to unitholders from investment activities		<u><u>(378,106)</u></u>		<u><u>42,915</u></u>

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

for the six month period ended 31 October 2022

	31 October 2022		31 October 2021	
	£	£	£	£
Opening net assets attributable to unitholders		<sup>A</sup> 6,734,685		7,343,532
Amounts receivable on issue of units	27,424		293,457	
Amounts payable on cancellation of units	<u>(628,557)</u>		<u>(308,917)</u>	
		(601,133)		(15,460)
Dilution adjustment		162		26
Change in net assets attributable to unitholders from investment activities		(378,106)		42,915
Retained distribution on accumulation units		21,371		31,970
Closing net assets attributable to unitholders		<u><u>5,776,979</u></u>	<sup>A</sup>	<u><u>7,402,983</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 CAUTIOUS FUND

### BALANCE SHEET

as at 31 October 2022

	31 October 2022 £	30 April 2022 £
<b>Assets:</b>		
<b>Fixed Assets:</b>		
Investments	5,474,737	6,256,711
<b>Current Assets:</b>		
Debtors	69,462	15,202
Cash and bank balances	290,343	500,330
Total assets	<u>5,834,542</u>	<u>6,772,243</u>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable on income units	25,172	22,267
Other creditors	32,391	15,291
Total liabilities	<u>57,563</u>	<u>37,558</u>
<b>Net assets attributable to unitholders</b>	<u><u>5,776,979</u></u>	<u><u>6,734,685</u></u>

### NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six month period ended 31 October 2022

#### Basis for preparation

The interim financial statements have been prepared in compliance with Financial Reporting Standard (FRS) 102 and in accordance with the Statement of Recommended Practice (SORP) for UK Authorised Funds issued by the Investment Management Association (renamed to 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 30 April 2022 and are described in those annual financial statements.

The investments of the Fund have been valued at their fair value at close of business on 31 October 2022.

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member of The Investment Association.